

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”) 2023

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.

The contact person for the Sponsor is Ms Vera Leong, Vice President, Hong Leong Finance Limited, who can be contacted at 16 Raffles Quay #01-05 Hong Leong Building, Singapore 048581, Telephone: +65 6415 9881.

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 June 2023, the Group opened a joint-venture Asian supermarket under the brand “Maita”.

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 Retails**”); (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 2023, ST Group has a network of 164 outlets comprising 47 Group-owned outlets, 2 joint venture outlets and 115 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)

	FY2023			FY2022		
	Owned	Joint Venture	Sub-franchised/ sub-licensed	Owned	Joint Venture	Sub-franchised/ sub-licensed
PappaRich						
- Australia	8	-	25	8	-	23
- New Zealand	-	-	4	-	-	4
NeNe Chicken						
- Australia	4	-	36	4	-	27
Gong Cha						
- New Zealand	11	-	16	11	-	15
- United Kingdom	5	1	7	5	-	5
Hokkaido Baked Cheese Tart						
- Australia	5	-	12	6	-	10
iDarts						
- Australia	-	-	4	-	-	4
PAFU						
- Australia	4	-	4	5	-	4
IPPUDO						
- Australia	3	-	-	2	-	-
- New Zealand	2	-	-	2	-	-
KURIMU						
- Australia	5	-	7	5	-	6
Go Noodle House						
- Australia	-	-	-	1	-	-
Maita						
- Australia	-	1	-	-	-	-
Total	47	2	115	49	-	98

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A. Condensed interim consolidated statements of comprehensive income

		Group					
Note	2H	2H	Increase/	FY2023	FY2022	Increase/	
	FY2023 ⁽¹⁾	FY2022 ⁽²⁾	(Decrease)	(AUD)	(AUD)	(Decrease)	
	(AUD)	(AUD)	%	(Unaudited)	(Audited)	%	
Continuing operations							
Revenue	4	32,532,698	26,694,323	21.9%	65,811,128	46,971,933	40.1%
Other income		1,192,936	739,891	61.2%	2,545,441	3,560,079	(28.5%)
Expenses							
Changes in inventories		(127,128)	982,448	NM	383,228	676,711	(43.4%)
Purchases of inventories		(9,528,691)	(9,187,594)	3.7%	(20,696,835)	(15,599,089)	32.7%
Franchise restaurants and stores related establishment costs		(811,164)	(289,342)	NM	(846,794)	(607,875)	39.3%
Rental (expenses)/credit		(693,338)	(402,241)	72.4%	(1,175,939)	86,370	NM
Staff costs		(12,408,607)	(10,114,649)	22.7%	(24,556,392)	(18,287,416)	34.3%
Depreciation expense							
- Property, plant and equipment		(1,478,025)	(1,521,538)	(2.9%)	(2,985,667)	(3,097,833)	(3.6%)
- Right-of-use assets		(2,579,098)	(2,537,821)	1.6%	(5,095,294)	(5,212,576)	(2.2%)
Amortisation of intangible assets		(205,220)	(205,376)	(0.1%)	(412,054)	(415,374)	(0.8%)
Finance costs							
- Lease liabilities		(640,375)	(589,953)	8.5%	(1,366,044)	(1,258,972)	8.5%
- Borrowings and others		(16,757)	(28,305)	(40.8%)	(28,864)	(44,691)	(35.4%)
Write back of impairment losses/(impairment losses) on							
- Trade and other receivables		31,558	(99,240)	NM	31,558	(181,037)	NM
- Property, plant and equipment		(89,334)	(192,967)	(53.7%)	(89,334)	(260,726)	(65.7%)
- Right-of-use assets		-	(532,157)	NM	-	(532,157)	NM
Other expenses		(4,532,234)	(3,754,054)	20.7%	(8,559,841)	(6,877,570)	24.5%
Share of results of associated company		(6,236)	2,528	NM	(439)	31,409	NM
Share of results of joint venture		10,822	(17,184)	NM	(7,820)	(17,184)	(54.5%)
Profit/(loss) before tax		651,807	(1,053,231)	NM	2,950,038	(1,065,998)	NM
Tax expense	6	(292,400)	(162,069)	80.4%	(1,086,358)	(106,151)	NM
Profit/(loss) from continuing operations, net of tax		359,407	(1,215,300)	NM	1,863,680	(1,172,149)	NM
Profit from discontinued operations, net of tax		-	408,342	NM	-	252,436	NM
Profit/(loss) for the period/year	5	359,407	(806,958)	NM	1,863,680	(919,713)	NM
Other comprehensive (loss)/income							
<i>Item that is or may be reclassified subsequently to profit or loss:</i>							
- Currency translation differences on consolidation		(114,138)	18,358	NM	(100,467)	(36,408)	NM
- Reclassification of currency translation reserve to profit or loss on disposal of discontinued operations		-	(4,837)	NM	-	(4,837)	NM
Other comprehensive (loss) income for the period/year, net of tax		(114,138)	13,521	NM	(100,467)	(41,245)	NM
Total comprehensive income/(loss) for the period/year		245,269	(793,437)	NM	1,763,213	(960,958)	NM
Profit/(loss) attributable to:							
Equity holders of the Company		432,697	12,237	NM	1,963,746	367,787	NM
Non-controlling interests		(73,290)	(819,195)	(91.1%)	(100,066)	(1,287,500)	(92.2%)
Profit/(loss) for the period/year		359,407	(806,958)	NM	1,863,680	(919,713)	NM

		Group					
Note	2H FY2023 ⁽¹⁾ (AUD) <u>(Unaudited)</u>	2H FY2022 ⁽²⁾ (AUD) <u>(Unaudited)</u>	Increase/ (Decrease) %	FY2023 (AUD) <u>(Unaudited)</u>	FY2022 (AUD) <u>(Audited)</u>	Increase/ (Decrease) %	
Profit/(loss) attributable to equity holders of the Company relates to:							
Profit/(loss) from continuing operations	432,697	(315,266)	NM	1,963,746	81,457	NM	
Profit from discontinued operations	-	327,503	NM	-	286,330	NM	
	<u>432,697</u>	<u>12,237</u>	NM	<u>1,963,746</u>	<u>367,787</u>	NM	
Total comprehensive income/(loss) attributable to:							
Equity holders of the Company	318,559	25,758	NM	1,863,279	326,542	NM	
Non-controlling interests	(73,290)	(819,195)	(91.1%)	(100,066)	(1,287,500)	(92.2%)	
Total comprehensive income/(loss) for the period/year	<u>245,269</u>	<u>(793,437)</u>	NM	<u>1,763,213</u>	<u>(960,958)</u>	NM	
Earnings/(loss) per share for profit/(loss) attributable to the equity holders of the Company							
From continuing and discontinued operations							
Basic and diluted (cents)	7	0.18	0.00	NM	0.80	0.15	NM
From continuing operations							
Basic and diluted (cents)	7	0.18	(0.13)	NM	0.80	0.03	NM
From discontinued operations							
Basic and diluted (cents)	7	-	0.13	NM	-	0.12	NM

NM: Not meaningful

Notes:

