

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED

(Incorporated in the Republic of Singapore on 11 January 2018)
(Company Registration Number: 201801590R)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE (“FY”) 2024

This announcement has been reviewed by the Company’s Sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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Background

ST Group Food Industries Holdings Limited (the “**Company**”, and together with its subsidiaries, “**ST Group**” or the “**Group**”) was incorporated in the Republic of Singapore on 11 January 2018 and was listed on the Catalist Board of the SGX-ST (“**Catalist**”) on 3 July 2019. ST Group was formed pursuant to a restructuring exercise (the “**Restructuring Exercise**”) undertaken as part of its corporate re-organisation, which involved the rationalisation of its corporate and shareholding structure for the purposes of the Company’s listing on Catalist. Please refer to the Company’s Offer Document dated 26 June 2019 (the “Offer Document”) for further details on the Restructuring Exercise.

Founded in 2011, ST Group holds the exclusive franchise and licence rights to six internationally popular food and beverage (“**F&B**”) brands, namely, “PappaRich”, “NeNe Chicken”, “Gong Cha”, “Hokkaido Baked Cheese Tart”, “IPPUDO” and “iDarts”, in various territories. The Group has developed two of its own brand concepts, “PAFU” and “KURIMU”, which were launched in December 2017 and July 2019, respectively. In March 2022, the Group completed the acquisition of “PappaRich” trademark rights in Australia and New Zealand. In June 2023, the Group opened a joint-venture Asian supermarket under the brand “Maita”. ST Group also ventured into a new brand “Homm” in late November 2023.

ST Group operates in the key geographical markets of Australia, New Zealand and United Kingdom through four main business segments – (i) F&B retail sales under the various brands through outlets owned and operated by the Group (“F&B Retail”), (ii) the sub-franchising and sub-licensing of brands to sub-franchisees and sub-licensees (“Franchise”), (iii) the sale of F&B ingredients and other supplies to its franchise network through its Central Kitchen (“Supply Chain”); and (iv) receipt of machine income from electronic dart machines installed at sub-franchised “iDarts” outlets (“Others”).

As at 30 June 2024, ST Group has a network of 178 outlets comprising 49 Group-owned outlets, 2 joint venture outlets and 127 outlets owned and operated by its sub-franchisees and sub-licensees across its key geographical markets.

Number of outlets by brands (as at the end of the financial year)

	FY2024			FY2023		
	Owned	Joint Venture	Sub-franchised/ sub-licensed	Owned	Joint Venture	Sub-franchised/ sub-licensed
PappaRich						
- Australia	6	-	30	8	-	25
- New Zealand	-	-	2	-	-	4
NeNe Chicken						
- Australia	4	-	39	4	-	36
- New Zealand	1	-	-	-	-	-
Gong Cha						
- New Zealand	12	-	18	11	-	16
- United Kingdom	5	1	7	5	1	7
Hokkaido Baked Cheese Tart						
- Australia	6	-	15	5	-	12
iDarts						
- Australia	-	-	3	-	-	4
PAFU						
- Australia	3	-	5	4	-	4
IPPUDO						
- Australia	3	-	-	3	-	-
- New Zealand	2	-	-	2	-	-
KURIMU						
- Australia	5	-	7	5	-	7
Maita						
- Australia	-	1	-	-	1	-
Homm						
- Australia	2	-	1	-	-	-
Total	49	2	127	47	2	115

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A. Condensed interim consolidated statements of comprehensive income

Note	Group						
	2H FY2024 ⁽¹⁾	2H FY2023 ⁽²⁾	Increase/ (Decrease)	FY2024	FY2023	Increase/ (Decrease)	
	(AUD)	(AUD)	%	(AUD)	(AUD)	%	
	(Unaudited)	(Unaudited)		(Unaudited)	(Audited)		
Revenue	4	33,368,530	32,532,698	2.6%	69,046,647	65,811,128	4.9%
Other income		900,605	1,216,176	(25.9%)	1,970,359	2,568,681	(23.3)%
Expenses							
Changes in inventories		(255,064)	(127,128)	NM	(320,275)	383,228	NM
Purchases of inventories		(9,650,791)	(9,528,691)	1.3%	(20,619,164)	(20,696,835)	(0.4)%
Franchise restaurants and stores related establishment costs		(23,607)	(811,164)	(97.1%)	(534,406)	(846,794)	(36.9)%
Rental expenses		(924,373)	(693,338)	33.3%	(1,542,614)	(1,175,939)	31.2%
Staff costs		(12,996,236)	(12,408,607)	4.7%	(25,739,808)	(24,556,392)	4.8%
Depreciation expense							
- Property, plant and equipment		(1,473,566)	(1,478,025)	(0.3%)	(2,973,704)	(2,985,667)	(0.4)%
- Right-of-use assets		(2,846,796)	(2,579,098)	10.4%	(5,603,124)	(5,095,294)	10.0%
Amortisation of intangible assets		(221,337)	(205,220)	7.9%	(408,664)	(412,054)	(0.8)%
Finance costs							
- Lease liabilities		(654,373)	(640,375)	2.2%	(1,335,734)	(1,366,044)	(2.2)%
- Borrowings and others		(49,686)	(39,997)	24.2%	(86,774)	(52,104)	66.5%
(Impairment losses)/Write back of impairment losses on							
- Trade and other receivables		(76,758)	31,558	NM	(76,758)	31,558	NM
- Property, plant and equipment		(840,014)	(89,334)	NM	(840,014)	(89,334)	NM
Impairment losses on intangible assets		(350,000)	-	NM	(350,000)	-	NM
Other expenses		(4,385,030)	(4,532,234)	(3.2%)	(8,936,329)	(8,559,841)	4.4%
Share of results of associated company		-	(6,236)	NM	(3,699)	(439)	NM
Share of results of joint venture		(6,120)	10,822	NM	23,237	(7,820)	NM
(Loss)/profit before tax		(484,616)	651,807	NM	1,669,176	2,950,038	(43.4)%
Tax expense	6	(293,196)	(292,400)	0.3%	(1,153,363)	(1,086,358)	6.2%
(Loss)/profit for the period/year	5	(777,812)	359,407	NM	515,813	1,863,680	(72.3)%
Other comprehensive (loss)/income							
<i>Item that is or may be reclassified subsequently to profit or loss:</i>							
- Currency translation differences on consolidation		(86,633)	(114,138)	(24.1%)	8,405	(100,467)	NM
Total comprehensive (loss)/income for the period/year		(864,445)	245,269	NM	524,218	1,763,213	(70.3)%
(Loss)/profit attributable to:							
Equity holders of the Company		(499,521)	432,697	NM	858,979	1,963,746	(56.3)%
Non-controlling interests		(278,291)	(73,290)	NM	(343,166)	(100,066)	NM
(Loss)/profit for the period/year		(777,812)	359,407	NM	515,813	1,863,680	(72.3)%
Total comprehensive (loss)/income attributable to:							
Equity holders of the Company		(586,154)	318,559	NM	867,384	1,863,279	(53.4)%
Non-controlling interests		(278,291)	(73,290)	NM	(343,166)	(100,066)	NM
Total comprehensive (loss)/income for the period/year		(864,445)	245,269	NM	524,218	1,763,213	(70.3)%

		Group				
Note	2H FY2024 ⁽¹⁾	2H FY2023 ⁽²⁾	Increase/ (Decrease)	FY2024 (AUD)	FY2023 (AUD)	Increase/ (Decrease)
	(AUD)	(AUD)	%	(Unaudited)	(Audited)	%
	<u>(Unaudited)</u>	<u>(Unaudited)</u>		<u>(Unaudited)</u>	<u>(Audited)</u>	

**(Loss)/earnings per share for
(loss)/profit attributable to
the equity holders of the
Company**

Basic and diluted (cents)	7	<u>(0.20)</u>	0.18	NM	<u>0.35</u>	0.80	(56.3%)
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NM: Not meaningful

Notes:

