

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED

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

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

This announcement has been prepared by ST Group Food Industries Holdings Limited (the “Company”) and its contents have been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “Sponsor”), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning ascribed to them in the offer document of ST Group Food Industries Holdings Limited dated 26 June 2019 (the “Offer Document”).

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.

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. ST Group has developed two of its own brand concepts, “PAFU” and “KURIMU”, which were launched in December 2017 and July 2019, respectively. ST Group had also opened a “Go Noodle House” outlet in Melbourne, Australia in November 2020.

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

As at 31 December 2022, ST Group had a network of 155 outlets comprising 52 Group-owned outlets and 103 outlets owned and operated by its sub-franchisees and sub-licensees across its key geographical markets.

Number of outlets by brands

	As at 31 December 2022		As at 30 June 2022	
	Owned	Sub-franchised/ sub-licensed	Owned	Sub-franchised/ sub-licensed
PappaRich				
- Australia	8	22	8	23
- New Zealand	-	4	-	4
NeNe Chicken				
- Australia	4	31	4	27
Gong Cha				
- New Zealand	11	15	11	15
- United Kingdom	6	6	5	5
Hokkaido Baked Cheese Tart				
- Australia	7	11	6	10
iDarts				
- Australia	-	4	-	4
PAFU				
- Australia	5	4	5	4
IPPUDO				
- Australia	3	-	2	-
- New Zealand	2	-	2	-
KURIMU				
- Australia	5	6	5	6
Go Noodle House				
- Australia	1	-	1	-
Total	52	103	49	98

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A. Condensed interim consolidated statement of comprehensive income

	Note	1H FY2023 ⁽¹⁾ (AUD) (Unaudited)	1H FY2022 ⁽²⁾ (AUD) (Unaudited)	Increase/ (Decrease) %
Continuing operations				
Revenue	4	33,278,430	20,277,610	64.1
Other income		1,352,505	2,820,188	(52.0)
Expenses				
Changes in inventories		510,356	(305,737)	NM
Purchases of inventories		(11,168,144)	(6,411,495)	74.2
Franchise restaurants and stores related establishment costs		(35,630)	(318,533)	(88.8)
Rental (expenses)/ credit		(482,601)	488,611	NM
Staff costs		(12,147,785)	(8,172,767)	48.6
Depreciation expense				
- Property, plant and equipment		(1,507,642)	(1,576,295)	(4.4)
- Right-of-use assets		(2,516,196)	(2,674,755)	(5.9)
Amortisation expense		(206,834)	(209,998)	(1.5)
Finance costs				
- Lease liabilities		(725,669)	(669,019)	8.5
- Borrowings and others		(12,107)	(16,386)	(26.1)
Impairment losses on property, plant and equipment		-	(67,759)	NM
Impairment losses on trade and other receivables		-	(81,797)	NM
Other expenses		(4,027,607)	(3,123,516)	28.9
Share of results of associated company		5,797	28,881	(79.9)
Share of results of joint venture		(18,642)	-	NM
Profit/(loss) before tax		2,298,231	(12,767)	NM
Tax (expense)/credit	6	(793,958)	55,918	NM
Profit from continuing operations, net of tax		1,504,273	43,151	NM
Loss from discontinued operations, net of tax		-	(155,906)	NM
Profit/(loss) for the period	5	1,504,273	(112,755)	NM
Other comprehensive income/(loss)				
<i>Item that is or may be reclassified subsequently to profit or loss:</i>				
- Currency translation differences on consolidation		13,671	(54,766)	NM
Total comprehensive income/(loss) for the period		1,517,944	(167,521)	NM

Note	1H FY2023 ⁽¹⁾ (AUD) (Unaudited)	1H FY2022 ⁽²⁾ (AUD) (Unaudited)	Increase/ (Decrease) %
Profit/(loss) attributable to:			
Equity holders of the Company	1,531,049	355,550	NM
Non-controlling interests	(26,776)	(468,305)	(94.3)
	1,504,273	(112,755)	
Profit attributable to equity holders of the Company relates to:			
Profit from continuing operations	1,531,049	396,723	NM
Loss from discontinued operations	-	(41,173)	NM
	1,531,049	355,550	NM
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company	1,544,720	300,784	NM
Non-controlling interests	(26,776)	(468,305)	(94.3)
	1,517,944	(167,521)	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 0.62	0.15	
From continuing operations			
Basic and diluted (cents)	7 0.62	0.16	
From discontinued operations			
Basic and diluted (cents)	7 -	(0.02)	

