



**YKGI LIMITED AND
ITS SUBSIDIARY CORPORATIONS**
(Registration. No. 202227645Z)
(Incorporated in Singapore)

**UNAUDITED CONDENSED INTERIM
FINANCIAL STATEMENTS**

**For the six months
ended 30 June 2024**

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A. Condensed interim consolidated statement of comprehensive income

	Note	The Group		Change%
		6 months ended		
		30 Jun 24 (Unaudited) S\$'000	30 Jun 23 (Unaudited) S\$'000	
Revenue	E4	31,898	29,636	7.6
Other Income		800	888	(9.9)
Expenses:				
- Purchases and related costs		(7,343)	(7,582)	(3.2)
- Change of inventories		(360)	(71)	407.0
- Employee benefits		(8,772)	(8,224)	6.7
- Depreciation of property, plant and equipment		(4,450)	(4,592)	(3.1)
- Other expenses		(8,372)	(9,007)	(7.1)
- Finance costs		(681)	(573)	18.8
Total expenses		(29,978)	(30,049)	(0.2)
Profit before income tax	E6	2,720	475 ¹	472.6
Income tax expense	E7	(284)	(50)	468.0
Net profit, representing total comprehensive income for the financial period		2,436	425	473.2
Net profit attributable to:				
Equity holders of the Company		2,465	375	557.3
Non-controlling interests		(29)	50	(158.0)
		2,436	425	473.2
Earnings per share ("EPS") for net profit attributable to equity holders of the Company:				
Basic and diluted (in cents) ²		0.58	0.09	544.4

Notes :

- The net profit for the financial period ended 30 June 2023 represented net profit from operations after deducting one-off IPO and related expenses (E6) of S\$1,243,000 which were incurred for the Company's listing on the Catalist, the sponsor-supervised listing platform of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 6 February 2023.
- The earnings per share have been calculated based on the net profit attributable to equity holders of the Company and post-placement share capital of 425,000,000 shares. The fully diluted earnings per share and basic earnings per share are the same because there is no dilutive share.

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		As at		As at	
		30 Jun 24	31 Dec 23	30 Jun 24	31 Dec 23
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and bank balances		19,279	17,202	3,872	5,487
Trade and other receivables	E10	4,717	4,813	10,519	8,684
Inventories		539	899	-	-
		<u>24,535</u>	<u>22,914</u>	<u>14,391</u>	<u>14,171</u>
Non-current assets					
Investment in subsidiary corporations		-	-	2,731	2,761
Property, plant and equipment	E11	26,683	24,249	-	-
Intangible assets		119	132	-	-
Deferred tax assets		289	223	-	-
		<u>27,091</u>	<u>24,604</u>	<u>2,731</u>	<u>2,761</u>
Total assets		<u>51,626</u>	<u>47,518</u>	<u>17,122</u>	<u>16,932</u>
LIABILITIES					
Current liabilities					
Trade and other payables	E12	5,274	5,496	6	147
Borrowings	E13	2,354	2,498	-	-
Lease liabilities	E13	7,090	5,956	-	-
Current income tax liabilities		818	610	-	-
		<u>15,536</u>	<u>14,560</u>	<u>6</u>	<u>147</u>
Non-current liabilities					
Lease liabilities	E13	15,838	14,428	-	-
Deferred tax liabilities		47	47	-	-
Provisions		1,504	1,114	-	-
		<u>17,389</u>	<u>15,589</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>32,925</u>	<u>30,149</u>	<u>6</u>	<u>147</u>
Net assets		<u>18,701</u>	<u>17,369</u>	<u>17,116</u>	<u>16,785</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	E14	15,505	15,505	15,505	15,505
Retained profits		3,261	1,899	1,611	1,280
		<u>18,766</u>	<u>17,404</u>	<u>17,116</u>	<u>16,785</u>
Non-controlling interest		(65)	(35)	-	-
Total equity		<u>18,701</u>	<u>17,369</u>	<u>17,116</u>	<u>16,785</u>