(1) "2H FY2023" refers to six months period ended 30 June 2023

(2) "2H FY2022" refers to six months period ended 30 June 2022

B. Condensed interim statements of financial position

	Note	Group		Company	
		As at 30 June 2023 (AUD)	As at 30 June 2022 (AUD)	As at 30 June 2023 (AUD)	As at 30 June 2022 (AUD)
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS					
Non-current assets					
Property, plant and equipment	10	11,361,647	11,166,484	-	-
Right-of-use assets	11	19,273,587	20,623,813	-	-
Intangible assets	12	2,589,749	2,825,320	-	-
Investment in subsidiaries	13	-	-	20,841,811	20,941,372
Investment in associated company		29,970	46,378	-	-
Investment in joint venture		275,086	282,816	-	-
Deferred tax asset		2,512,536	3,091,395	280,000	406,572
Fixed deposits		2,937,790	2,488,162	-	-
Trade and other receivables		1,140,490	1,174,568	-	-
Total non-current assets		40,120,855	41,698,936	21,121,811	21,347,944
Current assets					
Contract assets		152,146	108,000	-	-
Inventories		3,573,570	3,190,342	-	-
Trade and other receivables		5,932,839	4,805,817	11,959,510	10,374,727
Other investments	8	100,000	200,000	100,000	200,000
Cash and bank balances		7,326,436	7,761,188	829,718	1,440,116
Total current assets		17,084,991	16,065,347	12,889,228	12,014,843
Total assets		57,205,846	57,764,283	34,011,039	33,362,787
EQUITY AND LIABILITIES					
Equity					
Share capital	14	57,200,620	57,200,620	57,200,620	57,200,620
Treasury shares		(48,253)	(48,253)	(48,253)	(48,253)
Other reserves		(40,741,550)	(40,641,083)	(479,202)	(479,202)
Retained earnings		4,608,892	3,454,129	(23,020,615)	(23,738,248)
Equity attributable to equity holders of the Company, total		21,019,709	19,965,413	33,652,550	32,934,917
Non-controlling interests		(350,574)	(340,508)	-	-
Total equity		20,669,135	19,624,905	33,652,550	32,934,917
Non-current liabilities					
Borrowings	15	-	1,131,055	-	-
Lease liabilities	11	18,537,919	20,027,664	-	-
Contract liabilities		1,388,436	1,021,451	-	-
Total non-current liabilities		19,926,355	22,180,170	-	-
Current liabilities					
Trade and other payables		7,974,849	7,010,812	358,489	427,842
Contract liabilities		847,717	574,696	-	-
Borrowings	15	1,566,710	1,178,857	-	-
Lease liabilities	11	5,711,188	6,568,256	-	-
Tax payable		509,892	626,587	-	28
Total current liabilities		16,610,356	15,959,208	358,489	427,870
Total liabilities		36,536,711	38,139,378	358,489	427,870
Total equity and liabilities		57,205,846	57,764,283	34,011,039	33,362,787

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 2023 (AUD)		As at 30 June 2022 (AUD)	
	Secured	Unsecured	Secured	Unsecured
Borrowings	1,566,710	-	1,178,857	-
Equipment finance lease classified as lease liabilities	38,353	-	17,697	-

Amount repayable after one year

	As at 30 June 2023 (AUD)		As at 30 June 2022 (AUD)	
	Secured	Unsecured	Secured	Unsecured
Borrowings	-	-	1,131,055	-
Equipment finance lease classified as lease liabilities	35,874	-	34,735	-

Details of any collateral

As at 30 June 2023, the Group's borrowings of approximately A\$1.6 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 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
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 (Unaudited)	57,200,620	(48,253)	(40,741,550)	4,608,892	21,019,709	(350,574)	20,669,135

Group	Share capital (AUD)	Treasury shares (AUD)	Other reserves (AUD)	Retained earnings (AUD)	Reserve of disposal group classified as held for sale (AUD)	Equity attributable to equity holders of the Company (AUD)	Non- controlling interests (AUD)	Total equity (AUD)
At 1 July 2021	57,200,620	(722,827)	(40,214,835)	3,894,549	4,837	20,162,344	1,894,218	22,056,562
Profit/(loss) for the year	-	-	-	367,787	-	367,787	(1,287,500)	(919,713)
Other comprehensive loss								
Currency translation differences on consolidation	-	-	(36,408)	-	-	(36,408)	-	(36,408)
Currency translation differences reclassified to profit or loss on disposal of discontinued operations	-	-	-	-	(4,837)	(4,837)	-	(4,837)
Other comprehensive loss for the financial year, net of tax	-	-	(36,408)	-	(4,837)	(41,245)	-	(41,245)
Total comprehensive (loss)/income for the year	-	-	(36,408)	367,787	(4,837)	326,542	(1,287,500)	(960,958)
Disposal of subsidiaries	-	-	393,081	(393,081)	-	-	79,404	79,404
<i>Transactions with owners recognised directly in equity</i>								
Purchases of treasury shares	-	(163,653)	-	-	-	(163,653)	-	(163,653)
Treasury shares re-issued	-	838,227	(367,110)	-	-	471,117	-	471,117
Dividends	-	-	-	(415,126)	-	(415,126)	(49,000)	(464,126)
<i>Changes in ownership interest in subsidiaries</i>								
Acquisition of non-controlling interests in subsidiaries without change in control	-	-	(415,811)	-	-	(415,811)	(977,630)	(1,393,441)
At 30 June 2022 (Audited)	57,200,620	(48,253)	(40,641,083)	3,454,129	-	19,965,413	(340,508)	19,624,905

Company	Share Capital (AUD)	Treasury shares (AUD)	Other reserves (AUD)	Retained earnings (AUD)	Total equity (AUD)
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 (Unaudited)	57,200,620	(48,253)	(479,202)	(23,020,615)	33,652,550
At 1 July 2021	57,200,620	(722,827)	(112,092)	(13,444,191)	42,921,510
Loss and total comprehensive loss for the financial year	-	-	-	(9,878,931)	(9,878,931)
Purchases of treasury shares	-	(163,653)	-	-	(163,653)
Treasury shares re-issued	-	838,227	(367,110)	-	471,117
Dividends	-	-	-	(415,126)	(415,126)
At 30 June 2022 (Audited)	57,200,620	(48,253)	(479,202)	(23,738,248)	32,934,917

D. Condensed interim consolidated statement of cash flows

Note	Group	
	FY2023	FY2022
	(AUD) (Unaudited)	(AUD) (Audited)
Cash flows from operating activities		
Profit/(loss) before tax from continuing operations	2,950,038	(1,065,998)
Profit before tax from discontinued operations	-	252,436
	<hr/>	<hr/>
Profit/(loss) before tax, total	2,950,038	(813,562)
<u>Adjustments for:-</u>		
Depreciation		
- Property, plant and equipment	2,985,667	3,097,833
- Right-of-use assets	5,095,294	5,212,576
Amortisation	412,054	415,374
Gain on disposal of Group-owned outlets	(704,089)	-
Gain on disposal of property, plant and equipment (Write back of provision of)/impairment losses on	(7,031)	-
- Trade and other receivables	(31,558)	181,037
- Property, plant and equipment	89,334	260,726
- Right-of-use assets	-	532,157
Interest income	(74,083)	(50,794)
Interest expenses	1,394,908	1,303,663
Property, plant and equipment written off	102,125	89,777
Gain on disposal of discontinued operations	-	(252,436)
Rent concessions from lessors	(420,375)	(1,399,288)
Share of results from associated company	439	(31,409)
Share of results from joint venture	7,820	17,184
Unrealised exchange (gain)/loss	(320,742)	42,013
Operating cash flow before working capital changes	<hr/> 11,479,801	<hr/> 8,604,851
Inventories	(383,228)	(676,711)
Receivables and contract assets	(1,074,974)	(1,035,771)
Payables and contract liabilities	1,765,352	532,723
Currency translation adjustments	(219,534)	(55,705)
Cash generated from operations	<hr/> 11,567,417	<hr/> 7,369,387
Income tax paid	(626,678)	(1,165,218)
Net cash generated from operating activities	<hr/> 10,940,739	<hr/> 6,204,169
Cash flows from investing activities		
Capital reduction in investments in associate	15,968	-
Dividends received from an associated company	-	21,920
Disposal/(acquisition) of other investments	100,000	(200,000)
Interest received	43,522	24,327
Incorporation of joint venture	(95)	(50)
Subscription money paid for investment in joint venture	-	(99,950)
Net cash outflow from deconsolidation of subsidiaries	-	(1,136)
Proceeds from disposal of Group-owned outlets	919,800	-
Proceeds from disposal of property, plant and equipment	10,091	-
Purchases of intangible assets	(148,206)	(179,690)
Purchases of property, plant and equipment	(3,358,737)	(1,249,014)
Net cash used in investing activities	<hr/> (2,417,657)	<hr/> (1,683,593)