NM: Not meaningful

Notes:

(1) "1H FY2023" refers to six months period ended 31 December 2022

(2) "1H FY2022" refers to six months period ended 31 December 2021

B. Condensed interim statements of financial position

Note	Group		Company			
	As at 31 December 2022 (AUD)	As at 30 June 2022 (AUD)	As at 31 December 2022 (AUD)	As at 30 June 2022 (AUD)		
	(Unaudited)	(Audited)	(Unaudited)	(Audited)		
ASSETS						
Non-current assets						
	Property, plant and equipment	10	11,489,189	11,166,484	-	-
	Right-of-use assets	11	19,564,654	20,623,813	-	-
	Intangible assets	12	2,718,284	2,825,320	-	-
	Investment in subsidiaries	13	-	-	20,941,372	20,941,372
	Investment in associated company	14	52,175	46,378	-	-
	Investment in joint venture	15	264,254	282,816	-	-
	Deferred tax asset		3,017,172	3,091,395	336,572	406,572
	Fixed deposits		2,864,680	2,488,162	-	-
	Trade and other receivables		1,142,449	1,174,568	-	-
	Total non-current assets		41,112,857	41,698,936	21,277,944	21,347,944
Current assets						
	Contract assets		85,000	108,000	-	-
	Inventories		3,150,483	3,190,342	-	-
	Trade and other receivables		5,629,250	4,805,817	12,090,310	10,374,727
	Financial assets at fair value through profit or loss		100,000	200,000	100,000	200,000
	Cash and bank balances		8,704,072	7,761,188	747,115	1,440,116
	Total current assets		17,668,805	16,065,347	12,937,425	12,014,843
	Total assets		58,781,662	57,764,283	34,215,369	33,362,787
EQUITY AND LIABILITIES						
Equity						
	Share capital	16	57,200,620	57,200,620	57,200,620	57,200,620
	Treasury shares		(48,253)	(48,253)	(48,253)	(48,253)
	Other reserves		(40,627,412)	(40,641,083)	(479,202)	(479,202)
	Retained earnings		4,985,178	3,454,129	(22,739,806)	(23,738,248)
	Equity attributable to equity holders of the Company, total		21,510,133	19,965,413	33,933,359	32,934,917
	Non-controlling interests		(277,284)	(340,508)	-	-
	Total equity		21,232,849	19,624,905	33,933,359	32,934,917
Non-current liabilities						
	Borrowings	17	792,289	1,131,055	-	-
	Lease liabilities	11	19,146,461	20,027,664	-	-
	Contract liabilities		987,810	1,021,451	-	-
	Total non-current liabilities		20,926,560	22,180,170	-	-
Current liabilities						
	Trade and other payables		8,479,618	7,010,812	282,010	427,842
	Contract liabilities		856,434	574,696	-	-
	Borrowings	17	895,800	1,178,857	-	-
	Lease liabilities	11	5,445,871	6,568,256	-	-
	Tax payable		944,530	626,587	-	28
	Total current liabilities		16,622,253	15,959,208	282,010	427,870
	Total liabilities		37,548,813	38,139,378	282,010	427,870
	Total equity and liabilities		58,781,662	57,764,283	34,215,369	33,362,787

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 31 December 2022 (AUD)		As at 30 June 2022 (AUD)	
	Secured	Unsecured	Secured	Unsecured
Borrowings	895,800	-	1,178,857	-
Equipment finance lease classified as lease liabilities	38,623	-	17,697	-

Amount repayable after one year

	As at 31 December 2022 (AUD)		As at 30 June 2022 (AUD)	
	Secured	Unsecured	Secured	Unsecured
Borrowings	792,289	-	1,131,055	-
Equipment finance lease classified as lease liabilities	53,177	-	34,735	-

Details of any collateral

As at 31 December 2022, the Group's borrowings were secured by way of:

- (i) general security over all assets of certain subsidiaries; and
- (ii) corporate guarantees.