C. Condensed interim statements of changes of equity

		<u>Attributable to equity holders of the Company</u>				
	Note	Share Capital S\$'000	Retained Profits S\$'000	Total S\$'000	Non- controlling Interests S\$'000	Total Equity S\$'000
<u>The Group</u>						
2024 (Unaudited)						
Balance as at 1 January 2024		15,505	1,899	17,404	(35)	17,369
Issuance of new ordinary shares – Incorporation of subsidiary corporations		-	-	-	1	1
Net profit for the financial period		-	2,465	2,465	(29)	2,436
Acquisition of non-controlling interest of subsidiary corporations		-	2	2	(2)	*
Dividend declared	E8	-	(1,105)	(1,105)	-	(1,105)
Balance as at 30 June 2024		15,505	3,261	18,766	(65)	18,701
2023 (Unaudited)						
Balance as at 1 January 2023		2,159	2,539	4,698	241	16,094
Issuance of new ordinary shares	E14	14,000	-	14,000	-	14,000
Share issue expenses	E14	(654)	-	(654)	-	(654)
Net profit for the financial year		-	375	375	50	425
Dividend declared	E8	-	(2,168)	(2,168)	-	(2,168)
Balance as at 30 June 2023		15,505	746	16,251	291	16,542
<u>The Company</u>						
2024 (Unaudited)						
Balance as at 1 January 2024		15,505	1,280	16,785		
Dividend declared	E8	-	(1,105)	(1,105)		
Net profit for the financial period		-	1,436	1,436		
Balance as at 30 June 2024		15,505	1,611	17,116		
2023 (Unaudited)						
Balance as at 1 January 2023		2,159	2,387	4,546		
Issuance of new ordinary shares	E14	14,000	-	14,000		
Share issue expenses	E14	(654)	-	(654)		
Dividend declared	E8	-	(2,168)	(2,168)		
Net loss for the financial period		-	(1,343)	(1,343)		
Balance as at 30 June 2023		15,505	(1,124)	14,381		

* Less than S\$1,000

D. Condensed interim consolidated statement of cash flows

	Not e	The Group 6 months ended	
		30 Jun 24	30 Jun 23
		(Unaudited)	(Unaudited)
		S\$'000	S\$'000
Cash flows from operating activities			
Net profit		2,436	425
Adjustment for:-			
- Amortisation of intangible assets		13	12
- Depreciation of property, plant and equipment	E6	4,450	4,592
- Written-off of property, plant and equipment	E6	-	9
- Interest income	E6	(29)	(5)
- Interest expense		681	573
- Income tax expense		284	50
		<u>7,835</u>	<u>5,656</u>
Change in working capital:			
- Inventories		360	71
- Trade and other receivables		96	403
- Trade and other payables		(222)	(548)
Cash generated from operations		<u>8,069</u>	<u>5,582</u>
Income tax paid		(142)	(816)
Net cash generated by operating activities		<u>7,927</u>	<u>4,766</u>
Cash flows from investing activities			
Interest received		29	5
Additions to property, plant and equipment	E11	(801)	(515)
Acquisition of non-controlling interest of subsidiary corporation		*	-
Net cash used in investing activities		<u>(772)</u>	<u>(510)</u>
Cash flows from financing activities			
Proceeds from issuance of shares	E14	-	13,346
Dividend paid to equity holders of the Company	E8	(1,105)	(2,168)
Proceeds from issuance of ordinary shares to non-controlling interests		1	-
Proceeds from borrowings		-	388
Repayments of borrowings		(144)	(1,312)
Principal repayment of lease liabilities		(3,149)	(3,334)
Interest paid		(681)	(573)
Net cash (used in)/generated by financing activities		<u>(5,078)</u>	<u>6,347</u>
Net increase in cash and bank balances		2,077	10,603
Cash and bank balances			
Beginning of the financial year		17,202	4,659
End of the financial year		<u>19,279</u>	<u>15,262</u>

* Less than S\$1,000

D. Condensed interim consolidated statement of cash flows (Cont'd)

Reconciliation of liabilities arising from financing activities

	1 January 2024	Proceeds from borrowings	Principal and interest payment	Interest expense	<u>Non-cash changes</u>		30 June 2024
					Additions	Lease Termination	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Bank borrowings	2,498	-	(209)	65	-	-	2,354
Lease liabilities	20,384	-	(3,765)	616	5,693	-	22,928

	1 January 2023	Proceeds from borrowings	Principal and interest payment	Interest expense	<u>Non-cash changes</u>		30 June 2023
					Additions	Lease Termination	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Bank borrowings	3,665	388	(1,408)	96	-	-	2,741
Lease liabilities	13,266	-	(3,811)	477	8,715	(12)	18,635

E. Notes to the condensed interim consolidated financial statements

1. General Information

1.1 The Company

The Company was incorporated in Singapore on 8 August 2022 as an exempt private company limited by shares under the name of “YKGI Pte. Ltd.”. On 23 December 2022, the Company was converted into a public company limited by shares. In connection with such conversion, the Company changed its name to “YKGI Limited”. The address of its registered office is at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712.

The Company was successfully listed on the Catalist, the sponsor-supervised listing platform of the Singapore Securities Trading Limited (“SGX-ST”) on 6 February 2023.

The principal activity of the Company is that of an investment holding. The principal activities of the subsidiary corporations are those of (i) F&B operations, (ii) food court management and (iii) franchising and sub-franchising.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Committee of Accounting and Corporate Regulatory Authority.