(1) "2H FY2024" refers to six months period ended 30 June 2024

(2) "2H FY2023" refers to six months period ended 30 June 2023

B. Condensed interim statements of financial position

	Note	Group		Company	
		As at	As at	As at	As at
		30 June 2024 (AUD) (Unaudited)	30 June 2023 (AUD) (Audited)	30 June 2024 (AUD) (Unaudited)	30 June 2023 (AUD) (Audited)
ASSETS					
Non-current assets					
Property, plant and equipment	10	9,797,310	11,361,647	-	-
Right-of-use assets	11	19,518,717	19,273,587	-	-
Intangible assets	12	2,030,015	2,589,749	-	-
Investment in subsidiaries	13	-	-	20,880,053	20,841,811
Investment in associated company		-	29,970	-	-
Investment in joint venture		648,322	275,086	-	-
Deferred tax asset		2,329,720	2,512,536	102,000	280,000
Fixed deposits		2,814,058	2,937,790	-	-
Trade and other receivables		1,042,418	1,140,490	-	-
Total non-current assets		38,180,560	40,120,855	20,982,053	21,121,811
Current assets					
Contract assets		414,131	424,376	-	-
Inventories		3,253,295	3,573,570	-	-
Trade and other receivables		5,999,173	5,660,609	12,956,470	11,959,510
Financial assets at fair value through profit or loss	8	100,000	100,000	100,000	100,000
Cash and bank balances		9,940,356	7,326,436	2,485,743	829,718
Total current assets		19,706,955	17,084,991	15,542,213	12,889,228
Total assets		57,887,515	57,205,846	36,524,266	34,011,039
EQUITY AND LIABILITIES					
Equity					
Share capital	14	59,008,315	57,200,620	59,008,315	57,200,620
Treasury shares		(144,545)	(48,253)	(144,545)	(48,253)
Other reserves		(40,733,145)	(40,741,550)	(479,202)	(479,202)
Retained earnings		4,239,857	4,608,892	(22,394,075)	(23,020,615)
Equity attributable to equity holders of the Company, total		22,370,482	21,019,709	35,990,493	33,652,550
Non-controlling interests		(694,641)	(350,574)	-	-
Total equity		21,675,841	20,669,135	35,990,493	33,652,550
Non-current liabilities					
Lease liabilities	11	18,525,183	18,537,919	-	-
Contract liabilities		1,247,961	1,388,436	-	-
Total non-current liabilities		19,773,144	19,926,355	-	-
Current liabilities					
Trade and other payables		7,800,512	7,974,849	533,773	358,461
Contract liabilities		877,365	847,717	-	-
Borrowings	15	1,774,561	1,566,710	-	-
Lease liabilities	11	5,356,934	5,711,188	-	-
Tax payable		629,158	509,892	-	28
Total current liabilities		16,438,530	16,610,356	533,773	358,489
Total liabilities		36,211,674	36,536,711	533,773	358,489
Total equity and liabilities		57,887,515	57,205,846	36,524,266	34,011,039

B. Condensed interim statements of financial position (Cont'd)

B(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

Amount repayable in one year or less, or on demand

	As at 30 June 2024 (AUD)		As at 30 June 2023 (AUD)	
	Secured	Unsecured	Secured	Unsecured
Borrowings	1,720,017	54,544	1,511,946	54,764
Equipment finance lease classified as lease liabilities	72,007	-	38,353	-

Amount repayable after one year

	As at 30 June 2024 (AUD)		As at 30 June 2023 (AUD)	
	Secured	Unsecured	Secured	Unsecured
Borrowings	-	-	-	-
Equipment finance lease classified as lease liabilities	88,046	-	35,874	-

Details of any collateral

As at 30 June 2024, the Group's borrowings of approximately A\$1.8 million were secured over corporate guarantees, all assets and certain fixed deposits of certain subsidiaries. Please refer to Note 15 for more details on the Group's secured bank loans.

C. Condensed interim statements of changes in equity

Group	Share capital (AUD)	Treasury shares (AUD)	Other reserves (AUD)	Retained earnings (AUD)	Equity attributable to equity holders of the Company (AUD)	Non- controlling interests (AUD)	Total equity (AUD)
At 1 July 2023	57,200,620	(48,253)	(40,741,550)	4,608,892	21,019,709	(350,574)	20,669,135
Profit/(loss) for the year	-	-	-	858,979	858,979	(343,166)	515,813
Other comprehensive income							
Currency translation differences on consolidation	-	-	8,405	-	8,405	-	8,405
Other comprehensive income for the financial year, net of tax	-	-	8,405	-	8,405	-	8,405
Total comprehensive income/(loss) for the year	-	-	8,405	858,979	867,384	(343,166)	524,218
<i>Transactions with owners recognised directly in equity</i>							
Issue of ordinary shares	1,807,695	-	-	-	1,807,695	4,949	1,812,644
Purchases of treasury shares	-	(96,292)	-	-	(96,292)	-	(96,292)
Dividends	-	-	-	(1,228,014)	(1,228,014)	(5,850)	(1,233,864)
At 30 June 2024 (Unaudited)	59,008,315	(144,545)	(40,733,145)	4,239,857	22,370,482	(694,641)	21,675,841

Group	Share capital (AUD)	Treasury shares (AUD)	Other reserves (AUD)	Retained earnings (AUD)	Equity attributable to equity holders of the Company (AUD)	Non- controlling interests (AUD)	Total equity (AUD)
At 1 July 2022	57,200,620	(48,253)	(40,641,083)	3,454,129	19,965,413	(340,508)	19,624,905
Profit/(loss) for the year	-	-	-	1,963,746	1,963,746	(100,066)	1,863,680
Other comprehensive loss							
Currency translation differences on consolidation	-	-	(100,467)	-	(100,467)	-	(100,467)
Other comprehensive loss for the financial year, net of tax	-	-	(100,467)	-	(100,467)	-	(100,467)
Total comprehensive (loss)/income for the year	-	-	(100,467)	1,963,746	1,863,279	(100,066)	1,763,213
<i>Transactions with owners recognised directly in equity</i>							
Dividends	-	-	-	(808,983)	(808,983)	-	(808,983)
<i>Changes in ownership interest in subsidiaries</i>							
Capital contributions from non-controlling interest in subsidiaries	-	-	-	-	-	90,000	90,000
At 30 June 2023 (Audited)	57,200,620	(48,253)	(40,741,550)	4,608,892	21,019,709	(350,574)	20,669,135

Company	Share Capital (AUD)	Treasury shares (AUD)	Other reserves (AUD)	Retained earnings (AUD)	Total equity (AUD)
At 1 July 2023	57,200,620	(48,253)	(479,202)	(23,020,615)	33,652,550
Profit and total comprehensive profit for the financial year	-	-	-	1,854,554	1,854,554
Issue of ordinary shares	1,807,695	-	-	-	1,807,695
Purchases of treasury shares	-	(96,292)	-	-	(96,292)
Dividends	-	-	-	(1,228,014)	(1,228,014)
At 30 June 2024 (Unaudited)	59,008,315	(144,545)	(479,202)	(22,394,075)	35,990,493
At 1 July 2022	57,200,620	(48,253)	(479,202)	(23,738,248)	32,934,917
Profit and total comprehensive profit for the financial year	-	-	-	1,526,616	1,526,616
Dividends	-	-	-	(808,983)	(808,983)
At 30 June 2023 (Audited)	57,200,620	(48,253)	(479,202)	(23,020,615)	33,652,550

D. Condensed interim consolidated statement of cash flows

Note	Group	
	FY2024	FY2023
	(AUD) (Unaudited)	(AUD) (Audited)
Cash flows from operating activities		
Profit before tax	1,669,176	2,950,038
<u>Adjustments for:-</u>		
Depreciation		
- Property, plant and equipment	2,973,704	2,985,667
- Right-of-use assets	5,603,124	5,095,294
Amortisation	408,664	412,054
Gain on disposal of Group-owned outlets	(126,771)	(704,089)
Gain on disposal of investment in associate	(6,368)	-
Loss/(gain) on disposal of property, plant and equipment	26,985	(7,032)
Gain on lease termination	(57,201)	-
Impairment losses on/(write back of provision of)		
- Trade and other receivables	76,758	(31,558)
- Property, plant and equipment	840,014	89,334
Interest income	(115,349)	(74,083)
Interest expenses	1,422,508	1,418,148
Impairment losses on intangible asset	350,000	-
Property, plant and equipment written off	14,390	102,125
Rent concessions from lessors	(100,161)	(494,642)
Share of results from associated company	3,699	439
Share of results from joint venture	(23,237)	7,820
Unrealised exchange loss/(gain)	51,430	(320,740)
Operating cash flow before working capital changes	13,011,365	11,428,775
Inventories	320,275	(383,228)
Receivables and contract assets	459,947	(631,811)
Payables and contract liabilities	(325,472)	1,947,470
Currency translation adjustments	44,838	(219,534)
Cash generated from operations	13,510,953	12,141,672
Income tax paid	(852,638)	(626,678)
Net cash generated from operating activities	12,658,315	11,514,994
Cash flows from investing activities		
Capital reduction in investments in associate	-	15,968
Dividends received from an associated company	26,240	-
Redemption of financial assets at fair value through profit or loss	-	100,000
Interest received	90,553	43,522
Incorporation of joint venture	-	(95)
Subscription money paid for investment in joint venture	(350,000)	(200,000)
Advances to joint venture	(742,156)	(443,163)
Proceeds from disposal of associated company	6,400	-
Proceeds from disposal of Group-owned outlets	160,000	919,800
Proceeds from disposal of property, plant and equipment	21,336	10,091
Purchases of intangible assets	(198,824)	(148,206)
Purchases of property, plant and equipment	(2,505,913)	(3,358,737)
Net cash used in investing activities	(3,492,364)	(3,060,820)