Note	Group	
	FY2023	FY2022
	(AUD)	(AUD)
	(Unaudited)	(Audited)
Cash flows from financing activities		
Upfront payment for right-of-use assets	(13,220)	(16,786)
Acquisition of non-controlling interests in subsidiaries	-	(1,393,440)
Lease incentives received	231,330	5,732
Proceeds from borrowings	1,154,539	2,157,017
Repayment of borrowings	(1,900,447)	(512,944)
Repayment of lease liabilities	(5,951,555)	(4,865,965)
Advances from non-controlling interests	237,715	11,916
Repayment to related parties/ non-controlling interests	(78,285)	(253,221)
Capital contribution from non-controlling interest in a subsidiary company	90,000	-
Dividends paid to shareholders	(808,983)	(414,688)
Dividends paid to non-controlling interests	-	(49,000)
Interest paid	(1,446,591)	(1,235,888)
Increase in fixed deposits pledged	(449,628)	(118,143)
Purchases of treasury shares	-	(163,653)
Proceeds from treasury shares re-issued	-	471,117
Net cash used in financing activities	(8,935,125)	(6,377,946)
Net decrease in cash and cash equivalents	(412,043)	(1,857,370)
Cash and cash equivalents at beginning of the financial year	7,761,188	9,618,504
Effect of exchange rate changes on cash and cash equivalents	(22,709)	54
Cash and cash equivalents at end of the financial year	7,326,436	7,761,188

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	7,326,436	7,761,188
Fixed deposits	2,937,790	2,488,162
	10,264,226	10,249,350
Less: Fixed deposits (pledged)	(2,937,790)	(2,488,162)
Cash and cash equivalents	7,326,436	7,761,188

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 2023 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 Retail; (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 2023 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 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

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 2023.

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

- Note 12 – Impairment test of goodwill: key assumptions underlying recoverable amounts

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

FY2023 (Unaudited)	F & B Retail (AUD)	Supply Chain (AUD)	Franchise (AUD)	Others (AUD)	Eliminations (AUD)	Consolidation total (AUD)
Segment revenue						
Sales to external customers	45,122,107	13,200,238	7,253,198	235,585	-	65,811,128
Intersegment sales	-	6,914,157	1,382,639	-	(8,296,796)	-
Total revenue from continuing operations	<u>45,122,107</u>	<u>20,114,395</u>	<u>8,635,837</u>	<u>235,585</u>	<u>(8,296,796)</u>	<u>65,811,128</u>
Share of results of associated company	-	-	-	(439)	-	(439)
Share of results of joint venture	-	-	-	(7,820)	-	(7,820)
Tax (expense)/credit	(1,445,524)	417,955	81,313	(140,102)	-	(1,086,358)
Net (loss)/profit from continuing operations, net of tax	(840,581)	682,388	1,484,141	1,463,246	(925,514)	<u>1,863,680</u>
Profit for the year						<u>1,863,680</u>
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	989,108	372,668	66,518	127,178	(160,564)	1,394,908
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	(7,031)	-	-	-	-	(7,031)
Segment assets	36,770,509	15,330,862	12,703,775	59,887,855	(69,216,425)	55,476,576
Unallocated assets						<u>1,729,270</u>
Total assets						<u>57,205,846</u>
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						<u>1,260,530</u>
Total liabilities						<u>36,536,711</u>

FY2022 (Audited)	F & B Retail (AUD)	Supply Chain (AUD)	Franchise (AUD)	Others (AUD)	Eliminations (AUD)	Consolidation total (AUD)
Segment revenue						
Sales to external customers	31,349,427	10,096,963	5,315,362	210,181	-	46,971,933
Intersegment sales	-	4,192,046	864,845	-	(5,056,891)	-
Total revenue from continuing operations	<u>31,349,427</u>	<u>14,289,009</u>	<u>6,180,207</u>	<u>210,181</u>	<u>(5,056,891)</u>	<u>46,971,933</u>
Share of results of associated company	-	-	-	31,409	-	31,409
Share of results of joint venture	-	-	-	(17,184)	-	(17,184)
Tax expense	(277,636)	453,510	(277,259)	(4,766)	-	(106,151)
Net (loss)/profit from continuing operations, net of tax	(1,471,714)	(1,044,229)	988,042	(13,756,189)	14,111,941	(1,172,149)
Net profit from discontinued operations, net of tax	-	-	-	-	-	252,436
Loss for the year						<u>(919,713)</u>
Other significant non-cash expense:						
Depreciation of property, plant and equipment and amortisation of intangible assets	2,897,888	224,821	325,627	98,563	(33,692)	3,513,207
Depreciation of right-of-use assets	4,551,909	658,198	2,469	-	-	5,212,576
Impairment losses on property, plant and equipment	260,726	-	-	-	-	260,726
Impairment losses on trade and other receivables	-	-	170,769	10,268	-	181,037
Impairment losses on right-of-use assets	532,157	-	-	-	-	532,157
Property, plant and equipment written off	73,279	16,498	-	-	-	89,777
Interest expense	1,179,863	130,011	57,191	151,832	(215,234)	1,303,663
Interest income	(44,532)	(7,895)	(22,490)	(191,112)	215,235	(50,794)
Segment assets	36,563,656	15,899,391	11,426,262	56,225,953	(63,643,284)	56,471,978
Unallocated assets						<u>1,292,305</u>
Total assets						<u>57,764,283</u>
Segment assets include additions to:						
- Property, plant and equipment	973,096	269,040	6,878	-	-	1,249,014
- Right-of-use assets	-	-	72,086	-	-	72,086
- Intangible assets	-	-	179,690	-	-	179,690
- Investment in joint venture	300,000	-	-	-	-	300,000
- Financial asset at fair value through profit or loss	-	-	-	200,000	-	200,000
Segment liabilities	37,826,912	7,993,196	7,248,660	24,388,990	(41,278,965)	36,178,793
Unallocated liabilities						<u>1,960,585</u>
Total liabilities						<u>38,139,378</u>

2H FY2023 (Unaudited)

	F & B Retails (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	477,493	142,597	43,122	77,069	(83,149)	657,132
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>

2H FY2022 (Unaudited)