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 period	-	-	-	1,531,049	1,531,049	(26,776)	1,504,273
Other comprehensive income							
Currency translation differences on consolidation	-	-	13,671	-	13,671	-	13,671
Total comprehensive income/(loss) for the period	-	-	13,671	1,531,049	1,544,720	(26,776)	1,517,944
<i>Transactions with owners recognised directly in equity</i>							
Capital contributions from non- controlling interest	-	-	-	-	-	90,000	90,000
At 31 December 2022	57,200,620	(48,253)	(40,627,412)	4,985,178	21,510,133	(277,284)	21,232,849

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 period	-	-	-	355,550	-	355,550	(468,305)	(112,755)
Other comprehensive loss								
Currency translation differences on consolidation	-	-	(54,766)	-	-	(54,766)	-	(54,766)
Total comprehensive income/(loss) for the period	-	-	(54,766)	355,550	-	300,784	(468,305)	(167,521)
<i>Transactions with owners recognised directly in equity</i>								
Purchases of treasury shares	-	(50,826)	-	-	-	(50,826)	-	(50,826)
Dividends	-	-	-	-	-	-	(49,000)	(49,000)
Deconsolidation of subsidiaries	-	-	398,316	-	(4,837)	393,479	79,486	472,965
At 31 December 2021	57,200,620	(773,653)	(39,871,285)	4,250,099	-	20,805,781	1,456,399	22,262,180

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 period	-	-	-	998,442	998,442
At 31 December 2022	57,200,620	(48,253)	(479,202)	(22,739,806)	33,933,359
At 1 July 2021	57,200,620	(722,827)	(112,092)	(13,444,191)	42,921,510
Profit and total comprehensive profit for the period	-	-	-	597,452	597,452
Purchases of treasury shares	-	(50,826)	-	-	(50,826)
At 31 December 2021	57,200,620	(773,653)	(112,092)	(12,846,739)	43,468,136

D. Condensed interim consolidated statement of cash flows

Note	Group	
	1H FY2023	1H FY2022
	(AUD)	(AUD)
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit/(Loss) before tax from continuing operations	2,298,231	(12,767)
Loss before tax from discontinued operations	-	(155,906)
	<hr/>	<hr/>
Profit/(loss) before tax, total	2,298,231	(168,673)
<u>Adjustments for:-</u>		
Depreciation		
- Property, plant and equipment	1,507,642	1,576,295
- Right-of-use assets	2,516,196	2,674,755
Amortisation	206,834	209,998
Gain on disposal of outlet	(393,576)	-
Impairment losses on property, plant and equipment	-	67,759
Impairment losses on trade and other receivables	-	92,076
Interest income	(56,996)	(21,597)
Interest expenses	737,776	685,405
Loss on deconsolidation of subsidiaries	-	145,628
Property, plant and equipment written off	2,422	1,194
Rent concessions from lessors	(224,713)	(479,851)
Share of results of associated company	(5,797)	(28,881)
Share of results of joint venture	18,642	-
Unrealised exchange gain	(149,631)	(133,520)
Operating cash flow before working capital changes	<hr/>	<hr/>
	6,457,030	4,620,588
Inventories	39,859	305,737
Receivables and contract assets	(735,580)	(415,907)
Payables and contract liabilities	1,866,541	1,904,157
Currency translation adjustments	(177,930)	(16,933)
Cash generated from operations	<hr/>	<hr/>
	7,449,920	6,397,642
Income tax paid	(438,913)	(410,355)
Net cash generated from operating activities	<hr/>	<hr/>
	7,011,007	5,987,287
Cash flows from investing activities		
Interest received	56,996	14,234
Proceeds from disposal of outlet	597,000	-
Proceeds from disposal of financial assets	100,000	-
Increase in investment in joint venture	(88)	-
Purchases of intangible assets	(70,000)	(92,348)
Purchases of property, plant and equipment	(1,761,015)	(452,593)
Net cash used in investing activities	<hr/>	<hr/>
	(1,077,107)	(530,707)

Note	Group	
	1H FY2023	1H FY2022
	(AUD)	(AUD)
	(Unaudited)	(Unaudited)
Cash flow from financing activities		
Lease incentives received	71,500	5,731
Proceeds from borrowings	850,493	1,654,455
Repayment of borrowings	(1,481,255)	(357,244)
Repayment of lease liabilities	(3,463,193)	(3,933,336)
Dividends paid to non-controlling interests	-	(49,000)
Capital contribution from non-controlling interest	90,000	-
Interest paid	(662,894)	(875,395)
Increase in fixed deposits pledged	(376,518)	(85,242)
Purchases of treasury shares	-	(50,826)
Net cash used in financing activities	(4,971,867)	(3,690,857)
Net increase in cash and cash equivalents	962,033	1,765,723
Cash and cash equivalents at beginning of the financial period	7,761,188	9,618,505
Effect of exchange rate changes on cash and cash equivalents	(19,149)	(724)
Cash and cash equivalents at end of the financial period	8,704,072	11,383,504