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 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 financial year ended 31 December 2023.

The accounting policies adopted are consistent with those adopted in the Group’s audited financial statements for the financial year ended 31 December which were prepared in accordance with SFRS(I)s, as the adoption of new and amended standards did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial periods.

The condensed interim financial statements are presented in Singapore Dollar (SGD or S\$) and all values in the tables are rounded to the nearest thousand (“S\$’000) except when otherwise indicated.

The condensed interim consolidated financial statements have been prepared on a going concern basis, since management has verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group’s ability to meet its obligations in the foreseeable future and particularly within the 12 months from the end of the financial period.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

2.1 New and amended standards adopted by the Group

On 1 January 2024, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial period. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial periods.

2.2 Summary of significant accounting policies

The unaudited interim condensed combined financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies in the Group's audited financial statements for the financial year ended 31 December 2023.

The accounting policies applied in these unaudited interim condensed combined financial statements are the same as those applied in the Group's audited financial statements for the latest financial year ended 31 December 2023.

2.3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

- Impairment of property, plant and equipment (including right-of-use assets)

The Group reviews its property, plant and equipment (including right-of-use assets) for indications of impairment at each reporting period. In analysing potential impairments identified, the Group uses projections of future cash flows from the assets based on management's assignment of a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Management has assessed that there is no indication that the Group's property, plant and equipment and right-of-use assets may be impaired.

- Determining the lease term of contracts with renewal options – The Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

4. Segment and revenue information

The Board of Directors is the Group's chief operating body for making decisions. Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions, allocate resources and assess performance.

The Board of Directors considers the business from a business segment perspective as the Group operates in Singapore only. For management purposes, the Group is organised into business units based on their products and services and the Group has four reportable segments as follows:

(i) Food Court Business

The Group manages five food courts located across Singapore under the My Kampung and Fine Food brands. Under this business segment, the Group leases the food courts and in turn sub-leases stalls to individual food court tenants ("Food Court Tenants"). The food court management services provided by the Group include the upkeep of vacant stalls and allocation of such stalls to Food Court Tenants, application for and renewal of licences, collection of takings from the daily sales of Food Court Tenants, collection of management and cleaning fees from Food Court Tenants, managing arrears, addressing complaints from Food Court Tenants and customers and the cleaning, maintenance and repair of the food courts.

(ii) F&B Operations Business

The F&B operations is primarily involved in the operations of food outlets and hawker stalls under the flagship brand, Yew Kee Duck Rice and a diverse portfolio of other non-halal and halal brands such as XO Minced Meat Noodles, My Kampung Chicken Rice, PastaGo, Victory Bakery and Kampung Kopi House. The operations of the Group's food outlets and hawker stalls are supported by the central kitchen which procures, processes and prepares key ingredients and products for supply to the food outlets operating under the Group's brands and certain third-party food outlets.

(iii) Franchising and Sub-franchising (Franchise Business)

The Group's business segment of franchising and sub-franchising is in relation to operations of outlets under the "CHICHA San Chen" brand in Singapore and Macau. Pursuant to the master franchise agreements entered into between the Company's subsidiary corporations and Fang Yuan F&B International Co., Ltd ("the franchisor"), the franchising agreement for Singapore is for a term of ten years from 14 January 2019 and the franchising agreement for Macau is for a term of eight years from 26 April 2024 ("Master Franchise Agreements").

The Master Franchise Agreements are renewable by negotiation between the parties thereto based on criteria prescribed therein. In consideration of the franchise and licence granted by the franchisor, the Group had paid a one-off initial franchise fee in full which was capitalised as an intangible asset, and the Group is required to pay a monthly royalty fee based on a percentage of our actual net sales before tax of the stores operated under such franchise and licence in a given month. In accordance with the terms of the Master Franchise Agreements, the Group may enter into sub-franchise agreements with third parties pursuant to which such parties will pay the Group a sub-franchise fee in consideration for the right to operate a CHICHA San Chen tea shop in Singapore. The Group has not entered into any sub-franchise agreements with third parties for the current and prior financial periods.