	F & B Retails (AUD)	Supply Chain (AUD)	Franchise (AUD)	Others (AUD)	Eliminations (AUD)	Consolidation total (AUD)
Segment revenue						
Sales to external customers	17,738,070	5,808,927	3,020,555	126,771	-	26,694,323
Intersegment sales	-	2,795,141	525,837	-	(3,320,978)	-
Total revenue from continuing operations	<u>17,738,070</u>	<u>8,604,068</u>	<u>3,546,392</u>	<u>126,771</u>	<u>(3,320,978)</u>	<u>26,694,323</u>
Share of results of associated company	-	-	-	2,528	-	2,528
Share of results of joint venture	-	-	-	(17,184)	-	(17,184)
Tax credit/(expense)	(261,506)	256,817	(184,854)	27,474	-	(162,069)
Net (loss)/profit from continuing operations, net of tax	(1,622,378)	(462,707)	726,076	(14,335,555)	14,479,264	(1,215,300)
Net profit from discontinued operations, net of tax						<u>408,342</u>
Loss for the period						<u><u>(806,958)</u></u>
Other significant non-cash expense:						
Depreciation of property, plant and equipment and amortisation of intangible assets	1,402,349	116,882	188,572	26,326	(7,215)	1,726,914
Depreciation of right-of-use assets	2,207,384	327,968	2,469	-	-	2,537,821
Impairment losses on property, plant and equipment	192,967	-	-	-	-	192,967
Impairment losses on right-of-use assets	532,157	-	-	-	-	532,157
Impairment losses on trade and other receivables	(7,477)	(2,504)	98,953	(273,694)	283,962	99,240
Property, plant and equipment written off	72,085	16,498	-	-	-	88,583
Interest expense	555,089	60,599	31,136	90,985	(119,551)	618,258
Interest income	(23,913)	(7,895)	(22,450)	(94,491)	119,552	(29,197)
Segment assets	36,563,656	15,899,391	11,426,262	56,425,953	(63,843,284)	56,471,978
Unallocated assets						<u>1,292,305</u>
Total assets						<u><u>57,764,283</u></u>
Segment assets include additions to:						
- Property, plant and equipment	587,413	207,435	1,573	-	-	796,421
- Right-of-use assets	-	-	72,086	-	-	72,086
- Intangible assets	-	-	87,342	-	-	87,342
- Investment in joint ventures	300,000	-	-	-	-	300,000
- Other investments	-	-	-	200,000	-	200,000
Segment liabilities	37,826,912	7,993,196	7,248,660	24,388,990	(41,278,965)	36,178,793
Unallocated liabilities						<u>1,960,585</u>
Total liabilities						<u><u>38,139,378</u></u>

4.2 Disaggregation of revenue

	2H FY2023	2H FY2022	FY2023	FY2022
	AUD	AUD	AUD	AUD
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Sales to external customers				
Australia	25,085,822	19,133,383	49,548,661	33,352,686
New Zealand	4,868,561	5,482,114	11,534,937	9,987,105
United Kingdom	2,578,315	2,078,826	4,727,530	3,632,142
	<u>32,532,698</u>	<u>26,694,323</u>	<u>65,811,128</u>	<u>46,971,933</u>
Timing of revenue recognition				
At a point in time	28,423,555	23,673,768	58,557,930	41,656,571
Over time	4,109,143	3,020,555	7,253,198	5,315,362
	<u>32,532,698</u>	<u>26,694,323</u>	<u>65,811,128</u>	<u>46,971,933</u>

4.3 Information about major customers

The Group did not have any single customer contributing 10% or more to its revenue for FY2023 and FY2022.

5. Profit/(loss) for the period/year

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

	Continuing operations		Discontinued operations		Total	
	2H FY2023	2H FY2022	2H FY2023	2H FY2022	2H FY2023	2H FY2022
	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Allowance for impairment of property, plant and equipment	(89,334)	(192,967)	-	-	(89,334)	(192,967)
Allowance for impairment of right-of-use assets	-	(532,157)	-	-	-	(532,157)
Write back of allowance/(allowance) for impairment of trade and other receivables	86,000	(13,703)	-	-	86,000	(13,703)
Amortisation expense	(205,220)	(205,376)	-	-	(205,220)	(205,376)
Bad debts written off	(54,442)	(85,537)	-	-	(54,442)	(85,537)
Depreciation expense						
- Property, plant and equipment	(1,478,025)	(1,521,538)	-	-	(1,478,025)	(1,521,538)
- Right-of-use assets	(2,579,098)	(2,537,821)	-	-	(2,579,098)	(2,537,821)
Foreign exchange gain/(loss)	171,111	(175,533)	-	-	171,111	(175,533)
Gain on disposal of Group-owned outlets	310,513	-	-	-	310,513	-
Gain on disposal of property, plant and equipment	7,031	-	-	-	7,031	-
Government grants	50,308	93,402	-	-	50,308	93,402
Interest income	17,087	29,197	-	-	17,087	29,197
Property, plant and equipment written off	(99,703)	(88,583)	-	-	(99,703)	(88,583)
Rebates from suppliers	557,663	537,334	-	-	557,663	537,334
Royalty fees	(1,066,289)	(725,967)	-	-	(1,066,289)	(725,967)
Adjustment for over/(under) provision of tax in respect of prior years :-						
- Income tax	(133,408)	305,247	-	-	(133,408)	305,247
- Deferred tax	115,395	91,985	-	-	115,395	91,985

	Continuing operations		Discontinued operations		Total	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Allowance for impairment of property, plant and equipment	(89,334)	(260,726)	-	-	(89,334)	(260,726)
Allowance for impairment of right-of-use assets	-	(532,157)	-	-	-	(532,157)
Allowance for impairment of trade and other receivables	86,000	(95,500)	-	-	86,000	(95,500)
Amortisation expense	(412,054)	(415,374)	-	-	(412,054)	(415,374)
Bad debts written off	(54,442)	(85,537)	-	-	(54,442)	(85,537)
Depreciation expense						
- Property, plant and equipment	(2,985,667)	(3,097,833)	-	-	(2,985,667)	(3,097,833)
- Right-of-use assets	(5,095,294)	(5,212,576)	-	-	(5,095,294)	(5,212,576)
Foreign exchange gain/(loss)	320,742	(42,013)	-	-	320,742	(42,013)
Gain on disposal of discontinued operations	-	-	-	252,436	-	252,436
Gain on disposal of Group-owned outlets	704,089	-	-	-	704,089	-
Gain on disposal of property, plant and equipment	7,031	-	-	-	7,031	-
Government grants	98,675	2,380,589	-	-	98,675	2,380,589
Interest income	74,083	50,794	-	-	74,083	50,794
Property, plant and equipment written off	(102,125)	(89,777)	-	-	(102,125)	(89,777)
Rebates from suppliers	1,223,466	939,253	-	-	1,223,466	939,253
Royalty fees	(1,982,496)	(1,274,616)			(1,982,496)	(1,274,616)
Adjustment for over/(under) provision of tax in respect of prior years :-						
- Income tax	37,497	366,542	-	-	37,497	366,542
- Deferred tax	(38,710)	99,528	-	-	(38,710)	99,528

6. Tax (expense)/credit

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)/credit in the condensed interim consolidated statements of profit or loss are:

	Continuing operations		Discontinued operations		Total	
	2H FY2023	2H FY2022	2H FY2023	2H FY2022	2H FY2023	2H FY2022
	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current year						
- Income tax	(58,510)	(61,561)	-	-	(58,510)	(61,561)
- Deferred tax	3,760	(106,010)	-	-	3,760	(106,010)
(Under)/over provision in respect of previous financial period/year						
- Income tax	(133,408)	305,247	-	-	(133,408)	305,247
- Deferred tax	115,395	91,985	-	-	115,395	91,985
Reversal of deferred tax asset	(219,637)	(373,661)	-	-	(219,637)	(373,661)
Withholding tax	-	(18,069)	-	-	-	(18,069)
	(292,400)	(162,069)	-	-	(292,400)	(162,069)