Note	Group	
	FY2024	FY2023
	(AUD)	(AUD)
	(Unaudited)	(Audited)
Cash flows from financing activities		
Upfront payment for right-of-use assets	(12,333)	(13,220)
Lease incentives received	184,887	124,984
Proceeds from borrowings	379,000	1,154,539
Repayment of borrowings	(170,690)	(1,900,447)
Repayment of lease liabilities	(6,040,232)	(5,753,060)
Advances from related parties/non-controlling interests	130,923	237,715
Repayment to related parties/non-controlling interests	(142,042)	(78,285)
Capital contribution from non-controlling interest in a subsidiary company	4,949	90,000
Dividends paid to shareholders	(1,228,014)	(808,983)
Dividends paid to non-controlling interests	(5,850)	-
Interest paid	(1,459,327)	(1,469,832)
Decrease/(increase) in fixed deposits pledged	123,732	(449,628)
Purchases of treasury shares	(96,292)	-
Proceeds from issue of ordinary shares	1,807,695	-
Net cash used in financing activities	(6,523,594)	(8,866,217)
Net increase/(decrease) in cash and cash equivalents	2,642,357	(412,043)
Cash and cash equivalents at beginning of the financial year	7,326,436	7,761,188
Effect of exchange rate changes on cash and cash equivalents	(28,437)	(22,709)
Cash and cash equivalents at end of the financial year	9,940,356	7,326,436

For purpose of presenting the Group's consolidated statements of cash flows, the consolidated cash and cash equivalents comprise the following:-

Cash and bank balances	2,814,058	7,326,436
Fixed deposits	9,940,356	2,937,790
	12,754,414	10,264,226
Less: Fixed deposits (pledged)	(2,814,058)	(2,937,790)
Cash and cash equivalents	9,940,356	7,326,436

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

ST Group Food Industries Holdings Pte. Ltd. (the “**Company**”) (Co. Reg. No. 201801590R) was incorporated in Singapore on 11 January 2018 for the purpose of acquiring the existing companies pursuant to the restructuring exercise on the preparation of the listing of the Company. On 10 June 2019, the Company was converted into a public company limited by shares and changed its name to ST Group Food Industries Holdings Limited. The Company was listed on Catalist of the SGX-ST on 3 July 2019. These condensed interim consolidated financial statements as at and for the six months and full year ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The registered office of the Company is at 16 Raffles Quay #17-03 Hong Leong Building Singapore 048581.

The principal activities of the Group consist of (i) F&B Retails; (ii) Franchise; (iii) Supply Chain; and (iv) Others.

2. Basis of preparation

The condensed interim consolidated financial statements for the six months and full year ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain 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 annual financial statements for the year ended 30 June 2023.

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 2.1.

The condensed interim consolidated financial statements are presented in Australian dollar which is the Company’s functional currency.

2.1 New and revised standards adopted by the Group

In the current financial year, the Group has adopted all the new and revised SFRS(I) and Interpretations of SFRS(I) (“**SFRS(I) INT**”) that are relevant to its operations and effective for the current financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company.

2.2 Use of estimates and judgements

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 expense. Actual results may differ from these estimates.

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 applied to the consolidated financial statements as at and for the year ended 30 June 2024.

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 businesses are not affected significantly by seasonal or cyclical factors during the financial year.

4. Segment and revenue information

The Group is organised into the following main business segments:

- F & B Retails;
- Supply Chain;
- Franchise; and
- Others

These operating segments are reported in a manner consistent with internal reporting provided to the Company's Executive Chairman and Chief Executive Officer, Mr Saw Tatt Ghee who is responsible for allocating resources and assessing performance of the Group's operating segments.

4.1 Reportable segment

FY2024 (Unaudited)

	F & B Retails (AUD)	Supply Chain (AUD)	Franchise (AUD)	Others (AUD)	Eliminations (AUD)	Consolidation total (AUD)
Segment revenue						
Sales to external customers	46,364,513	14,529,987	7,873,755	278,392	-	69,046,647
Intersegment sales	-	6,607,660	1,147,315	-	(7,754,975)	-
Total revenue	46,364,513	21,137,647	9,021,070	278,392	(7,754,975)	69,046,647
Share of results of associated company	-	-	-	(3,699)	-	(3,699)
Share of results of joint venture	-	-	-	23,237	-	23,237
Tax expense	(306,850)	(310,744)	(367,048)	(168,721)	-	(1,153,363)
Segment profit/(loss) for the year	(1,184,661)	843,745	685,159	1,599,394	(1,427,823)	515,813
Other significant non-cash expense:						
Depreciation of property, plant and equipment and amortisation of intangible assets	2,719,315	252,638	336,790	109,507	(35,882)	3,382,368
Depreciation of right-of-use assets	4,850,684	673,876	61,751	-	16,813	5,603,124
Property, plant and equipment written off	14,391	-	-	-	-	14,391
Impairment losses on property, plant and equipment	840,014	-	-	-	-	840,014
Impairment losses on intangible asset	-	-	-	350,000	-	350,000
Impairment losses on trade and other receivables	4,311	-	72,447	-	-	76,758
Interest expense	1,069,111	294,167	80,679	50,000	(71,449)	1,422,508
Interest income	(105,821)	-	(1,219)	(79,758)	71,449	(115,349)
Gain on disposal of Group-owned outlets	(126,771)	-	-	-	-	(126,771)
Gain on disposal of investment in associate	-	-	-	(6,368)	-	(6,368)
Gain on termination of leases	(57,201)	-	-	-	-	(57,201)
Loss on disposal of property, plant and equipment	26,985	-	-	-	-	26,985
Segment assets	35,852,797	13,603,040	13,299,095	66,001,707	(72,853,903)	55,902,736
Unallocated assets						1,984,779
Total assets						57,887,515
Segment assets include additions to:						
- Property, plant and equipment	2,298,485	166,029	41,399	-	-	2,505,913
- Right-of-use assets	5,576,570	94,383	-	-	-	5,670,953
- Intangible assets	5,000	-	198,824	-	(5,000)	198,824
- Investment in joint venture	-	-	-	350,000	-	350,000
Segment liabilities	37,956,865	6,274,405	10,479,747	29,712,966	(49,295,749)	35,128,234
Unallocated liabilities						1,083,440
Total liabilities						36,211,674

FY2023 (Audited)

	F & B Retails (AUD)	Supply Chain (AUD)	Franchise (AUD)	Others (AUD)	Eliminations (AUD)	Consolidation total (AUD)
Segment revenue						
Sales to external customers	45,122,107	13,200,237	7,253,198	235,586	-	65,811,128
Intersegment sales	-	6,914,157	1,382,639	-	(8,296,796)	-
Total revenue	45,122,107	20,114,394	8,635,837	235,586	(8,296,796)	65,811,128
Share of results of associated company	-	-	-	(439)	-	(439)
Share of results of joint venture	-	-	-	(7,820)	-	(7,820)
Tax expense	(701,559)	(29,364)	(215,333)	(140,102)	-	(1,086,358)
Segment profit/(loss) for the year	(96,616)	235,069	1,187,495	1,463,245	(925,513)	1,863,680
Other significant non-cash expense:						
Depreciation of property, plant and equipment and amortisation of intangible assets	2,686,955	248,015	388,419	105,991	(31,659)	3,397,721
Depreciation of right-of-use assets	4,318,499	662,792	114,003	-	-	5,095,294
Property, plant and equipment written off	83,409	17,986	730	-	-	102,125
Impairment losses on property, plant and equipment	89,334	-	-	-	-	89,334
Impairment losses/(write back) on financial assets	(10,670)	(75,481)	51,382	3,211	-	(31,558)
Interest expense	1,012,348	372,668	66,518	127,178	(160,564)	1,418,148
Interest income	(62,897)	-	(987)	(170,763)	160,564	(74,083)
Gain on disposal of Group-owned outlets	(704,089)	-	-	-	-	(704,089)
Gain on disposal of property, plant and equipment	(7,032)	-	-	-	-	(7,032)
Segment assets	36,770,509	15,330,862	12,703,775	59,887,855	(69,216,425)	55,476,576
Unallocated assets						1,729,270
Total assets						57,205,846
Segment assets include additions to:						
- Property, plant and equipment	3,283,411	4,432	70,894	-	-	3,358,737
- Right-of-use assets	4,512,599	71,500	-	-	-	4,584,099
- Intangible assets	-	-	148,206	-	-	148,206
- Investment in joint venture	-	-	-	95	-	95
Segment liabilities	36,825,827	7,155,770	8,543,810	29,364,053	(46,613,279)	35,276,181
Unallocated liabilities						1,260,530
Total liabilities						36,536,711