(iv) Other segment

Other segment includes investment holding and the Group level corporate service and treasury functions. These are not included within the reportable operating segment. The results of these operations are included in the "other segment" column.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

4. Segment and revenue information (Cont'd)

4.1 Reportable segments

The following table below presents the revenue and profit information for the Group's operating segments for the six months ended 30 June 2024 ("1HY2024") and 30 June 2023 ("1HY2023") respectively:

	Food Court Business	F&B Operations Business	Franchise Business	Other segment	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1HY2024					
Revenue	4,762	15,771	11,365	-	31,898
Other Income	85	678	37	-	800
Segment profit/(loss)	558	2,311	1,914	(1,382)	3,401
Finance costs	(187)	(188)	(224)	(82)	(681)
Profit/(loss) before income tax	371	2,123	1,690	(1,464)	2,720
Income tax expense					(284)
Net profit					2,436
Segment assets	6,764	15,539	14,507	14,816	51,626
Addition to:					
- Property, plant and equipment (excluding ROU assets)	999	128	63	-	1,191
Segment liabilities	4,028	16,087	9,755	3,055	32,925
	Food Court Business	F&B Operations Business	Franchise Business	Other segment	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1HY2023					
Revenue	3,899	15,333	10,404	-	29,636
Other Income	61	767	60	-	888
Segment profit/(loss)	297	2,369	946	(2,564)	1,048
Finance costs	(127)	(174)	(176)	(96)	(573)
Profit/(loss) before income tax	170	2,195	770	(2,660)	475
Income tax expense					(50)
Net profit					425
Segment assets	2,547	17,242	12,644	11,795	44,228
Addition to:					
- Property, plant and equipment (excluding ROU assets)	-	489	141	-	630
Segment liabilities	1,750	12,013	10,702	3,221	27,686

E. Notes to the condensed interim consolidated financial statements (Cont'd)

4. Segment and revenue information (Cont'd)

4.2 Disaggregation of revenue

	The Group	
	1HY2024	1HY2023
	S\$'000	S\$'000
Revenue from contracts with customers		
(i) Sales of food and beverage - point in time		
F&B operations business	15,771	15,333
Franchise business	11,365	10,404
Food court business	1,873	1,580
	<u>29,009</u>	<u>27,317</u>
(ii) Management service - over time		
Food court business	1,189	1,017
	<u>30,198</u>	<u>28,334</u>
Rental income	1,700	1,302
	<u>31,898</u>	<u>29,636</u>

5. Financial assets and financial liabilities

The following information set out below is an overview of the financial assets and financial liabilities as at 30 June 2024 and 31 December 2023 respectively.

	The Group		The Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial assets at amortised cost</u>				
- Cash and bank balances	19,279	17,202	3,872	5,487
- Trade and other receivables	3,293	3,867	10,519	8,674
	<u>22,572</u>	<u>21,069</u>	<u>14,391</u>	<u>14,161</u>
<u>Financial liabilities at amortised cost</u>				
- Trade and other payables	4,764	5,145	6	147
- Borrowings	2,354	2,498	-	-
- Lease liabilities	22,928	20,384	-	-
	<u>30,046</u>	<u>28,027</u>	<u>6</u>	<u>147</u>

E. Notes to the condensed interim consolidated financial statements (Cont'd)

6. Profit before income tax

6.1 Significant items

	The Group	
	6 months ended	
	30-Jun-24	30-Jun-23
	S\$'000	S\$'000
<u>Income</u>		
Government Grant	451	302
Rental concession income	-	14
Interest income	29	5
<u>Expenses</u>		
Purchase and related costs	7,343	7,582
Employee benefits	8,772	8,224
Depreciation of property, plant and equipment	4,450	4,592
Cleaning fees	868	723
Franchise and royalty fees	245	231
Foreign worker levies	341	406
IPO and related expenses	-	1,243
License fees	506	558
Rental expenses-short-term leases and variable rental	1,237	1,120
Repair and maintenance	749	729
Transaction and service charges	1,811	1,633
Utilities	1,300	1,045

E. Notes to the condensed interim consolidated financial statements (Cont'd)

6. Profit before income tax (Cont'd)

6.2 Related party transactions

- (a) Key management personal compensation, representing remuneration of the directors and key management of the Company.

	The Group	
	6 months ended	
	30-Jun-24	30-Jun-23
	S\$'000	S\$'000
Salaries and wages	936	935
Employer's contribution to defined contribution plan	73	66
	<u>1,009</u>	<u>1,001</u>
Comprised of amounts paid to:		
- Executive directors	501	514
- Other key management personnel	508	487
	<u>1,009</u>	<u>1,001</u>

7. Income tax

The Group calculates the income tax expense for the financial period 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 statement of comprehensive income are:

	The Group	
	6 months ended	
	30-Jun-24	30-Jun-23
	S\$'000	S\$'000
Tax expenses attributable to profit is made up of:		
Current income tax	350	50
Deferred income tax	(66)	-
	<u>284</u>	<u>50</u>

E. Notes to the condensed interim consolidated financial statements (Cont'd)

8. Dividends

	The Group	
	6 months ended	
	30-Jun-24	30-Jun-23
	S\$'000	S\$'000
Final one tier tax-exempt dividends declared in respect of the previous financial year of 0.26 cents (2023:0.51 cents) per share	1,105	2,168

9. Net asset value

	The Group		The Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	S\$	S\$	S\$	S\$
Net assets per ordinary share (cents)	4.42	4.10	4.03	3.95

Net assets per ordinary share is calculated based on the total number of issued 425,000,000 shares (excluding treasury shares).