	Continuing operations		Discontinued operations		Total	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Current year						
- Income tax	(826,232)	(457,174)	-	-	(826,232)	(457,174)
- Deferred tax	(39,276)	276,683	-	-	(39,276)	276,683
Over/(under) provision in respect of previous financial period/year						
- Income tax	37,497	366,542	-	-	37,497	366,542
- Deferred tax	(38,710)	99,528	-	-	(38,710)	99,528
Reversal of deferred tax assets	(219,637)	(373,661)	-	-	(219,637)	(373,661)
Withholding tax	-	(18,069)	-	-	-	(18,069)
	(1,086,358)	(106,151)	-	-	(1,086,358)	(106,151)

7. Earnings/(loss) per share

	Group			
	2H FY2023	2H FY2022	FY2023	FY2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
From continuing and discontinued operations				
Net profit attributable to equity holders of the Company (AUD)	432,697	12,237	1,963,746	367,787
Weighted average number of ordinary shares in issue	245,602,800	244,712,556 ⁽¹⁾	245,602,800	243,856,313 ⁽¹⁾
Basic and diluted earnings per share (AUD cents)	0.18	0.00	0.80	0.15
From continuing operations				
Net profit/(loss) attributable to equity holders of the Company (AUD)	432,697	(315,266)	1,963,746	81,457
Weighted average number of ordinary shares in issue	245,602,800	244,712,556 ⁽¹⁾	245,602,800	243,856,313 ⁽¹⁾
Basic and diluted earnings/(loss) per share (AUD cents)	0.18	(0.13)	0.80	0.03
From discontinued operations				
Net profit attributable to equity holders of the Company (AUD)	-	327,503	-	286,330
Weighted average number of ordinary shares in issue	245,602,800	244,712,556 ⁽¹⁾	245,602,800	243,856,313 ⁽¹⁾
Basic and diluted earnings per share (AUD cents)	-	0.13	-	0.12

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

Note:

- (1) Between 27 September 2021 and 29 June 2022, the Company conducted multiple share buyback exercises amounting to 1,345,400 shares in total. On 24 February 2022 and 9 June 2022, the Company sold treasury shares amounting to 3,802,200 shares in total. These share buybacks and treasury shares re-issued have been factored in arriving at the weighted average number of ordinary shares in issue for 2H FY2022 and FY2022.

8. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities as at 30 June 2023 and 30 June 2022:

	Group		Company	
	As at 30 June 2023 (Unaudited)	As at 30 June 2022 (Audited)	As at 30 June 2023 (Unaudited)	As at 30 June 2022 (Audited)
<i>Financial assets</i>				
Financial assets at amortised cost	15,299,198	14,873,340	12,783,195	11,805,106
Financial assets at fair value through profit or loss	100,000	200,000	100,000	200,000
	<u>15,399,198</u>	<u>15,073,340</u>	<u>12,883,195</u>	<u>12,005,106</u>
<i>Financial liabilities</i>				
At amortised cost	<u>30,661,969</u>	<u>33,062,068</u>	<u>48,035</u>	<u>101,934</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).

Other investments

Other investments 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 2022. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

9. Net asset value

	Group		Company	
	As at 30 June 2023 (Unaudited)	As at 30 June 2022 (Audited)	As at 30 June 2023 (Unaudited)	As at 30 June 2022 (Audited)
Net asset value ("NAV") (AUD)	21,019,709	19,965,413	33,652,550	32,934,917
Number of ordinary shares excluding treasury shares	<u>245,602,800</u>	<u>245,602,800</u>	<u>245,602,800</u>	<u>245,602,800</u>
NAV per ordinary share (AUD cents)	<u>8.6</u>	<u>8.1</u>	<u>13.7</u>	<u>13.4</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 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
Disposal	(348,242)	(173,745)	-	-	(332,408)	(854,395)
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
Disposal	(130,586)	(70,685)	-	-	(222,885)	(424,156)
Write-off	(108,846)	(76,169)	(1,571)	(13,076)	-	(199,662)
Reclassified from right-of-use assets	479,651	-	-	30,541	-	510,192
Currency translation differences	20,050	11,802	740	1,212	68,277	102,081
Impairment loss	59,974	-	-	-	76,294	136,268
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	8,101,457	16,265,075
Accumulated impairment	73,122	-	-	-	399,188	472,310
	3,927,781	3,891,593	291,875	125,491	8,500,645	16,737,385
Net carrying value						
At 30 June 2023 (Unaudited)	2,618,530	4,049,836	102,392	80,929	4,509,960	11,361,647

Group	Machinery and equipment (AUD)	Furniture and fittings (AUD)	Office equipment (AUD)	Motor vehicles (AUD)	Renovation (AUD)	Total (AUD)
Cost						
At 1 July 2021	4,234,043	6,974,418	382,710	137,570	11,251,704	22,980,445
Additions	420,188	369,253	9,342	-	450,231	1,249,014
Write-off	(17,751)	-	-	-	(145,023)	(162,774)
Reclassified from right-of-use assets	802,754	43,864	-	-	114,852	961,470
Currency translation differences	(32,721)	(65,970)	(703)	(2,890)	(132,392)	(234,676)
At 30 June 2022	5,406,513	7,321,565	391,349	134,680	11,539,372	24,793,479
Accumulated depreciation and impairment loss						
At 1 July 2021	2,122,217	2,438,833	245,845	77,060	5,006,633	9,890,588
Depreciation charge	528,648	752,455	25,397	12,391	1,778,942	3,097,833
Write-off	(12,231)	-	-	-	(60,766)	(72,997)
Reclassified from right-of-use assets	451,873	17,935	-	-	73,892	543,700
Currency translation differences	(15,145)	(19,707)	(399)	(1,321)	(56,283)	(92,855)
Impairment loss	11,186	-	-	-	249,540	260,726
At 30 June 2022	3,086,548	3,189,516	270,843	88,130	6,991,958	13,626,995
Representing:						
Accumulated depreciation	3,075,789	3,189,516	270,843	88,130	6,677,507	13,301,785
Accumulated impairment	10,759	-	-	-	314,451	325,210
	3,086,548	3,189,516	270,843	88,130	6,991,958	13,626,995
Net carrying value						
At 30 June 2022 (Audited)	2,319,965	4,132,049	120,506	46,550	4,547,414	11,166,484

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 10 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	FY2023 (AUD) (Unaudited)	FY2022 (AUD) (Audited)
Amounts recognised in statements of financial position		
<i>Carrying amount of right-of-use assets</i>		
Food and beverage outlets	14,484,680	14,895,509
Central kitchen and office buildings	4,678,301	5,329,450
Plant and equipment	58,392	315,550
Motor vehicles	52,214	83,304
	19,273,587	20,623,813
<i>Carrying amount of lease liabilities</i>		
Current	5,711,188	6,568,256
Non-current	18,537,919	20,027,664
	24,249,107	26,595,920
Additions to right-of-use assets	4,584,099	72,086

12. Intangible assets

Group	FY2023 (AUD) (Unaudited)	FY2022 (AUD) (Audited)
Goodwill arising on business combination	945,937	945,937
Franchise rights	1,643,812	1,879,383
	2,589,749	2,825,320

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	
	FY2023 (AUD) (Unaudited)	FY2022 (AUD) (Audited)
F & B Retails		
- PPR Ryde (NSW) Pty Ltd	725,783	725,783
- JCT (Chadstone) Pty Ltd	220,154	220,154
	945,937	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	
	FY2023 (Unaudited)	FY2022 (Audited)	FY2023 ⁽¹⁾ (Unaudited)	FY2022 (Audited)
	0% growth in year 2024 and 2025 and 2% growth per year thereafter	49% growth in year 2023 from year 2022, 1% growth in year 2024 and 4% growth per year thereafter	0% growth in year 2024 and 2025 ⁽¹⁾ , 2% growth from 2023 in 2026 and thereafter	49% growth in year 2023 from year 2022, 0% growth in year 2024 and 2% growth per year thereafter
Forecast revenue growth				
Gross profit margin	65%	65%	68%	64%
Terminal value growth rate	2.0%	1.5%	1.2%	1.2%
Discount rate	14.9%	15.4%	12%	16.1%

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) FY2024-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.