2H FY2024 (Unaudited)

	F & B Retail (AUD)	Supply Chain (AUD)	Franchise (AUD)	Others (AUD)	Eliminations (AUD)	Consolidation total (AUD)
Segment revenue						
Sales to external customers	23,168,592	6,615,483	3,448,346	136,109	-	33,368,530
Intersegment sales	-	3,101,145	330,693	-	(3,431,838)	-
Total revenue from continuing operations	<u>23,168,592</u>	<u>9,716,628</u>	<u>3,779,039</u>	<u>136,109</u>	<u>(3,431,838)</u>	<u>33,368,530</u>
Share of results of joint venture	-	-	-	(6,120)	-	(6,120)
Tax expense	(195,427)	23,757	(33,711)	(87,815)	-	(293,196)
(Loss)/profit for the period	<u>(555,865)</u>	<u>24,844</u>	<u>(279,262)</u>	<u>430,524</u>	<u>(398,053)</u>	<u>(777,812)</u>
Other significant non-cash expense:						
Depreciation of property, plant and equipment and amortisation of intangible assets	1,331,274	130,738	193,093	54,567	(14,769)	1,694,903
Depreciation of right-of-use assets	2,461,473	369,784	12,183	-	3,356	2,846,796
Property, plant and equipment write back	(168)	-	-	-	-	(168)
Impairment losses on property, plant and equipment	840,014	-	-	-	-	840,014
Impairment losses on intangible asset	-	-	-	350,000	-	350,000
Impairment losses on trade and other receivables	4,311	-	72,447	-	-	76,758
Interest expense	522,169	143,828	47,962	25,000	(34,900)	704,059
Interest income	(48,130)	-	(579)	(42,175)	34,900	(55,985)
Segment assets	35,852,797	13,603,040	13,299,095	66,001,707	(72,853,903)	55,902,736
Unallocated assets						1,984,779
Total assets						<u>57,887,515</u>
Segment assets include additions to:						
- Property, plant and equipment	253,214	149,099	25,686	-	-	427,999
- Right-of-use assets	1,044,083	30,691	-	-	-	1,074,774
- Intangible assets	5,000	-	45,880	-	(5,000)	45,880
- Investment in joint venture	-	-	-	350,000	-	350,000
Segment liabilities	37,956,865	6,274,405	10,479,747	29,712,966	(49,295,749)	35,128,234
Unallocated liabilities						1,083,440
Total liabilities						<u>36,211,674</u>

2H FY2023 (Unaudited)

	F & B Retail (AUD)	Supply Chain (AUD)	Franchise (AUD)	Others (AUD)	Eliminations (AUD)	Consolidation total (AUD)
Segment revenue						
Sales to external customers	21,990,106	6,296,194	4,109,143	137,255	-	32,532,698
Intersegment sales	-	3,446,660	990,834	-	(4,437,494)	-
Total revenue from continuing operations	<u>21,990,106</u>	<u>9,742,854</u>	<u>5,099,977</u>	<u>137,255</u>	<u>(4,437,494)</u>	<u>32,532,698</u>
Share of results of associated company	-	-	-	(6,236)	-	(6,236)
Share of results of joint venture	-	-	-	10,822	-	10,822
Tax (expense)/credit	(829,689)	418,036	189,397	(70,144)	-	(292,400)
Net (loss)/profit from continuing operations, net of tax	(1,994,637)	662,284	1,201,785	601,948	(111,973)	<u>359,407</u>
Profit for the period						<u><u>359,407</u></u>
Other significant non-cash expense:						
Depreciation of property, plant and equipment and amortisation of intangible assets	1,309,676	128,510	216,083	53,622	(24,646)	1,683,245
Depreciation of right-of-use assets	2,145,398	329,147	104,553	-	-	2,579,098
Property, plant and equipment written off	80,987	17,986	730	-	-	99,703
Impairment losses on property, plant and equipment	89,334	-	-	-	-	89,334
Impairment losses on trade and other receivable	(10,670)	(75,481)	51,382	3,211	-	(31,558)
Interest expense	500,733	142,597	43,122	77,069	(83,149)	680,372
Interest income	(13,450)	-	(964)	(90,772)	88,099	(17,087)
Gain on disposal of Group-owned outlets	(310,513)	-	-	-	-	(310,513)
Gain on disposal of property, plant and equipment	(7,031)	-	-	-	-	(7,031)
Segment assets	36,770,509	15,330,862	12,703,775	60,036,516	(69,365,086)	55,476,576
Unallocated assets						<u>1,729,270</u>
Total assets						<u><u>57,205,846</u></u>
Segment assets include additions to:						
- Property, plant and equipment	1,593,896	4,432	70,894	-	-	1,669,222
- Right-of-use assets	2,649,550	-	-	-	-	2,649,550
- Intangible assets	-	-	78,206	-	-	78,206
- Investment in joint venture	-	-	-	95	(95)	-
Segment liabilities	36,825,827	7,155,770	8,543,810	29,364,053	(46,613,279)	35,276,181
Unallocated liabilities						<u>1,260,530</u>
Total liabilities						<u><u>36,536,711</u></u>

4.2 Disaggregation of revenue

	2H FY2024 AUD (Unaudited)	2H FY2023 AUD (Unaudited)	FY2024 AUD (Unaudited)	FY2023 AUD (Audited)
Sales to external customers				
Australia	24,050,781	23,131,784	49,085,285	47,594,623
New Zealand	7,065,583	6,822,599	15,335,781	13,488,975
United Kingdom	2,252,166	2,578,315	4,625,581	4,727,530
	33,368,530	32,532,698	69,046,647	65,811,128
Timing of revenue recognition				
At a point in time	29,920,183	28,423,555	61,172,892	58,557,930
Over time	3,448,347	4,109,143	7,873,755	7,253,198
	33,368,530	32,532,698	69,046,647	65,811,128

4.3 Information about major customers

The Group did not have any single customer contributing 10% or more to its revenue for FY2024 and FY2023.

5. (Loss)/profit for the period/year

The Group's (loss)/profit for the period/year was arrived at after charging/(crediting) the following:

	2H FY2024 (AUD) (Unaudited)	2H FY2023 (AUD) (Unaudited)	FY2024 (AUD) (Unaudited)	FY2023 (AUD) (Audited)
Impairment losses on property, plant and equipment	840,014	89,334	840,014	89,334
Impairment losses/(Write back of impairment losses) on trade and other receivables	76,758	(31,558)	76,758	(31,558)
Amortisation expense	221,337	205,220	408,664	412,054
Impairment losses on intangible asset	350,000	-	350,000	-
Depreciation expense				
- Property, plant and equipment	1,473,566	1,478,025	2,973,704	2,985,667
- Right-of-use assets	2,846,796	2,579,098	5,603,124	5,095,294
Foreign exchange (gain)/loss	(34,977)	(171,111)	51,430	(320,740)
Gain on disposal of Group-owned outlets	-	(310,513)	(126,771)	(704,089)
Gain on disposal of investment in associate	-	-	(6,368)	-
Gain on lease termination	-	-	(57,201)	-
Loss/(gain) on disposal of property, plant and equipment	-	(7,032)	26,985	(7,032)
Government grants	-	(50,308)	-	(98,675)
Interest income	(55,984)	(17,087)	(115,349)	(74,083)
Property, plant and equipment (write back)/written off	(168)	99,703	14,390	102,125
Rebates from suppliers	(733,833)	(557,663)	(1,437,525)	(1,223,466)
Royalty fees	983,748	1,066,289	2,020,175	1,982,496

6. Tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statements of profit or loss are:

	2H FY2024 (AUD) (Unaudited)	2H FY2023 (AUD) (Unaudited)	FY2024 (AUD) (Unaudited)	FY2023 (AUD) (Audited)
Current year				
- Income tax	321,834	58,510	1,140,156	546,554
- Deferred tax	(54,417)	(3,760)	12,491	307,820
Previous financial year/period				
- (Over)/under provision of income tax	(143,283)	133,408	(168,346)	(37,497)
- Under/(over) provision of deferred tax	118,263	(115,395)	118,263	49,844
Reversal of deferred tax asset	50,799	219,637	50,799	219,637
	<u>293,196</u>	<u>292,400</u>	<u>1,153,363</u>	<u>1,086,358</u>

7. (Loss)/earnings per share

	Group			
	2H FY2024 (Unaudited)	2H FY2023 (Unaudited)	FY2024 (Unaudited)	FY2023 (Audited)
Net (loss)/profit attributable to equity holders of the Company	(499,521)	432,697	858,979	1,963,746
Weighted average number of ordinary shares in issue	247,903,064 ⁽¹⁾	245,602,800	247,903,064 ⁽¹⁾	245,602,800
Basic and diluted earnings per share (AUD cents)	<u>(0.20)</u>	<u>0.18</u>	<u>0.35</u>	<u>0.80</u>

The fully diluted (loss)/earnings per share and basic (loss)/earnings per share are the same because the Company does not have any outstanding convertibles or options.