10. Trade and other receivables

	The Group		The Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables				
-Non-related parties	63	281	-	-
Non-trade receivables				
-Non-related parties	9	23	1	-
-Subsidiary corporations	-	-	8,918	6,074
	<u>9</u>	<u>23</u>	<u>8,919</u>	<u>6,074</u>
Refundable security deposits	3,221	3,563	-	-
Prepayments	1,424	946	-	10
Dividend receivables from subsidiaries	-	-	1,600	2,600
	<u>4,717</u>	<u>4,813</u>	<u>10,519</u>	<u>8,684</u>

Non-trade receivables from subsidiary corporations are unsecured, interest free and repayable on demand.

Included in the prepayments as at 30 June 2024 was an advance payment to a supplier for the purchase of raw materials of S\$466,000 (31 December 2023: S\$399,000).

E. Notes to the condensed interim consolidated financial statements (Cont'd)

11. Property, plant and equipment ("PPE")

During the financial period ended 30 June 2024, the Group acquired PPE and capitalised outlet leases as ROU assets under PPE amounted to S\$6,884,000 (30 June 2023: S\$9,345,000) and no write-off of assets (30 June 2023: PPE written-off of S\$9,000).

The reconciliation of purchase of PPE and proceeds from disposal of PPE are presented below:

	The Group	
	6 months ended	
	30-Jun-24	30-Jun-23
	S\$'000	S\$'000
<u>Purchase of PPE</u>		
Total additions in the financial year	6,884	9,345
Less: Acquired under lease liabilities	(5,693)	(8,715)
Add: Movement in re-instatement cost	(390)	(115)
Net cash outflow	<u>801</u>	<u>515</u>
<u>Proceeds from disposal of PPE</u>		
Total net book value of disposal/written-off in the financial year	-	9
Less: Written-off of PPE	-	(9)
Net cash inflow	<u>-</u>	<u>-</u>

12. Trade and other payables

	The Group		The Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables				
- Non-related parties	1,367	1,148	-	-
Non-trade payables				
- Non-related parties	782	1,119	-	46
- Subsidiary corporations	-	-	6	33
	<u>782</u>	<u>1,119</u>	<u>6</u>	<u>79</u>
Goods and services tax payable	510	351		
Accrued expenses	2,313	2,597	-	68
Deposit from tenants	302	281	-	-
	<u>5,274</u>	<u>5,496</u>	<u>6</u>	<u>147</u>

The non-trade payables due to directors and subsidiaries are unsecured, interest-free and payable on demand.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

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

	The Group	
	30-Jun-24	31-Dec-23
	S\$'000	S\$'000
<u>Secured bank loan</u>		
Amount repayable in one year or less, or on demand	2,354	2,498
Amount repayable after one year	-	-
	<u>2,354</u>	<u>2,498</u>

Details of any collaterals.

As at the end of the financial period, the Group's secured bank term loans of S\$2,354,000 (31 December 2023: S\$2,498,000) are secured by the mortgage over a leasehold property of the Group and deed of guarantee and indemnity for all monies from the Company.

Lease liabilities

	The Group	
	30-Jun-24	31-Dec-23
	S\$'000	S\$'000
<u>Secured lease liabilities</u>		
Amount repayable in one year or less, or on demand	140	217
Amount repayable after one year	265	316
	<u>405</u>	<u>533</u>
<u>Unsecured lease liabilities</u>		
Amount repayable in one year or less, or on demand	6,950	5,739
Amount repayable after one year	15,573	14,112
	<u>22,523</u>	<u>19,851</u>

Details of any collaterals.

As at the end of the financial period, the Group's secured lease liabilities of S\$405,000 (31 December 2023: S\$533,000) are secured by the office equipment and motor vehicles of the Group.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

14. Share Capital

	The Group and The Company			
	30-Jun-24		31-Dec-23	
Issued and fully paid	No. of shares	S\$'000	No. of shares	S\$'000
Beginning of the financial period/year	425,000,000	15,505	355,000,000	2,159
Issue of new shares	-	-	70,000,000	14,000
Shares issuance expenses		-		(654)
End of the financial period/year	425,000,000	15,505	425,000,000	15,505

The Company was incorporated on 8 August 2022 in Singapore in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital of S\$100 comprising 100 Shares held by Seah & Family Pte. Ltd. ("Seah & Family")