13. Investment in subsidiaries

Company	FY2023 (AUD) (Unaudited)	FY2022 (AUD) (Audited)
Unquoted equity share, at cost		
Balance at beginning of year	40,196,030	40,196,030
Incorporation of subsidiaries	-	-
	<u>40,196,030</u>	<u>40,196,030</u>
Less: Accumulated impairment losses	(19,354,219)	(19,254,658)
Balance at end of the year	<u>20,841,811</u>	<u>20,941,372</u>
<i>Movement in accumulated impairment losses</i>		
Balance at beginning of year	19,254,658	10,975,318
Impairment loss for the year	99,561	8,279,340
Balance at end of the year	<u>19,354,219</u>	<u>19,254,658</u>

14. Share capital

	Number of issued shares		Issued share capital	
	FY2023	FY2022	FY2023	FY2022
	(Unaudited)	(Audited)	(AUD)	(AUD)
<i>Issued and paid up</i>				
At 1 July 2022	245,602,800	243,146,000	57,200,620	57,200,620
Purchases of treasury shares	-	(403,900) ⁽¹⁾	-	-
At 31 December 2022	245,602,800	242,742,100	57,200,620	57,200,620
Purchases of treasury shares	-	(941,500) ⁽²⁾	-	-
Treasury shares re-issued	-	3,802,200 ⁽³⁾	-	-
At 30 June 2023	245,602,800	245,602,800	57,200,620	57,200,620

	Number of Shares	Percentage of the
		aggregate number of the treasury shares against the total number of shares outstanding
<i>Treasury Shares</i>		
As at 1 July 2021	2,854,000	1.2%
Purchase of treasury shares	1,345,400 ^{(1) (2)}	
Treasury shares re-issued	(3,802,200) ⁽³⁾	
As at 30 June 2022 / 30 June 2023	397,200	0.2%

There were no outstanding convertibles, options and subsidiary holdings held by the Company as at 30 June 2023 and 30 June 2022. The number of shares held as treasury shares as at 30 June 2022 and 30 June 2023 were 397,200 treasury shares. The percentage of the aggregate number of treasury shares held against the total number of outstanding shares as at 30 June 2023 and 30 June 2022 was 0.2%.

Notes:

- (1) Between 1 July 2021 and 31 December 2021, the Company conducted multiple share buyback exercises amounting to 403,900 shares in total.
- (2) Between 1 January 2022 and 30 June 2022, the Company conducted multiple share buyback exercises amounting to 941,500 shares in total.
- (3) On 24 February 2022 and 9 June 2022, the Company sold 3,802,200 treasury shares for working capital proceeds.

15. Borrowings

Group	FY2023 (AUD) (Unaudited)	FY2022 (AUD) (Audited)
<i>Non-current</i>		
Bank loans (secured)	-	1,131,055
<i>Current</i>		
Bank loans (secured)	1,566,710	1,178,857
Total borrowings	1,566,710	2,309,912

The Group's secured bank loans are secured over corporate guarantee, all assets and certain fixed deposits of certain subsidiaries. Interest is payable at 7.72% to 10.47% (FY2022: 2.07% to 6.21%) per annum in FY2023.

Some of the Group's loan agreements are subject to covenant clauses, whereby the Group is required to meet certain key financial ratios. In August 2023, one of the subsidiaries, Papparich Australia Pty Ltd did not fulfil the "Leverage ratio is to be less than 1.40x at all times", "Debt service cover is to be greater than 2.50x at all times" and "Fixed charge cover is to be greater than 1.50x at all times" covenant clauses as required in the contract for a term loan of A\$1.0 million, of which the Group has drawn down A\$0.5 million as at 30 June 2023.

Due to this breach of the covenant clauses, the bank is contractually entitled to request for immediate repayment of the outstanding loan amount of A\$0.5 million. The outstanding balance was presented as a current liability as at 30 June 2023. The bank had not requested for early repayment of the loan as of the date of this announcement.

Pursuant to Rule 704(34) of the Catalist Rules, the board of directors of the Company is of the opinion that the aforementioned breach of the covenant clauses does not have a significant impact on the operations of the Group nor will it result in the Group facing a cash flow problem.

16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

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

1. Review

The condensed consolidated statement of financial position of the Group as at 30 June 2023, 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 2023, and, certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Financial performance (2H FY2023 vs 2H FY2022)

Revenue

Revenue increased by A\$5.8 million or 21.9% from A\$26.7 million in 2H FY2022 to A\$32.5 million in 2H FY2023. The contributions from the respective major revenue segments were as follows: -

- (i) revenue from F&B Retails increased by A\$4.3 million or 24.0% from A\$17.7 million in 2H FY2022 to A\$22.0 million in 2H FY2023 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\$0.5 million or 8.4%, from A\$5.8 million in 2H FY2022 to A\$6.3 million in 2H FY2023 in line with the increase in number of sub-franchised outlets, from 98 as at 30 June 2022 to 115 as at 30 June 2023; and
- (iii) consistently, Franchise revenue increased by A\$1.1 million or 36.0% from A\$3.0 million in 2H FY2022 to A\$4.1 million in 2H FY2023, in line with the increase in number of sub-franchised outlets.

Other Income

Other income increased by A\$0.5 million or 61.2% from A\$0.7 million in 2H FY2022 to A\$1.2 million in 2H FY2023 mainly due to gain on disposal of a corporate outlet of A\$0.3 million and increase in sundry income of A\$0.2 million in 2H FY2023.

Changes in inventories

Changes in inventories decreased by A\$0.1 million in 2H FY2023 as compared to a increase of A\$1.0 million in 2H FY2022. The fluctuations in the balance of our inventories were mainly due to timing of purchases and consumption of inventories.

Purchases of inventories

Purchases of inventories increased by A\$0.3 million or 3.7%, from A\$9.2 million in 2H FY2022 to A\$9.5 million in 2H FY2023, due to the overall increase in our F&B Retail and Supply Chain sales mentioned above.

Franchise restaurants and stores related establishment costs

Franchise restaurants and stores related establishment costs increased by A\$0.5 million from A\$0.3 million in 2H FY2022 to A\$0.8 million in 2H FY2023, in line with the increase in project income from new franchisee businesses from A\$0.5 million in 2H FY2022 to A\$1.1 million in 2H FY2023.

Rental (expenses)/credit

The Group recorded an increase of A\$0.3 million or 72.4% in rental expenses on operating leases from A\$0.4 million in 2H FY2022 to A\$0.7 million in 2H FY2023 as rent concessions received from major landlords for the impact of COVID-19 ceased during FY2022.