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	8,704,072	10,353,433
Fixed deposits	2,864,680	3,484,312
	11,568,752	13,837,745
Less: Fixed deposits (pledged)	(2,864,680)	(2,454,241)
Cash and cash equivalents	8,704,072	11,383,504

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 Singapore Exchange Securities Trading Limited on 3 July 2019. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The registered office and address of the Company is at 9 Straits View, #06-07 Marina One West Tower, Singapore 018937.

The principal activities of the Group consist of the business of investment holding, processing, sales and distribution of foods and supplies, trading and management of sub-franchisees, operator of restaurants, food and beverage outlets and management of marketing funds.

2. Basis of preparation

The condensed interim consolidated financial statements for the six months period ended 31 December 2022 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 financial year ended 30 June 2022.

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

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

2.1 New and amended standards adopted by the Group

In the current financial period, 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. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of estimates and judgements

In preparing the condensed interim consolidated 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 financial year ended 30 June 2022.

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

3. Seasonal operations

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

4. Segment and revenue information

The Group is organised into the following main business segments:

- Food and beverage 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 segments

1H FY2023	Food and beverage retails (AUD)	Supply chain (AUD)	Franchise (AUD)	Others (AUD)	Eliminations (AUD)	Consolidation Total (AUD)
Segment revenue						
Sales to external customers	23,132,001	6,904,044	3,144,055	98,330	-	33,278,430
Intersegment sales	-	3,467,497	391,805	-	(3,859,302)	-
Total revenue from continuing operations	<u>23,132,001</u>	<u>10,371,541</u>	<u>3,535,860</u>	<u>98,330</u>	<u>(3,859,302)</u>	<u>33,278,430</u>
Share of results of associated company	-	-	-	5,797	-	5,797
Share of result of joint venture	-	-	-	(18,642)	-	(18,642)
Tax expense	(615,835)	(81)	(108,084)	(69,958)	-	(793,958)
Profit for the period	<u>1,154,056</u>	<u>20,104</u>	<u>282,356</u>	<u>861,298</u>	<u>(813,541)</u>	<u>1,504,273</u>
Other significant non-cash expense/(credit):						
Depreciation of property, plant and equipment and amortisation of intangible assets	1,377,279	119,505	172,336	52,369	(7,013)	1,714,476
Depreciation of right-of-use assets	2,173,101	333,645	9,450	-	-	2,516,196
Gain on disposal of outlet	(393,576)	-	-	-	-	(393,576)
Property, plant and equipment written off	2,422	-	-	-	-	2,422
Interest expense	511,615	230,071	23,396	50,109	(77,415)	737,776
Interest income	(49,447)	-	(23)	(79,991)	72,465	(56,996)
Segment assets	37,429,854	15,904,300	12,227,820	58,740,703	(67,022,474)	57,280,203
Unallocated assets						<u>1,501,459</u>
Total assets						<u>58,781,662</u>
Segment assets include:						
Additions to :-						
- Property, plant and equipment	1,669,495	91,520	-	-	-	1,761,015
- Right-of-use assets	1,863,049	-	-	-	-	1,863,049
- Intangible assets	-	-	70,000	-	-	70,000
Segment liabilities	38,030,081	7,702,391	7,928,378	25,940,804	(43,424,834)	36,176,820
Unallocated liabilities						<u>1,371,993</u>
Total liabilities						<u>37,548,813</u>