The Company entered into share swap agreements dated 21 December 2022 with each of the shareholders of the subsidiary corporations to acquire all the issued and paid-up share capital of each of the corresponding subsidiaries for an aggregate purchase consideration of S\$2,151,116, based on a willing-buyer willing-seller basis based on the share capital of each relevant subsidiary corporation. The consideration for the acquisition of these subsidiary corporations was satisfied by the issue and allotment of an aggregate of 2,151,116 new Shares to each of the sellers, who all nominated Seah & Family to hold such new Shares. Arising from the share swap, the issued and paid up share capital of our Company increased to 2,151,216 comprising 2,151,216 Shares, all of which are held by Seah & Family, with the consideration satisfied by the allotment and issue by our Company of an aggregate of 2,151,116 new Shares to Seah & Family.

On 23 December 2022, our Company issued 67,534 Shares to Seah & Family, for a consideration of S\$7,534. Following such issuance of Shares, the issued and paid-up share capital of our Company became S\$2,158,750, comprising 2,218,750 Shares.

On 23 December 2022, share split was effected and each of our Shares was sub-divided into 160 Shares (the "Share Split"). Pursuant to the Share Split, the issued and paid-up share capital of our Company became S\$2,158,750, comprising 355,000,000 Shares.

On 26 January 2023 pursuant to the IPO, the Company issued and allotted 53,750,000 new shares and the vendor sold 29,000,000 Vendor Shares at S\$0.20 for each share by way of placement (the "Placement"). The consideration received by the Company and the vendor for these Placement Shares amounted to S\$10,750,000 and S\$5,800,000 respectively.

At the same time but separate from the Placement, the Cornerstone Investors entered into the Cornerstone Subscription Agreement and subscribed for 16,250,000 New Shares at \$0.20 each at a total consideration of S\$3,250,000.

Pursuant to the IPO on 6 February 2023, IPO expenses after deducting Grant for Equity market Singapore (GEMS) incurred amounted to S\$1,897,000 of which S\$654,000 had been capitalised against share capital while the remaining amounted to S\$1,243,000 had been included in other expenses in the consolidated statement of comprehensive income.

There were no treasury shares and subsidiary holdings as at 30 June 2024.

15. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statement as of the reported date.

F. Other Information Required by Appendix 7C of the Catalyst 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 YKGI Limited and its subsidiaries as at 30 June 2024 and the related condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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

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

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

Not applicable.

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**

Revenue

The Group's revenue increased by approximately S\$2.3 million or 7.6% from S\$29.6 million in 1HY2023 to S\$31.9 million in 1HY2024. This increase was mainly attributed to:

- (i) an increase of S\$0.4 million contributed from our F&B Operations mainly due to the incremental revenue from the new outlets in operation and an increase in revenue from existing outlets; and an increase of S\$0.9 million from our Food Court Business due to an increased customer base. This rise in foot traffic can be attributed to heightened visitors' interest in Nanyang Technological University and the National University of Singapore, coupled with a surge in sports, entertainment, and lifestyle events at Singapore Sports Hub, which collectively drew more patrons to our food courts in these locations.
- (ii) An increase of S\$1.0 million contribution from our Franchise Business due to incremental revenue from the new outlets in operation and higher revenue from existing stores resulted from the advertising and promotional activities.

Other income

Other income remained relatively flat for both 1HY2024 and 1HY2023.

Purchases and related costs

Purchases and related costs decreased by S\$0.2 million or 3.2% from S\$7.6 million in 1HY2023 to S\$7.3 million in 1HY2024 mainly due to changes in sales mix.

Changes in inventories

Expenses for inventories increased by approximately S\$0.3 million or 407.0% from S\$0.1 million in 1HY2023 to S\$0.4 million in 1HY2024, due to lower inventories as at 30 June 2024 compared to 31 December 2023. The fluctuation in the balance of our inventories was due to timing of purchases and consumption of inventories.

F. Other Information Required by Appendix 7C of the Catalyst 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 (Cont'd)

Employee benefits

Employee benefits increased by S\$0.6 million or 6.7% from S\$8.2 million in 1HY2023 to S\$8.8 million in 1HY2024 mainly because of the higher compensation package in 1HY2024 as the Group's efforts to retain and attract workers in a tight labour market.

Depreciation of property, plant and equipment

Depreciation expenses decreased by S\$0.1million or 3.1% from S\$4.6million in 1HY2023 to S\$4.5 million in 1HY2024 mainly due to an increase in fully depreciated assets of the Group's property, plant and equipment.

Other expenses

Other expenses decreased by S\$0.6 million or 7.1% from S\$9.0 million 1HY2023 to S\$8.4 million in 1HY2024 mainly due to: (i) non-recurring one-time IPO expenses of S\$1.2 million incurred in 1HY2023; which is offset by (ii) increase in cleaning fees of S\$0.1 million; rental expenses of S\$0.1 million; transaction and service charges of S\$0.2 million and utilities of S\$0.3 million.