Staff costs

Staff costs increased by A\$2.3 million or 22.7% from A\$10.1 million in 2H FY2022 to A\$12.4 million in 2H FY2023, mainly due to the general increase in wage rates and additional hiring.

Depreciation expense

Depreciation expense was consistent at A\$4.1 million in both 2H FY2023 and 2H FY2022. The Group recorded depreciation on right-of-use assets of A\$2.6 million and depreciation on property, plant and equipment of A\$1.5 million in 2H FY2023.

Amortisation of intangible assets

Amortisation expense on intangible assets was consistent at A\$0.2 million in both 2H FY2023 and 2H FY2022.

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 was relatively consistent at A\$0.7 million in 2H FY2023 and A\$0.6 million in 2H FY2022.

Write back/(Impairment losses)

The Group provided for impairment losses on property, plant and equipment and right-of-use asset on loss-making outlets of A\$0.1 million in 2H FY2023 and A\$0.7 million in 2H FY2022. The lower impairment losses in 2H FY2023 was due to fewer loss making outlets which requires impairment. The Group's write back on impairment losses on trade and other receivables was A\$0.03 million in 2H FY2023 as compared to impairment losses of A\$0.1 million in 2H FY2022.

Other expenses

Other expenses increased by A\$0.7 million or 20.7% from A\$3.8 million in 2H FY2022 to A\$4.5 million in 2H FY2023 in line with the overall increase in the Group's revenue. The Group witnessed an increase in royalty fees expense, outlet and warehouse supplies, utilities and maintenance expenses in 2H FY2023 as business activities improved.

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 compared to a profit of A\$2,528 in 2H FY2022. The management does not consider the associated company to be material to the Group.

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 FY2023 amounted to a profit of A\$10,822 compared to a loss of A\$17,184 in 2H FY2022. At present, the management does not consider the joint venture to be material to the Group.

Profit/(loss) before tax from continuing operations

Due to the reasons above, the Group posted profit before tax from continuing operations of A\$0.7 million in 2H FY2023 as compared to loss before tax from continuing operations of A\$1.1 million in 2H FY2022.

Tax expense

Tax expense of A\$0.3 million and A\$0.2 million were recorded for 2H FY2023, and 2H FY2022 respectively.

Profit/(loss) from continuing operations, net of tax

After accounting for tax expense, the Group posted profit after tax from continuing operations of approximately A\$0.4 million in 2H FY2023 as compared to loss after tax of A\$1.2 million in 2H FY2022.

Profit attributable to equity holders of the Company

Excluding the losses attributable to non-controlling interest, profit attributable to equity holders of the Company amounted to A\$0.4 million in 2H FY2023 and A\$0.01 million in 2H FY2022.

Financial performance (FY2023 vs FY2022)

Revenue

Revenue increased by A\$18.8 million or 40.1%, from A\$47.0 million in FY2022 to A\$65.8 million in FY2023, mainly due to overall improvement in the Group's performance and increase in 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\$13.8 million or 43.9% from A\$31.3 million in FY2022 to A\$45.1 million in FY2023 as the Group-owned outlets' performance improved significantly in FY2023;
- (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\$3.1 million or 30.7% from A\$10.1 million in FY2022 to A\$13.2 million in FY2023 in line with the increase in number of sub-franchised outlets, from 98 as at the end of FY2022 to 115 as at the end of FY2023; and
- (iii) consistently, Franchise revenue increased by A\$1.9 million from A\$5.3 million in FY2022 to A\$7.2 million in FY2023 in line with the increase in number of sub-franchised outlets.

In FY2023, the increase in revenue contributions across from Australia, New Zealand and the United Kingdom of A\$16.2 million or 48.6%, A\$1.5 million or 15.5% and A\$1.1m or 30.2% respectively was mainly due to general increase in business activities and opening of new outlets.

Other income

Other income decreased by A\$1.1 million or 28.5% from A\$3.6 million in FY2022 to A\$2.5 million in FY2023 mainly due to: -

- (i) decrease of A\$2.3 million in various COVID-19 grant income received from A\$2.4 million in FY2022 to A\$0.1 million in FY2023;
- (ii) partially offset by an increase in supplier rebate income of A\$0.3 million or 30.3%, from A\$0.9 million in FY2022 to A\$1.2 million in FY2023, due to the general increase in Supply Chain sales and number of sub-franchised outlets, gain from disposal of Group-owned outlets of A\$0.7 million and increase in sundry income of A\$0.2 million in FY2023.

Changes in inventories

Changes in inventories amounted to A\$0.4 million in FY2023 and A\$0.7 million in FY2022. The fluctuations in the balance of our inventories were mainly due to timing of purchases and consumption of inventories.

Purchases of inventories

Purchases of inventories increased by A\$5.1 million or 32.7%, from A\$15.6 million in FY2022 to A\$20.7 million in FY2023 due to the overall increase in F & B Retails sales and Supply Chain sales mentioned above.

Franchise restaurants and stores related establishment costs

Franchise restaurants and stores related establishment costs increased by A\$0.2 million or 39.3% from A\$0.6 million in FY2022 to A\$0.8 million in FY2023, in line with the increase in project income from new franchisee businesses in FY2023.

Rental (expenses)/credit

Rental expense operating leases amounted to A\$1.2 million in FY2023 as compared to rental credit of A\$0.1 million in FY2022. In FY2022, the Group received A\$1.4 million rent concessions from major landlords in relation to the COVID-19 pandemic.

Staff costs

Staff costs increased by A\$6.3 million or 34.3% from A\$18.3 million in FY2022 to A\$24.6 million in FY2023, mainly due to the general increase in wage rates and additional hiring.

Depreciation expense

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

Depreciation on right-of-use assets decreased slightly by A\$0.1 million or 2.2% from A\$5.2 million in FY2022 to A\$5.1 million in FY2023.

Depreciation on property, plant and equipment decreased slightly by A\$0.1 million or 3.6% to A\$3.0 million in FY2023 from A\$3.1 million in FY2022.

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 FY2023 and FY2022.

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 increased slightly by A\$0.1 million or 7.0% from A\$1.3 million in FY2022 to A\$1.4 million in FY2023.

Write back/(Impairment losses)

The Group recorded a total impairment losses of A\$0.1 million in FY2023 compared to total impairment losses of A\$1.0 million in FY2022. In FY2022 the Group provided for impairment loss on property, plant and equipment of A\$0.3 million and impairment loss on right-of-use assets of A\$0.5 million for loss-making outlets as compared to A\$0.1 million impairment loss on property, plant and equipment and nil impairment loss on right-of-use assets in FY2023. The Group also made a write back on impairment losses on trade and other receivables of A\$0.03 million in FY2023 as compared to impairment losses of A\$0.2 million in FY2022.

Other expenses

Other expenses increased by A\$1.7 million or 24.5% from A\$6.9 million in FY2022 to A\$8.6 million in FY2023 in line with the overall increase in the Group's revenue. The Group witnessed an increase in royalty fees expense, outlet and warehouse supplies, utilities and maintenance expenses in FY2023 as business activities improved.

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 FY2023 amounted to a loss of A\$439 compared to a profit of A\$31,409 in FY2022. The management does not consider the associated company to be material to the Group.

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 FY2023 amounted to a loss of A\$7,820 and a loss of A\$17,184 in FY2022. At present, the management does not consider the joint venture to be material to the Group.