Note:

⁽¹⁾ Between 26 February 2024 to 5 April 2024, the Company conducted multiple share buyback exercises amounting to 516,400 shares in total and on 22 March 2024, the Company issued 9,382,641 new ordinary shares. These share buybacks and issue of ordinary shares have been factored in arriving at the weighted average number of ordinary shares in issue for 2H FY2024 and FY2024.

8. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities as at 30 June 2024 and 30 June 2023:

	Group		Company	
	As at 30 June 2024 (Unaudited)	As at 30 June 2023 (Audited)	As at 30 June 2024 (Unaudited)	As at 30 June 2023 (Audited)
<i>Financial assets</i>				
Financial assets at amortised cost	18,203,739	15,299,196	15,355,785	12,734,094
Financial assets at fair value through profit or loss	100,000	100,000	100,000	100,000
	<u>18,303,739</u>	<u>15,399,196</u>	<u>15,455,785</u>	<u>12,834,094</u>
<i>Financial liabilities</i>				
At amortised cost	<u>30,276,475</u>	<u>31,271,649</u>	<u>137,080</u>	<u>46,616</u>

Fair value measurement

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss represents the Group's interest in private equity funds that focus on investments in the construction industry. The Group expects to earn returns on the investment by way of distribution of income. Management has assessed the fair value based on the net asset value of the underlying income fund as at 31 December 2023. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

9. Net asset value

	Group		Company	
	As at 30 June 2024 (Unaudited)	As at 30 June 2023 (Audited)	As at 30 June 2024 (Unaudited)	As at 30 June 2023 (Audited)
Net asset value ("NAV") (AUD)	22,370,482	21,019,709	35,990,493	33,652,550
Number of ordinary shares excluding treasury shares	<u>254,469,041</u>	<u>245,602,800</u>	<u>254,469,041</u>	<u>245,602,800</u>
NAV per ordinary share (AUD cents)	<u>8.8</u>	<u>8.6</u>	<u>14.1</u>	<u>13.7</u>

10. Property, plant and equipment

Group	Machinery and equipment (AUD)	Furniture and fittings (AUD)	Office equipment (AUD)	Motor vehicles (AUD)	Renovation (AUD)	Total (AUD)
Cost						
At 1 July 2023	6,546,311	7,941,429	394,267	206,420	13,010,605	28,099,032
Additions	567,890	344,896	122,878	51,121	1,419,128	2,505,913
Sale of Group-owned stores	(198,467)	(61,032)	-	-	(477,925)	(737,424)
Disposal	(199,864)	(683,449)	-	-	-	(883,313)
Write-off	(194,332)	-	-	-	(830,808)	(1,025,140)
Reclassification between categories	5,189	(52,637)	(1,694)	-	49,142	-
Currency translation differences	(5,056)	(8,489)	(82)	(277)	(18,328)	(32,232)
At 30 June 2024	6,521,671	7,480,718	515,369	257,264	13,151,814	27,926,836
Accumulated depreciation and impairment loss						
At 1 July 2023	3,927,781	3,891,593	291,875	125,491	8,500,645	16,737,385
Depreciation charge	575,581	827,610	20,872	16,926	1,532,715	2,973,704
Sale of Group-owned stores	(114,672)	(35,987)	-	-	(402,088)	(552,747)
Disposal	(170,209)	(664,784)	-	-	-	(834,993)
Write-off	(179,942)	-	-	-	(830,808)	(1,010,750)
Reclassification between categories	(673)	217,149	3,273	677	(220,426)	-
Currency translation differences	(2,966)	(8,617)	108	(200)	(11,412)	(23,087)
Impairment loss	-	840,014	-	-	-	840,014
At 30 June 2024	4,034,900	5,066,978	316,128	142,894	8,568,626	18,129,526
Representing:						
Accumulated depreciation	4,009,345	4,226,964	316,128	142,894	8,432,630	17,127,961
Accumulated impairment	25,555	840,014	-	-	135,996	1,001,565
	4,034,900	5,066,978	316,128	142,894	8,568,626	18,129,526
Net carrying value						
At 30 June 2024 (Unaudited)	2,486,771	2,413,740	199,241	114,370	4,583,188	9,797,310

Group	Machinery and equipment (AUD)	Furniture and fittings (AUD)	Office equipment (AUD)	Motor vehicles (AUD)	Renovation (AUD)	Total (AUD)
Cost						
At 1 July 2022	5,406,513	7,321,565	391,349	134,680	11,539,372	24,793,479
Additions	754,039	865,514	4,078	48,227	1,686,879	3,358,737
Sale of Group-owned stores	(338,042)	(173,745)	-	-	(332,408)	(844,195)
Disposal	(10,200)	-	-	-	-	(10,200)
Write-off	(148,111)	(110,914)	(2,295)	(22,858)	(17,609)	(301,787)
Reclassified from right-of-use assets	842,134	-	-	44,227	-	886,361
Currency translation differences	39,978	39,009	1,135	2,144	134,371	216,637
At 30 June 2023	6,546,311	7,941,429	394,267	206,420	13,010,605	28,099,032
Accumulated depreciation and impairment loss						
At 1 July 2022	3,086,548	3,189,516	270,843	88,130	6,991,958	13,626,995
Depreciation charge	520,990	837,129	21,863	18,684	1,587,001	2,985,667
Sale of Group-owned stores	(123,445)	(70,685)	-	-	(222,885)	(417,015)
Disposal	(7,141)	-	-	-	-	(7,141)
Write-off	(108,846)	(76,169)	(1,571)	(13,076)	-	(199,662)
Reclassified from right-of-use assets	526,586	-	-	30,541	-	557,127
Currency translation differences	20,050	11,802	740	1,212	68,276	102,080
Impairment loss	13,039	-	-	-	76,295	89,334
At 30 June 2023	3,927,781	3,891,593	291,875	125,491	8,500,645	16,737,385
Representing:						
Accumulated depreciation	3,854,659	3,891,593	291,875	125,491	8,165,892	16,329,510
Accumulated impairment	73,122	-	-	-	334,753	407,875
	3,927,781	3,891,593	291,875	125,491	8,500,645	16,737,385
Net carrying value						
At 30 June 2023 (Audited)	2,618,530	4,049,836	102,392	80,929	4,509,960	11,361,647

11. Right-of-use assets and lease liabilities

The Group's leasing activities comprise the following:

- (i) The Group leases various food and beverage outlets, central kitchen, office buildings, motor vehicles and plant and equipment from non-related parties. The leases have an average tenure of between 2 to 12 years.
- (ii) In addition, the Group leases certain storage spaces with contractual terms of 12 months or less. These leases are short-term leases. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The Group's obligations are secured by the lessors' title to the leased assets for such leases.