Finance costs

Finance costs increased by S\$0.1 million from S\$0.6 million in 1HY2023 to S\$0.7 million in 1HY2024 due to the higher interest expenses on lease liabilities of new outlets.

Profit before income tax

Profit before income tax increased by approximately S\$2.2 million or 472.6% from S\$0.5 million in 1HY2023 to S\$2.7 million in 1HY2024 contributed by the increase in revenue and lower expenses explained as above.

The increase in profit before income tax of our Franchise Business segment from S\$0.8 million in 1HY2023 to S\$1.7 million in 1HY2024 was due to the incremental revenue from new outlets in operation and higher revenue from existing stores as driven by the advertising and promotional activities, as well as lower depreciation expense due to higher fully depreciable assets at stores in the franchise business. The slight decrease in profit before income tax of our F&B Operations Business segment from S\$2.2 million in 1HY2023 to S\$2.1 million in 1HY2024 was due to the changes in rising cost and expenses from inflation during the financial period although the sales of our F&B Operation Business segment increased by S\$0.4 million. The increase in profit before income tax of Food Court Business segment from S\$0.2 million in 1HY2023 to S\$0.4 million in 1HY2024 is mainly due to the increase in revenue resulting from the increase in customers footprint.

The loss from other segment decreased by S\$1.2 million was mainly due to the one-off IPO and related expenses of S\$1.2 million in 1HY2023.

F. Other Information Required by Appendix 7C of the Catalyst 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:-

b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Current assets

As at 30 June 2024, the Group's current assets of S\$24.5 million accounted for approximately 47.5% of the Group's total assets. The Group's current assets consist of cash and bank balances, trade and other receivables and inventories.

As at 30 June 2024, cash and bank balances amounted to approximately S\$19.3 million or 78.6% of total current assets, increased by approximately S\$2.1 million compared to FY2023 which was mainly attributable to net cash generated by operating activities of S\$7.9 million, offset by net cash flow used in financing activities amounted to S\$5.1 million and net cash flow used in investing activities amounted to S\$0.8 million.

Trade and other receivables amounted to approximately S\$4.7 million or 19.2% of total current assets, which is mainly made up of refundable deposits related to the deposits placed with landlords for the rental of outlets by the Group.

Non-current assets

As at 30 June 2024, the Group's non-current assets of approximately S\$27.1 million accounted for approximately 52.5% of the Group's total assets. The Group's non-current assets comprise property, plant and equipment, deferred tax assets and intangible assets.

Property, plant and equipment as at 30 June 2024 amounted to approximately S\$26.7 million or 98.5% of total non-current assets and comprises mainly cold room and equipment, computers, furniture and fittings, leasehold property, motor vehicles, office equipment, renovation and drinks and food stalls. Property, plant and equipment increased by about S\$2.4 million compared to FY2023, mainly because of the capitalisation of additional right-of-use assets for renewal of leases in 1HY2024, amounted to approximately S\$5.7 million, partially off-set by the depreciation expenses of S\$4.5 million.

Current liabilities

As at 30 June 2024, the Group's current liabilities of S\$15.5 million accounted for 47.2% of the Group's total liabilities. The Group's current liabilities consist of trade and other payables, bank borrowings, lease liabilities and current income tax liabilities.

Trade and other payables amounted to S\$5.3 million or approximately 33.9% of the Group's total current liabilities as at 30 June 2024, comprise of trade payables; non-trade payables to non-related parties; accrued expenses and deposits from tenants.

As at 30 June 2024, the Group's current lease liabilities amounted to approximately S\$7.1 million, or 45.6% of total current liabilities

F. Other Information Required by Appendix 7C of the Catalyst 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:-**

b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Non-current liabilities

As at 30 June 2024, the Group's non-current liabilities of S\$17.4 million accounted for approximately 52.8% of the Group's total liabilities. The Group's non-current liabilities consist of lease liabilities, deferred tax liabilities and provisions.

As at 30 June 2024, the Group's non-current lease liabilities amounted to approximately S\$15.8 million, or 91.1% of total non-current liabilities.

Total non-current and current portion of lease liabilities increased by approximately S\$2.5 million as compared to FY2023, mainly due to recognition of additional lease liabilities from renewal of more leases in 1HY2024 of S\$5.7 million, partially off-set by the principal repayment of lease liabilities of S\$3.2 million.

Statement of cash flows of the Group

In 1HY2024, the Group recorded net cash generated by operating activities of S\$7.9 million, which was a result of operating profit before reinvestment in working capital of S\$7.8 million, adjusted for working capital inflows of S\$0.2 million and income tax paid of S\$0.1 million.