1H FY2022	Food and beverage retails (AUD)	Supply chain (AUD)	Franchise (AUD)	Others (AUD)	Eliminations (AUD)	Consolidation Total (AUD)
Segment revenue						
Sales to external customers	13,611,357	4,288,036	2,294,807	83,410	-	20,277,610
Intersegment sales	-	1,396,905	339,008	-	(1,735,913)	-
Total revenue from continuing operations	<u>13,611,357</u>	<u>5,684,941</u>	<u>2,633,815</u>	<u>83,410</u>	<u>(1,735,913)</u>	<u>20,277,610</u>
Share of results of associated company	-	-	-	28,881	-	28,881
Tax (expense)/credit	(16,130)	196,693	(92,405)	(32,240)	-	55,918
Net profit/(loss) from continuing operations, net of tax	150,664	(581,522)	261,966	579,366	(367,323)	43,151
Net loss from discontinued operations, net of tax						(155,906)
Loss for the period						<u>(112,755)</u>
Other significant non-cash expense/(credit):						
Depreciation of property, plant and equipment and amortisation of intangible assets	1,495,538	107,939	137,056	72,236	(26,476)	1,786,293
Depreciation of right-of-use assets	2,344,525	330,230	-	-	-	2,674,755
Impairment losses on property, plant and equipment	67,759	-	-	-	-	67,759
Impairment losses on trade and other receivables	7,477	2,504	71,816	-	-	81,797
Property, plant and equipment written off	1,194	-	-	-	-	1,194
Interest expense	624,774	69,412	26,055	60,487	(95,683)	685,045
Interest income	(20,619)	-	(40)	(96,621)	95,683	(21,597)
Segment assets	41,764,023	10,863,421	9,328,203	66,928,596	(71,164,212)	57,720,031
Unallocated assets						<u>2,937,702</u>
Total assets						<u>60,657,733</u>
Segment assets include:						
Additions to :-						
- Property, plant and equipment	385,683	61,605	5,305	-	-	452,593
- Right-of-use assets	130,003	-	-	-	-	130,003
- Intangible assets	-	-	92,348	-	-	92,348
Segment liabilities	40,850,310	2,765,329	7,252,475	21,269,460	(35,697,162)	36,440,412
Unallocated liabilities						<u>1,955,141</u>
Total liabilities						<u>38,395,553</u>

4.2 Disaggregation of revenue

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	1H FY2023	1H FY2022
	(AUD)	(AUD)
	(Unaudited)	(Unaudited)
Sales to external customers		
Australia	24,462,839	14,219,303
New Zealand	6,666,376	4,504,991
United Kingdom	2,149,215	1,553,316
	<u>33,278,430</u>	<u>20,277,610</u>
Timing of revenue recognition		
At a point in time	30,134,375	17,982,803
Over time	3,144,055	2,294,807
	<u>33,278,430</u>	<u>20,277,610</u>

4.3 Information about major customers

The Group did not have any single customer contributing 10% or more to its revenue for 1H FY2023 and 1H FY2022.

5. Profit/(loss) for the period

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

	Continuing operations		Discontinued operations		Total	
	1H FY2023	1H FY2022	1H FY2023	1H FY2022	1H FY2023	1H FY2022
	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Allowance for impairment of property, plant and equipment	-	(67,759)	-	-	-	(67,759)
Allowance for impairment of trade and other receivables	-	(81,797)	-	(10,278)	-	(92,076)
Amortisation expense	(206,834)	(209,998)	-	-	(206,834)	(209,998)
Depreciation expense						
- Property, plant and equipment	(1,507,642)	(1,576,295)	-	-	(1,507,642)	(1,576,295)
- Right-of-use assets	(2,516,196)	(2,674,755)	-	-	(2,516,196)	(2,674,755)
Foreign exchange gain	149,631	133,520	-	-	149,631	133,520
Gain on disposal of outlet	393,576	-	-	-	-	-
Grant income	48,367	2,287,187	-	-	48,367	2,287,187
Interest income	56,996	21,597	-	-	56,996	21,597
Loss on deconsolidation of subsidiaries	-	-	-	(145,628)	-	(145,628)
Property, plant and equipment written off	(2,422)	(1,194)	-	-	(2,422)	(1,194)
Rebates from suppliers	665,803	401,919	-	-	665,803	401,919
Royalty fees	(916,207)	(548,649)	-	-	(916,207)	(548,649)

6. Tax expense/(credit)

The Group calculates the period income tax expense/(credit) 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	
	1H FY2023	1H FY2022	1H FY2023	1H FY2022	1H FY2023	1H FY2022
	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current year						
- Income tax	767,722	395,613	-	-	767,722	395,613
- Deferred tax	43,036	(382,693)	-	-	43,036	(382,693)
(Over)/under provision in respect of previous financial period						
- Income tax	(170,905)	(61,295)	-	-	(170,905)	(61,295)
- Deferred tax	154,105	(7,543)	-	-	154,105	(7,543)
	<u>793,958</u>	<u>(55,918)</u>	<u>-</u>	<u>-</u>	<u>793,958</u>	<u>(55,918)</u>