Group	FY2024 (AUD) (Unaudited)	FY2023 (AUD) (Audited)
Amounts recognised in statements of financial position		
<i>Carrying amount of right-of-use assets</i>		
Food and beverage outlets	15,348,784	14,484,680
Central kitchen and office buildings	4,035,814	4,678,301
Plant and equipment	102,974	58,392
Motor vehicles	31,145	52,214
	19,518,717	19,273,587
<i>Carrying amount of lease liabilities</i>		
Current	5,356,934	5,711,188
Non-current	18,525,183	18,537,919
	23,882,117	24,249,107
Additions to right-of-use assets	5,670,953	4,584,099
Disposal of right-of-use assets – Sale of Group-owned stores	900,771	607,869
	900,771	607,869

12. Intangible assets

Group	FY2024 (AUD) (Unaudited)	FY2023 (AUD) (Audited)
Goodwill arising on business combination	595,937	945,937
Franchise rights	1,434,078	1,643,812
	2,030,015	2,589,749

Impairment test for goodwill

Goodwill acquired in business combinations is allocated, to the cash generating units ("CGUs") that are expected to benefit from that business combinations. The carrying value of goodwill has been allocated as follows:

	Group	
	FY2024 (AUD) (Unaudited)	FY2023 (AUD) (Audited)
F & B Retails		
- PPR Ryde (NSW) Pty Ltd	375,783	725,783
- JCT (Chadstone) Pty Ltd	220,154	220,154
	595,937	945,937

Key assumptions used in value-in-use calculation

The recoverable amounts of the CGUs are based on their value-in-use, determined by discounting the pre-tax future cash flows to be generated from the continuing operations of the CGUs. The key assumptions used in the estimation of value-in-use were as follows:

	PPR Ryde (NSW) Pty Ltd		JCT (Chadstone) Pty Ltd	
	FY2024	FY2023	FY2024	FY2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	.. ⁽²⁾	0% growth in year 2024 and 2025 and 2% growth per year thereafter	2% growth in 2026 and years thereafter	2% growth in 2026 and years thereafter ⁽¹⁾
Forecast revenue growth				
Gross profit margin	-	65%	68%	68%
Terminal value growth rate	-	2.0%	1.2%	1.2%
Discount rate	-	14.9%	11.3%	12.0%

The Group's value-in-use calculations used cash flow forecasts covering a five years period. Forecast revenue for the next five years was projected taking into account the average growth levels experienced over the past years and the estimated sales volume and price growth for the next five years. These key inputs and assumptions were estimated by management based on prevailing market, economic and other conditions at the end of the reporting period.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and which is adjusted for the risks specific to the CGUs.

Note:

- (1) FY2025 forecasts for JCT (Chadstone) Pty Ltd are not prepared as the location of the CGU is currently undergoing renovation by the landlord. However, an impairment assessment has been performed and there is no impairment of goodwill.
- (2) Management has performed impairment testing for goodwill as at 30 June 2024 in accordance with SFRS (I) 1-36 Impairment of Assets using the fair value less costs of disposal to determine the recoverable amount of goodwill, following the sale of Papparich Macquarie Centre outlet recorded in the book of PPR Ryde for a cash consideration of AUD 400,000. A Contract for Sale and Purchase of Business was executed on 31 May 2024, and the transaction is currently pending the landlord's approval for the lease transfer. During the current financial year, the Group recognised impairment loss of AUD 350,000 on goodwill.

13. Investment in subsidiaries

Company	FY2024	FY2023
	(AUD)	(AUD)
	(Unaudited)	(Audited)
Unquoted equity shares, at cost		
Balance at beginning/end of the year	40,196,030	40,196,030
Accumulated impairment losses		
Balance at beginning of year	19,354,219	19,354,219
Reversal of impairment losses for the year	(38,242)	-
Balance at end of the year	19,315,977	19,354,219
Net carrying amount		
Balance at end of the year	20,880,053	20,841,811

14. Share capital

	Number of issued shares		Issued share capital	
	FY2024	FY2023	FY2024	FY2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<i>Issued and paid up</i>				
At 1 July	245,602,800	245,602,800	57,200,620	57,200,620
Issue of new ordinary shares	9,382,641		1,807,695	
Purchases of treasury shares	(516,400)	-	-	-
At 30 June	254,469,041	245,602,800	59,008,315	57,200,620

<i>Treasury Shares</i>	Number of Shares	Percentage of the aggregate number of the treasury shares against the total number of shares outstanding
As at 1 July 2022 and 1 July 2023	397,200	0.16%
Purchase of treasury shares	516,400 ⁽¹⁾	
As at 30 June 2024	913,600	0.36%

There were no outstanding convertibles, options and subsidiary holdings held by the Company as at 30 June 2024 and 30 June 2023. The number of shares held as treasury shares as at 30 June 2024 and 30 June 2023 were 913,600 and 397,200 treasury shares respectively. The percentage of the aggregate number of treasury shares held against the total number of outstanding shares as at 30 June 2024 and 30 June 2023 was 0.36% and 0.16% respectively.

Notes:

- (1) Between 1 Jan 2024 and 30 June 2024, the Company conducted multiple share buyback exercises amounting to 516,400 shares in total.

15. Borrowings

Group	FY2024	FY2023
	(AUD)	(AUD)
	(Unaudited)	(Audited)
<i>Current</i>		
Bank loans (secured)	1,720,017	1,511,946
Other loans (unsecured)	54,544	54,764
Total borrowings	1,774,561	1,566,710

The Group's secured bank loans are secured over corporate guarantee, all assets and certain fixed deposits of certain subsidiaries. Interest is payable at 6.18% to 6.35% per annum (FY2023: 5.87% to 8.00%).

16. Subsequent events

On 3 July 2024, the Company had announced in the Singapore Exchange that it had subscribed for 197,183 ordinary shares comprising 1.21% of the share capital in 4D Lottery Australia Pty Ltd ("4D Australia") with a consideration of A\$699,999.65 (approximately S\$632,659.68). 4D Australia is an investment holding company and together with its subsidiaries holds an Internet Gaming Licence and Lottery Agreement Licence in Australia. 4D Australia has recently commenced its lottery business.

F. Other information required under Appendix 7C of the Catalyst Rules

1. Review

The condensed consolidated statement of financial position of the Group as at 30 June 2024, the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows of the Group for the six-month period and full year ended 30 June 2024, and, certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Financial performance (2H FY2024 vs 2H FY2023)

Revenue

Revenue increased by A\$0.9 million or 2.6% from A\$32.5 million in 2H FY2023 to A\$33.4 million in 2H FY2024. The contributions from the respective major revenue segments were as follows: -

- (i) revenue from F&B Retails increased by A\$1.2 million or 5.4% from A\$22.0 million in 2H FY2023 to A\$23.2 million in 2H FY2024 in line with the increase in the number of outlets;
- (ii) revenue from Supply Chain sales (comprising the sale of food and beverage ingredients and other supplies to our sub-franchisees and sub-licensees) increased by A\$0.3 million or 5.1%, from A\$6.3 million in 2H FY2023 to A\$6.6 million in 2H FY2024 in line with the increase in number of sub-franchised outlets, from 115 as at 30 June 2023 to 127 as at 30 June 2024; and
- (iii) however, Franchise revenue (comprising franchise/royalty revenue and project revenue from new sub-franchisees) decreased by A\$0.7 million or 16.1% from A\$4.1 million in 2H FY2023 to A\$3.4 million in 2H FY2024, mainly due to decrease in project revenue from new sub-franchisees by A\$0.9 million from A\$1.1 million in 2H FY2023 to A\$0.2 million in 2H FY2024 offset by increase in franchise and royalty revenue by A\$0.3 million from A\$3.0 million in 2H FY2023 to A\$3.3 million in 2H FY2024.

In 2H FY2024, revenue contributions from Australia and New Zealand increased by A\$0.9 million or 4.0% and A\$0.2 million or 3.6% from A\$23.1 million and A\$6.8 million in 2H FY2023 to A\$24.0 million and A\$7.0 million in 2H FY2024 respectively in line with the increase in both Group owned and sub-franchised outlets. However, revenue contributions from United Kingdom decreased slightly by A\$0.3 million or 12.6% from A\$2.6 million in 2H FY2023 to A\$2.3 million in 2H FY2024 due to more competitive environment in 2H FY2024.

Other Income

Other income decreased by A\$0.3 million or 25.9% from A\$1.2 million in 2H FY2023 to A\$0.9 million in 2H FY2024 mainly due to a gain on disposal of a corporate outlet of A\$0.3 million recorded in 2H FY2023.

Changes in inventories

Changes in inventories decreased by A\$0.3 million in 2H FY2024 and decreased by A\$0.1 million in 2H FY2023. The fluctuations in the balance of inventories were mainly due to timing of purchases and consumption of inventories.

Purchases of inventories

Purchases of inventories increased by A\$0.1 million or 1.3%, from A\$9.5 million in 2H FY2023 to A\$9.6 million in 2H FY2024, due to the overall increase in our F&B Retails and Supply Chain sales.

Franchise restaurants and stores related establishment costs

Franchise restaurants and stores related establishment costs decreased by A\$0.8 million from A\$0.8 million in 2H FY2023 to A\$0.02 million in 2H FY2024, in line with lower project management revenue from new franchisee businesses in 2H FY2024.

Rental expenses

The Group recorded an increase of A\$0.2 million or 33.3% in rental expenses on operating leases from A\$0.7 million in 2H FY2023 to A\$0.9 million in 2H FY2024 mainly due to the annual increase in the landlords' passing on outgoing costs and some corporate outlets operating on short term leases whilst in the midst of renewing the lease.

Staff costs

Staff costs increased by A\$0.6 million or 4.7% from A\$12.4 million in 2H FY2023 to A\$13.0 million in 2H FY2024, mainly due to the general increase in wage rates and new corporate owned outlets.