Net cash used in investing activities amounted to S\$0.8 million was mainly attributable to additions of property, plant and equipment.

Net cash flow used in financing activities amounted to S\$5.1 million, which was mainly attributable to repayment of lease liabilities of S\$3.2 million; repayment of bank borrowings of S\$0.1 million and payment of dividends and interest expenses of S\$1.1 million and S\$0.7 million respectively.

As at 30 June 2024, the Group's cash and bank balances was S\$19.3 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

F. Other Information Required by Appendix 7C of the Catalyst Rules (Cont'd)

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 food and beverage (F&B) industry in Singapore continues to encounter persistent challenges impacting business operations. Rising costs, including those for food ingredients, rentals, operating expenses, and labor have continuously exert significant pressure on profitability. The industry also faces ongoing manpower shortages and impacted by the implementation of a progressive wage model, which mandates increases of minimum wages for workers. These factors, coupled with heightened competition in Singapore market, result in a challenging operating environment for the Group.

In response to these challenges, the Group is committed to enhance profitability and market presence through several strategic initiatives. These include actively shutting down unprofitable outlets and opening new ones in potentially strategic locations, implementing measures to reduce operating costs and improve gross margins, and exploring opportunities to enhance market presence through expanding new outlet locations, product offerings expansion, and diversifying the brand portfolio via strategic partnerships and new brand development.

The Group's first Macau CHICHA San Chen outlet is slated to commence operations in October 2024, marking the Group's initial step of its overseas expansion efforts.

Barring any unforeseen circumstances, the Group expects to continue growing its revenue base and remain profitable for FY2024.

5. If a decision regarding dividend has been made:

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

Name of Dividend: Interim
Dividend Type: Cash
Amount per ordinary share: 0.36 Singapore cents

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

No

- 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).

Tax exempt

- d) The date the dividend is payable

30 August 2024

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

21 August 2024

F. Other Information Required by Appendix 7C of the Catalist Rules (Cont'd)

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

Not applicable.

7. If the group has obtained a general mandate from shareholders for Interested Parties Transactions (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"). There is no IPT of S\$100,000 and above during 1HY2024.

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 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. Status of the use of IPO funds raised

The Group raised net proceeds of S\$12.035 million in its IPO. As of the date of announcement, the net proceeds has not been fully utilised and the balances are as follows:

	Allocation of net proceeds	Amount utilised as the date of this announcement	Balance as at the date of this announcement
	S\$'000	S\$'000	S\$'000
Expansion of our business (including opening new outlets in Singapore and overseas, expanding into more market segments, strengthening our supply chain capabilities, expanding our franchising and sub-franchising operations and undertaking strategic acquisitions and joint venture partnerships)	10,000	1,064	8,936
Working capital	2,035	2,035 ⁽¹⁾	-
Total	12,035	3,099	8,936

(1) The breakdown of the utilisation of net proceeds to be used for general working capital purposes is as follows:

Summary of Expenses	S\$'000
Purchases from suppliers	942
Staff Cost	1,093
Total	2,035

F. Other Information Required by Appendix 7C of the Catalist Rules (Cont'd)

10. 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.

Name	Age	Family relationship with 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
Wee Lay Teng	57	Wife of the Executive Chairman and Executive Director, Mr Seah Boon Lock; Mother of the CEO and Executive Director, Mr. Seah Qin Quan	Chief administrative officer and is responsible for, among others, overall administration of our Group, including human resources, operations and marketing matters since November 2022.	No change
Seah Kun Miao	30	Daughter of the Executive Chairman and Executive Director, Mr Seah Boon Lock; Sister of the CEO and Executive Director, Mr. Seah Qin Quan	Chief marketing officer and is responsible for, among others, overseeing brand management, integrated marketing campaigns, new product launches and business growth channels since November 2022.	No change

11. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the six months period ended 30 June 2024 to be false or misleading in any material aspect.

12. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

Acquisition of Remaining Shares in Oriental Kopi (Singapore) Pte. Ltd.

Oriental Kopi (Singapore) Pte. Ltd. was incorporated on 15 August 2023 as a joint venture which the Group held 70% interest ("JV"). On 26 January 2024, the JV agreement was terminated and the Group acquired the remaining 30% shares. Following the completion of the shares acquisition, the JV company become an indirect wholly owned subsidiary of the Group. Please refer to the respective announcements on the mentioned date for more details.

BY ORDER OF THE BOARD

On Behalf of YKGI Limited

Seah Boon Lock
Executive Chairman and Executive Director
12 August 2024

Wong Fook Sung
Lead Independent Director

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange 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.

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