7. Earnings/(loss) per share

Group

	1H FY2023	1H FY2022
	(Unaudited)	(Unaudited)
From continuing and discontinued operations		
Net profit attributable to equity holders of the Company (AUD)	1,531,049	355,550
Weighted average number of ordinary shares in issue	245,602,800	243,014,030 ⁽¹⁾
Basic and diluted earnings per share (AUD cents)	<u>0.62</u>	<u>0.15</u>
From continuing operations		
Net profit attributable to equity holders of the Company (AUD)	1,531,049	396,723
Weighted average number of ordinary shares in issue	245,602,800	243,014,030 ⁽¹⁾
Basic and diluted earnings per share (AUD cents)	<u>0.62</u>	<u>0.16</u>
From discontinued operations		
Net loss attributable to equity holders of the Company (AUD)	-	(41,173)
Weighted average number of ordinary shares in issue	245,602,800	243,014,030 ⁽¹⁾
Basic and diluted loss per share (AUD cents)	<u>-</u>	<u>(0.02)</u>

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.

Note:

- (1) During 1H FY2022, the Company conducted multiple share buyback exercises amounting to 403,900 shares in total. These share buybacks have been factored in arriving at the weighted average number of ordinary shares in issue for 1H FY2022.

8. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities as at 31 December 2022 and 30 June 2022:

	Group		Company	
	As at 31 December 2022 (AUD) (Unaudited)	As at 30 June 2022 (AUD) (Audited)	As at 31 December 2022 (AUD) (Unaudited)	As at 30 June 2022 (AUD) (Audited)
<i>Financial assets</i>				
Financial assets at amortised cost	16,829,652	14,873,340	12,855,050	11,805,106
Financial asset at fair value through profit or loss	100,000	200,000	100,000	200,000
<i>Financial liabilities</i>				
At amortised cost	30,854,124	33,062,068	543	101,934

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

These are current trade and other receivables, trade and other payables and current borrowings. The carrying amounts of these financial assets at amortised costs and financial liabilities are reasonable approximation of fair values due to their short-term nature.

9. Net asset value

	Group		Company	
	As at 31 December 2022 (Unaudited)	As at 30 June 2022 (Audited)	As at 31 December 2022 (Unaudited)	As at 30 June 2022 (Audited)
Net asset value ("NAV") (AUD)	21,510,133	19,965,413	33,933,359	32,934,917
Number of ordinary shares excluding treasury shares	245,602,800	245,602,800	245,602,800	245,602,800
NAV per ordinary share (AUD cents)	8.8	8.1	13.8	13.4

10. Property, plant and equipment

During 1H FY2023, the Group acquired plant and equipment amounting to A\$1,761,015 (1H FY2022: A\$452,593), written off plant and equipment amounting to A\$2,422 (1H FY2022: A\$1,194) and disposed of property, plant and equipment amounting to A\$248,331 (1H FY2022: Nil).

During 1H FY2023, there were no impairment losses on property, plant and equipment (1H FY2022: A\$67,759) recognised in the consolidated statement of comprehensive income as there were no impairment indicators as at 31 December 2022.

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 2.5 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. No restrictions are imposed on dividends or further leasing.

Group	As at 31 December 2022 (AUD) (Unaudited)	As at 30 June 2022 (AUD) (Audited)
Amounts recognised in statements of financial position		
<i>Carrying amount of right-of-use assets</i>		
Food and beverage outlets	14,427,115	14,895,509
Central kitchen and office buildings	5,005,872	5,329,450
Plant and equipment	71,500	315,550
Motor vehicles	60,167	83,304
	19,564,654	20,623,813
<i>Carrying amount of lease liabilities</i>		
Current	5,445,871	6,568,256
Non-current	19,146,461	20,027,664
	24,592,332	26,595,920
Additions to right-of-use assets	1,863,049	72,086
	1H FY2023 (AUD) (Unaudited)	1H FY2022 (AUD) (Unaudited)
Amounts recognised in profit or loss:		
Depreciation charge for the year :-		
Food and beverage outlets	2,173,101	2,318,233
Central kitchen and office buildings	333,645	318,934
Plant and equipment	-	35,307
Motor vehicles	9,450	2,281
	2,516,196	2,674,755

No impairment tests were performed on right-of-use assets as there were no impairment indicators as at 31 December 2022.