Depreciation expense

Depreciation expense comprised depreciation on property, plant and equipment and depreciation on right-of-use assets.

Depreciation expense on property, plant and equipment was consistent at A\$1.5 million in both 2H FY2023 and 2H FY2024. Depreciation expense on right-of-use assets increased by A\$0.2 million from A\$2.6 million in 2H FY2023 to A\$2.8 million in 2H FY2024 consistent with the increase in the Group's corporate outlets from 47 as at 30 June 2023 to 49 as at 30 June 2024.

Amortisation of intangible assets

Amortisation of intangible assets relates to amortisation of the franchise and license rights. Amortisation expense on intangible assets remained consistent at A\$0.2 million in both 2H FY2024 and 2H FY2023.

Finance costs

Finance costs comprised finance costs on long term leases recognised as lease liabilities under SFRS(I) 16 and finance costs on borrowings.

Total finance costs were relatively consistent at A\$0.7 million in both 2H FY2024 and 2H FY2023.

Impairment losses on property, plant and equipment and intangible assets

The Group provided for impairment losses on property, plant and equipment on loss-making outlets of A\$0.8 million and impairment losses on intangible assets of A\$0.4 million for disposal of outlet. In 2H FY2024 provision for impairment losses on property, plant and equipment and intangible assets were made. A\$0.09 million impairment losses on property, plant and equipment provisions were provided in 2H FY2023.

Other expenses

Other expenses remained relatively consistent at A\$4.4 million in 2H FY2024 and A\$4.5 million in 2H FY2023. Other expenses mainly consist of professional fees expense, royalty fees expense, outlet and warehouse supplies, utilities and maintenance expenses.

Share of results of associated company

The Group invested in an associated company, Beef Musketeers (Aust) Pty Ltd, on 24 February 2021. The share of results of associated company recorded for 2H FY2023 amounted to a loss of A\$6,236. On 30 October 2023, the Group disposed its entire effective ownership of 32% for a cash consideration of AUD\$6,400.

Share of results of joint venture

The Group invested in a joint venture company, TST (Aust) Pty Ltd on 20 January 2022. The principal activity of TST (Aust) Pty Ltd is investment holding in companies involved in the operations of supermarkets. The supermarket commenced business operations in June 2023. The share of results of joint venture recorded for 2H FY2024 amounted to a loss of A\$6,120 compared to a profit of A\$10,822 in 2H FY2023. At present, the management does not consider the joint venture to be material to the Group.

(Loss)/profit before tax

The Group posted loss before tax of A\$0.5 million in 2H FY2024 as compared to profit before tax of A\$0.7 million in 2H FY2023. The decrease in profitability was mainly due to impairment of property, plant and equipment of A\$0.8 million and impairment of intangible assets of A\$0.4 million during 2H FY2024.

Tax expense

Tax expense of A\$0.3 million were recorded for both 2H FY2024 and 2H FY2023.

(Loss)/profit for the period, net of tax

After accounting for tax expense, the Group recorded loss after tax of A\$0.8 million in 2H FY2024 as compared to profit after tax of A\$0.4 million in 2H FY2023.

(Loss)/profit attributable to equity holders of the Company

Excluding the losses attributable to non-controlling interest, the Group recorded loss attributable to equity holders of the Company of A\$0.5 million in 2H FY2024 as compared to profit attributable to equity holders of the Company of A\$0.4 million in 2H FY2023.

Financial performance (FY2024 vs FY2023)

Revenue

Revenue increased by A\$3.2 million or 4.9%, from A\$65.8 million in FY2023 to A\$69.0 million in FY2024, mainly due to overall improvement in the Group's performance and increase in sub-franchised outlets during the financial year. The contributions from the respective major revenue segments were as follows: -

- (i) revenue from F&B Retails increased by A\$1.3 million or 2.8% from A\$45.1 million in FY2023 to A\$46.4 million in FY2024 in line with the increase in Group-owned outlets during the financial year;
- (ii) revenue from Supply Chain sales (comprising the sale of food and beverage ingredients and other supplies to our sub-franchisees and sub-licensees) increased by A\$1.3 million or 10.1% from A\$13.2 million in FY2023 to A\$14.5 million in FY2024 in line with the increase in number of sub-franchised outlets, from 115 as at 30 June 2023 to 127 as at 30 June 2024; and
- (iii) consistently, Franchise revenue (comprising franchise/royalty revenue and project revenue from new sub-franchisees) increased by A\$0.6 million or 8.6% from A\$7.3 million in FY2023 to A\$7.9 million in FY2024 in line with the increase in number of sub-franchised outlets.

In FY2024, revenue contributions from Australia and New Zealand increased by A\$1.5 million or 3.1% and A\$1.8 million or 13.7% from A\$47.6 million and A\$13.5 million in FY2023 to A\$49.1 million and A\$15.3 million in FY2024 respectively. This growth was driven by the expansion of both Group-owned and sub-franchised outlets in these regions. However, revenue contributions from United Kingdom decreased slightly by A\$0.1 million or 2.2% from A\$4.7 million in FY2023 to A\$4.6 million in FY2024 due to more competitive environment in FY2024.

Other income

Other income decreased by A\$0.6 million or 23.3% from A\$2.6 million in FY2023 to A\$2.0 million in FY2024 mainly due to decrease in gain on disposal of a corporate owned outlets of A\$0.6 million from A\$0.7 million in FY2023 as compared to A\$0.1 million in FY2024.

Changes in inventories

Changes in inventories decreased by A\$0.3 million in FY2024 as compared to an increase of A\$0.4 million in FY2023. The fluctuations in the balance of inventories were mainly due to timing of purchases and consumption of inventories.

Purchases of inventories

Purchases of inventories was relatively consistent at A\$20.6 million in FY2024 and A\$20.7 million in FY2023. The overall total changes and purchases in inventories increased by A\$0.6 million or 3.1% from A\$20.3 million in FY2023 to A\$20.9 million in FY2024 in line with the overall increase in F&B Retails and Supply Chain sales.

Franchise restaurants and stores related establishment costs

Franchise restaurants and stores related establishment costs decreased by A\$0.3 million or 36.9% from A\$0.8 million in FY2023 to A\$0.5 million in FY2024, in line with lower project income revenue from new franchisee businesses in FY2024. The net increase in sub-franchised outlets in FY2023 amount to 17 sub-franchised outlets as compared to the net increase in sub-franchised outlets in FY2024 of 12 sub-franchised outlets.

Rental expenses

The Group recorded an increase of A\$0.3 million or 31.2% in rental expenses on operating leases from A\$1.2 million in FY2023 to A\$1.5 million in FY2024 mainly due to the annual increase in the landlords' passing on outgoing costs and some corporate outlets operating on short term leases whilst in the midst of renewing the leases.

Staff costs

Staff costs increased by A\$1.1 million or 4.8% from A\$24.6 million in FY2023 to A\$25.7 million in FY2024, mainly due to the general increase in wage rates and new corporate owned outlets.

Depreciation expense

Depreciation expense comprised depreciation on property, plant and equipment and depreciation on right-of-use assets.

Depreciation on property, plant and equipment was relatively consistent at A\$3.0 million in both FY2023 and FY2024.

Depreciation on right-of-use assets increased by A\$0.5 million or 10.0% from A\$5.1 million in FY2023 to A\$5.6 million in FY2024 consistent with the increase in the Group's corporate outlets from 47 as at 30 June 2023 to 49 as at 30 June 2024.

Amortisation of intangible assets

Amortisation of intangible assets relates to amortisation of the franchise and license rights. Amortisation expense remained consistent at A\$0.4 million in both FY2024 and FY2023.

Finance costs

Finance costs comprised finance costs on long term leases recognised as lease liabilities under SFRS(I) 16 and finance costs on borrowings.

Total finance costs were relatively consistent at A\$1.4 million in both FY2024 and FY2023 respectively.

Impairment losses on property, plant and equipment and intangible assets

The Group provided for impairment losses on property, plant and equipment on loss-making outlets of A\$0.8 million. Impairment losses on intangible assets of A\$0.4 million was provided due to the disposal of outlet. A\$0.09 million impairment losses on property, plant and equipment provisions were provided in FY2023.

Other expenses

Other expenses increased by A\$0.4 million or 4.4% from A\$8.6 million in FY2023 to A\$9.0 million in FY2024 in line with the overall increase in the Group's revenue and higher inflation. Other expenses mainly consist of professional fees expense, royalty fees expense, outlet and warehouse supplies, utilities and maintenance expenses.

Share of results of associated company

The Group invested in an associated company, Beef Musketeers (Aust) Pty Ltd, on 24 February 2021. The share of results of associated company recorded for FY2024 and FY2023 amounted to a loss of A\$3,699 and a loss of A\$439 respectively. On 30 October 2023, the Group disposed its entire effective ownership of 32% for a cash consideration of AUD\$6,400.