Profit/(loss) before tax from continuing operations

Due to the reasons above, the Group recorded a profit before tax from continuing operations of A\$3.0 million in FY2023 as compared to a loss before tax from continuing operations of A\$1.1 million in FY2022.

Tax expense

The Group recorded tax expense of A\$1.1 million in FY2023 and tax expense of A\$0.1 million in FY2022.

Profit/(loss) for the year from continuing operations, net of tax

After accounting for tax expense, the Group posted profit after tax from continuing operations of approximately A\$1.9 million in FY2023 as compared to loss after tax of A\$1.2 million in FY2022.

Profit attributable to equity holders of the Company

Excluding losses attributable to non-controlling interests, profit attributable to equity holders of the Company increased by A\$1.6 million from A\$0.4 million in FY2022 to A\$2.0 million in FY2023 as the Group's performance improved.

Review of the Group's financial position

Non-current Assets

The Group's non-current assets decreased by A\$1.6 million or 3.8% from A\$41.7 million as at 30 June 2022 to A\$40.1 million as at 30 June 2023, mainly attributable to the following:

- (i) a decrease in right-of-use assets of A\$1.4 million and a decrease in intangible assets of A\$0.2 million, mainly due to depreciation expenses and amortisation expenses recognised in FY2023 and decrease in deferred tax assets of A\$0.6 million due to deferred tax expenses charged out during FY2023;
- (ii) partially offset by an increase in fixed deposit placed with a licensed financial institution of A\$0.4 million and an increase in property, plant and equipment of A\$0.2 million.

Current Assets

Current assets increased by A\$1.0 million or 6.2%, from A\$16.1 million as at 30 June 2022 to A\$17.1 million as at 30 June 2023, mainly due to:

- (i) an increase in inventories of A\$0.4 million and an increase trade and other receivables of A\$1.1 million as the Group's operations improved;
- (ii) partially offset by a decrease in cash and bank balances by A\$0.4 million due mainly to the fixed deposit placement and a decrease in other investments attributable to financial assets of deposit placement due to withdrawal of A\$0.1 million;

Non-current Liabilities

The Group's non-current liabilities decreased by A\$2.3 million or 10.2%, from A\$22.2 million as at 30 June 2022 to A\$19.9 million as at 30 June 2023, mainly due to a decrease in lease liabilities of A\$1.5 million attributable to lease payments made during the year for our leases and decrease in borrowings of A\$1.1 million due to the reclassification to current liabilities for repayment of principal, partially offset by an increase in contract liabilities of A\$0.3 million pertaining to deferred income from franchisee fees received.

Current Liabilities

The Group's current liabilities increased by A\$0.6 million or 4.1%, from A\$16.0 million as at 30 June 2022 to A\$16.6 million as at 30 June 2023, mainly due to:

- (i) an increase in trade and other payables of A\$0.9 million mainly due to general increase in business activities;
- (ii) an increase in contract liabilities of A\$0.3 million pertaining to deferred income from franchisee fees received;
- (iii) an increase in borrowings of A\$0.4 million due to store expansions; and
- (iv) partially offset by a decrease in lease liabilities of A\$0.9 million and decrease in tax payable of A\$0.1 million.

Working Capital

The Group recorded positive working capital of A\$0.5 million and A\$0.1 million as at 30 June 2023 and 30 June 2022 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\$0.6 million as compared to A\$1.0 million in FY2022.

Review of the Group's cashflows

The Group generated net cash from operating activities before changes in working capital of A\$11.5 million. Net cash used for working capital purposes amounted to A\$0.3 million, mainly due to an increase in inventories of A\$0.4 million, an increase in receivables and contract assets of A\$1.1 million and partially offset by an increase in payables and contract liabilities of A\$1.8 million

Net cash used in investing activities amounted to A\$2.4 million, mainly due to additions to property, plant and equipment of A\$3.4 million as we expanded our supply chain operations and invested in new corporate outlets offset by proceeds from sale of Group-owned outlets of A\$0.9 million.

Net cash used in financing activities amounted to A\$8.9 million, mainly due to (i) net repayment of bank borrowings of A\$0.7 million; (ii) repayment of lease liabilities of A\$6.0 million; (iii) interest paid on lease liabilities and bank facilities of A\$1.4 million; (iv) dividends paid to shareholders and non-controlling interests of A\$0.8 million; (v) increase in fixed deposits pledged by A\$0.4 million offset by lease incentives received of A\$0.2 million, additional advances from non-controlling interest / related parties of A\$0.1 million and capital contribution from non-controlling interest in a subsidiary company of A\$0.1 million.

As a result of the above, net cash and cash equivalents decreased by A\$0.4 million in FY2023.

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 FY2023 particularly in Australia and New Zealand with high interest rates and cost-of-living slowing down growth in domestic demand. However, moving forward, and supported by the strong influx of international students and tourists, the Group expects positive gradual growth in consumer demand in the next financial year.

As at 30 June 2023, the Group had a network of 164 outlets comprising 47 Group-owned outlets, 2 Joint Venture outlets and 115 outlets owned by its sub-franchisees and sub-licensees. Towards the end of the FY2023, the Group has ventured into Asian supermarket business and is currently in the process of fitting-out another outlet. In view of the current positive outlook and barring unforeseen circumstances, the Group plans to open another 19 Group-owned and sub-franchised/sub-licensed outlets by December 2023.

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\$0.001 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\$0.001**
(ii) Previous corresponding period: Nil

(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.

The Group did not have any interested person transactions exceeding the S\$100,000 threshold.

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		Increase/ (Decrease) %
	FY2023 AUD (Unaudited)	FY2022 AUD (Audited)	
Sales reported for first half year	33,278,430	20,277,610	64.1%
Operating profit/(loss) after tax before deducting minority interests reported for first half year	1,504,273	(112,755)	NM
Sales reported for second half year	32,532,698	26,694,323	21.9%
Operating profit after tax before deducting minority interests reported for second half year	359,407	(806,958)	NM

The Group reported operating profit after tax before deducting minority interests of A\$0.4 million for 2H FY2023 as compared to operating loss after tax before deducting minority interests of A\$0.8 million for 2H FY2022.

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	
	FY2023 AUD (Unaudited)	FY2022 AUD (Audited)
<i>Ordinary dividend:</i>		
Dividend declared and paid		
- Interim single tier tax exempt dividend A\$0.0033 per share	808,983	-
- Interim single tier tax exempt dividend A\$0.0017 per share	-	415,126
	808,983	415,126

11. Use of IPO proceeds

The Company received proceeds from the IPO of approximately S\$6.2 million after deducting expenses in relation to the Placement (the “**Net Proceeds**”). As at the date of this announcement, the Net Proceeds have been utilised as follows:

	Allocation of Net Proceeds (as disclosed in the Offer Document) (S\$'000)	Reallocation of Net Proceeds during the year (S\$'000)	Net Proceeds utilised as at the date of this announcement (S\$'000)	Balance of Net Proceeds (S\$'000)
Expansion of franchise network and introduction of new brands and concepts	4,000	1,600	(5,600)	-
Acquisition of new equipment and machinery and expansion of our existing Central Kitchen and corporate office in Australia	1,000	(1,000)	-	-
Establishing a new central kitchen and corporate office in Malaysia	600	(600)	-	-
General working capital purposes	600	-	(600) ⁽¹⁾	-
Total	6,200	-	(6,200)	-

Note :

- (1) The IPO proceeds allocated for general working capital purposes of S\$0.6 million has been utilised for professional fee expenses including audit fees.

12. 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 2023