12. Intangible assets

Group	As at 31 December 2022 (AUD) <u>(Unaudited)</u>	As at 30 June 2022 (AUD) <u>(Audited)</u>
Goodwill arising on business combination	945,937	945,937
Franchise rights	1,772,347	1,879,383
	<u>2,718,284</u>	<u>2,825,320</u>

During 1H FY2023, the Group acquired franchise rights amounting to A\$70,000 (1H FY2022: A\$92,348).

Impairment test for goodwill

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

Group	As at 31 December 2022 (AUD) <u>(Unaudited)</u>	As at 30 June 2022 (AUD) <u>(Audited)</u>
Food and beverage retails		
- PPR Ryde (NSW) Pty Ltd	725,783	725,783
- JCT (Chadstone) Pty Ltd	220,154	220,154
	<u>945,937</u>	<u>945,937</u>

The impairment tests on goodwill were not performed as there were no impairment indicators as at 31 December 2022.

13. Investment in subsidiaries

Company	As at 31 December 2022 (AUD) <u>(Unaudited)</u>	As at 30 June 2022 (AUD) <u>(Audited)</u>
Unquoted equity share, at cost		
Balance at beginning/end of period/year	40,196,030	40,196,030
Accumulated impairment losses		
Balance at beginning of period/year	19,254,658	10,975,318
Impairment loss for the period/year	-	8,279,340
Balance at end of the period/year	<u>19,254,658</u>	<u>19,254,658</u>
Net carrying amount		
Balance at end of the period/year	<u>20,941,372</u>	<u>20,941,372</u>

14. Investment in associated company

The Group's investment in associated company is summarised below:

	As at 31 December 2022 (AUD) <u>(Unaudited)</u>	As at 30 June 2022 (AUD) <u>(Audited)</u>
<u>Carrying amount:</u>		
Beef Musketeers (Aust) Pty Ltd	52,175	46,378
Dividends received from associated company	-	21,920

The associated company was incorporated on 24 February 2021 and is measured using the equity method. The principal activities of the associated company are wholesaling and retailing of beef products.

15. Investment in joint venture

The Group's investment in joint venture is summarised below:

	As at 31 December 2022 (AUD) <u>(Unaudited)</u>	As at 30 June 2022 (AUD) <u>(Audited)</u>
<u>Carrying amount:</u>		
TST (Aust) Pty Ltd and its subsidiary	264,254	282,816

The joint venture was incorporated on 20 January 2022 and is measured using the equity method. The principal activities of the joint venture are supermarket operations.

16. Share capital

Group and Company	Number of issued shares		Issued share capital	
	As at 31 December 2022 <u>(Unaudited)</u>	As at 30 June 2022 <u>(Audited)</u>	As at 31 December 2022 (AUD) <u>(Unaudited)</u>	As at 30 June 2022 (AUD) <u>(Audited)</u>
<i>Issued and paid up</i>				
At 1 July	245,602,800	243,146,000	57,200,620	57,200,620
Purchases of treasury shares	-	(1,345,400) ⁽¹⁾	-	-
Treasury shares re-issued	-	3,802,200 ⁽²⁾	-	-
At 31 December/ 30 June	<u>245,602,800</u>	<u>245,602,800</u>	<u>57,200,620</u>	<u>57,200,620</u>

	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	
Purchases of treasury shares	1,345,400 ⁽¹⁾	
Treasury shares re-issued	<u>(3,802,200)⁽²⁾</u>	
As at 30 June 2022, 1 July 2022 and 31 December 2022	<u>397,200</u>	0.2%

Notes:

- (1) Between 1 July 2021 and 30 June 2022, the Company conducted multiple share buyback exercises amounting to 1,345,400 shares in total.
- (2) On 24 February 2022 and 9 June 2022, the Company sold 3,802,200 treasury shares to unrelated parties for working capital proceeds.

There were no outstanding convertibles held by and subsidiary holdings held in the Company as at 31 December 2022 and 31 December 2021. The number of shares held as treasury shares as at 31 December 2022 and 31 December 2021 were 397,200 and 3,257,900 treasury shares respectively. The percentage of the aggregate number of treasury shares held against the total number of outstanding shares as at 31 December 2022 and 31 December 2021 was 0.2% and 1.3% respectively.