Share of results of joint venture

The Group invested in a joint venture company, TST (Aust) Pty Ltd on 20 January 2022. The principal activity of TST (Aust) Pty Ltd is investment holding in companies involved in the operations of supermarkets. The supermarket commenced business operations in June 2023. The share of results of joint venture company recorded for FY2024 amounted to a profit of A\$23,237 and a loss of A\$7,820 in FY2023. At present, the management does not consider the joint venture to be material to the Group.

Profit before tax

Due to the reasons above, the Group recorded a profit before tax of A\$1.7 million in FY2024 as compared to a profit before tax of A\$3.0 million in FY2023. The decrease in profitability is mainly due to impairment of property, plant and equipment of A\$0.8 million of loss making outlets and impairment of of intangible assets of A\$0.4 million for disposal of outlet in FY2024.

Tax expense

The Group recorded tax expense of A\$1.2 million in FY2024 and tax expense of A\$1.1 million in FY2023.

Profit for the year, net of tax

After accounting for tax expense, the Group posted profit after tax of A\$0.5 million in FY2024 as compared to profit after tax of A\$1.9 million in FY2023.

Profit attributable to equity holders of the Company

Excluding the losses attributable to non-controlling interest, the Group recorded profit attributable to equity holders of the Company of A\$0.9 million in FY2024 as compared to profit attributable to equity holders of the Company of A\$2.0 million in FY2023.

Review of the Group's financial position

Non-current Assets

The Group's non-current assets decreased by A\$1.9 million or 4.8% from A\$40.1 million as at 30 June 2023 to A\$38.2 million as at 30 June 2024, mainly attributable to the following:

- (i) a decrease in property, plant and equipment of A\$1.6 million and a decrease in intangible assets of A\$0.6 million, mainly due to depreciation and amortisation expenses and impairment of assets and intangible assets in FY2024, decrease in deferred tax assets of A\$0.2 million due to deferred tax expenses charged out during FY2024 and decrease in fixed deposit placed with licensed financial institution of A\$0.1 million;
- (ii) partially offset by an increase in right-of-use assets of A\$0.2 million and increase in investment in joint venture by A\$0.4 million.

Current Assets

Current assets increased by A\$2.6 million or 15.3% from A\$17.1 million as at 30 June 2023 to A\$19.7 million as at 30 June 2024, mainly due to increase in cash and bank balances by A\$2.6 million or 35.7%. Increase in trade and other receivables of A\$0.3 million or 6.0% from A\$5.7 million as at 30 June 2023 to A\$6.0 million as at 30 June 2024 was offset by decrease in inventories by A\$0.3 million or 9.0% from A\$3.6 million as at 30 June 2023 to A\$3.3 million as at 30 June 2024. Included in trade and other receivables are trade receivable, other receivables and amount due from joint venture partners. The fluctuation was mainly due to an increase in amount due from joint venture partners of A\$0.7 million offset by a decrease in trade and other receivables balances of A\$0.4 million. The fluctuations in the balance of inventories were mainly due to the timing of purchases and consumption of inventories.

Non-current Liabilities

The Group's non-current liabilities decreased by A\$0.1 million or 0.8%, from A\$19.9 million as at 30 June 2023 to A\$19.8 million as at 30 June 2024, mainly due to a decrease in contract liabilities of A\$0.1 million pertaining to deferred income from franchisee fees received.

Current Liabilities

The Group's current liabilities decreased by A\$0.2 million or 1.0%, from A\$16.6 million as at 30 June 2023 to A\$16.4 million as at 30 June 2024.

Working Capital

The Group recorded positive working capital of A\$3.3 million and A\$0.5 million as at 30 June 2024 and 30 June 2023 respectively.

Commitments

Capital expenditure contracted for in respect of property, plant and equipment at the reporting date but not recognised in the financial statements amounted to A\$0.15 million as compared to A\$0.6 million in FY2023.

Review of the Group's cashflows

The Group generated net cash from operating activities before changes in working capital of A\$13.0 million. Net cash generated from working capital purposes amounted to A\$0.5 million, mainly due to a decrease in inventories of A\$0.3 million and decrease in receivables and contract assets of A\$0.5 million, partially offset by a decrease in payables and contract liabilities of A\$0.3 million.

Net cash used in investing activities amounted to A\$3.5 million, mainly due to additions to property, plant and equipment of A\$2.5 million and additions to intangible assets of A\$0.2 million as we expanded our supply chain operations and invested in new corporate outlets and increased our investment in and advances to joint venture of A\$1.1 million, offset by proceeds from sale of Group-owned outlets of A\$0.2 million and interest received from fixed deposits of A\$0.1 million.

Net cash used in financing activities amounted to A\$6.5 million, mainly due to (i) repayment of lease liabilities of A\$6.0 million; (ii) interest paid on lease liabilities and bank facilities of A\$1.5 million; (iii) dividends paid to shareholders and non-controlling interests of A\$1.2 million (iv) purchase of treasury shares of A\$0.1 million, offset by (i) proceeds from issue of ordinary shares of A\$1.8 million; (ii) lease incentives received of A\$0.2 million; (iii) net drawdown of bank borrowings of A\$0.2 million; (iv) decrease in fixed deposits pledged of A\$0.1 million.

As a result of the above, net cash and cash equivalents increased by A\$2.6 million in FY2024.

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 Group's operating environment remained challenging in FY2024 across all geographical regions, Australia, New Zealand and United Kingdom. The current challenging market conditions resulting from political tensions, rising costs and decreased consumer confidence has dampened the Group's growth. To adapt to these economic uncertainties, the Group is constantly sourcing for

more competitive food source pricing to improve supply chain profitability and innovate on our products to adapt to changing consumer preferences to remain competitive. In FY2025, the Group intends to venture to Singapore with our latest dessert brand, "Homm".

As at 30 June 2024, the Group had a network of 178 outlets comprising 49 Group-owned outlets, 2 joint venture outlets and 127 outlets owned by its sub-franchisees and sub-licensees. Towards the end of December 2024, the Group plans to open another 11 Group-owned and sub-franchised/sub-licensed outlets.

The Group is in a strong cash surplus position with relatively low gearing, and continues to be on the lookout for favourable leases for potential new outlets and potential new business opportunity that complements the growth of the Group.

5. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

Name of dividend	Final
Dividend type	Cash
Dividend amount per ordinary share (in A\$)	A\$0.0016 per ordinary share
Treasury shares	Not entitled
Tax rate	Net of tax after deduction of applicable Australia corporate tax

- (b) (i) Amount per share: A\$0.0016
(ii) Previous corresponding period: A\$0.001

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

The dividend is net of tax after deduction of applicable Australia corporate tax. Please refer to Appendix F of the Offer Document for discussion on tax treatment of the dividend distribution.

(d) The date the dividend is payable

To be announced at a later date.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

To be announced at a later date.

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

Not applicable.

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.

The Group does not have a general mandate from shareholders for recurrent interested person transactions.

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)

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers.

9. A breakdown of sales

	Group		
	FY2024 AUD	FY2023 AUD	Increase/ (Decrease) %
	(Unaudited)	(Audited)	
Sales reported for first half year	35,678,117	33,278,430	7.2%
Operating profit after tax before deducting minority interests reported for first half year	1,293,625	1,504,273	(14.0%)
Sales reported for second half year	33,368,530	32,532,698	2.6%
Operating (loss)/profit after tax before deducting minority interests reported for second half year	(777,812)	359,407	NM

The Group reported operating loss after tax before deducting minority interests of A\$0.8 million for 2H FY2024 as compared to operating profit after tax before deducting minority interests of A\$0.4 million for 2H FY2023.

10. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	Group	
	FY2024 AUD	FY2023 AUD
	(Unaudited)	(Audited)
<i>Ordinary dividend:</i>		
Dividend declared and paid (Interim)		
- Single tier tax exempt dividend A\$0.0033 per share	-	808,983
- Single tier tax exempt dividend A\$0.004 per share	982,411	-
	<u>982,411</u>	<u>808,983</u>
Dividend declared and paid (Final)		
- Single tier tax exempt dividend A\$0.001 per share	245,603	
	<u>1,228,014</u>	<u>808,983</u>

11. **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**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Tee Ooi	48	Spouse of Saw Lee Ping, Executive Director and Chief Administrative Officer	Operations Manager, responsible for overall management and oversight of operations of outlet since the Group was founded in 2011.	Nil

BY ORDER OF THE BOARD

Saw Tatt Ghee
Executive Chairman and Chief Executive Officer

29 August 2024