17. Borrowings

Group	As at	As at
	31 December	30 June
	2022	2022
	(AUD)	(AUD)
	(Unaudited)	(Audited)
<i>Non-current</i>		
Bank loans (secured)	792,289	1,131,055
<i>Current</i>		
Bank loans (secured)	895,800	1,178,857
Total borrowings	1,688,089	2,309,912

The Group's secured bank loans are secured over all assets of certain subsidiaries and corporate guarantees. Interest is payable at 2.23% to 7.3% per annum in 1H FY2023 (FY2022: 2.07% to 6.21%).

18. Subsequent events

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

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

1. Review

The condensed interim consolidated statement of financial position of the Group as at 31 December 2022, the related condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows of the Group for the six-month period ended 31 December 2022, and, certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Financial performance (1H FY2023 vs 1H FY2022)

Revenue

Revenue increased by A\$13.0 million or 64.1%, from A\$20.3 million in 1H FY2022 to A\$33.3 million in 1H FY2023 as the Group's operations continue to recover from the impact of the COVID-19 pandemic. The contributions from the respective major revenue segments were as follows: -

- (i) revenue from F&B retail sales increased by A\$9.5 million or 69.9% from A\$13.6 million in 1H FY2022 to A\$23.1 million in 1H FY2023. The Group increased its Group-owned outlets from 50 as at the end of 1H FY2022 to 52 as at the end of 1H FY2023 as the Group expanded its Ippudo network in Australia and Gong Cha network in the United Kingdom;
- (ii) revenue from supply chain sales (comprising the sale of F&B ingredients and other supplies to the Group's sub-franchisees and sub-licensees) increased by A\$2.6 million or 61.0% from A\$4.3 million in 1H FY2022 to A\$6.9 million in 1H FY2023 in line with the increase in number of sub-franchised outlets from 90 as at the end of 1H FY2022 to 103 as at the end of 1H FY2023 and higher sub-franchisees' outlets sales; and
- (iii) similarly, franchise revenue increased by A\$0.8 million or 37.0% from A\$2.3 million in 1H FY2022 to A\$3.1 million in 1H FY2023 due to increase in the number of sub-franchised outlets and higher sub-franchisees' outlets sales.

Other income

Other income decreased by A\$1.5 million or 52.0% from A\$2.8 million in 1H FY2022 to A\$1.4 million in 1H FY2023 mainly due to the decrease in various COVID-19 grant income received from governments amounting to A\$0.05 million in 1H FY2023 as compared to A\$2.3 million in 1H FY2022. The decrease is offset by an increase in rebates from suppliers of A\$0.3 million and gain on disposal of a corporate-owned Nene Chicken outlet to an unrelated franchisee of A\$0.4 million.

Changes in inventories

Changes in inventories amounted to an increase of A\$0.5 million in 1H FY2023 and a decrease of A\$0.3 million in 1H FY2022. The fluctuations in the balance of the Group's inventories are mainly due to timing of purchases and consumption of inventories.

Purchases of inventories

Purchases of inventories increased by A\$4.8 million or 74.2%, from A\$6.4 million in 1H FY2022 to A\$11.2 million in 1H FY2023, in line with the increase in both the F&B retail sales and supply chain sales.

Franchise restaurants and stores related establishment costs

Franchise restaurants and stores related establishment costs decreased by A\$0.3 million or 88.8% from A\$0.3 million in 1H FY2022 to A\$0.04 million in 1H FY2023, in line with the decrease in project income from A\$0.5 million in 1H FY2022 to A\$0.3 million in 1H FY2023.

Rental (expenses)/ credit

The Group recorded an increase in rental expenses on operating leases from a net rental credit of A\$0.5 million in 1H FY2022 to rental expense of A\$0.5 million in 1H FY2023, as landlords ceased to provide rent concessions as the Group's operations continued to recover from the impact of COVID-19 pandemic.

Staff costs

Staff costs increased by A\$3.9 million or 48.6% from A\$8.2 million in 1H FY2022 to A\$12.1 million in 1H FY2023 as staff costs continue to normalise in line with the increase in F&B retail sales and supply chain sales as the Group recovers from the impact of COVID-19 pandemic.

Depreciation expense

Depreciation expense decreased marginally by A\$0.2 million from A\$4.2 million in 1H FY2022 to A\$4.0 million in 1H FY2023 as the Group recorded depreciation on right-of-use assets of A\$2.5 million and depreciation on property, plant and equipment of A\$1.5 million in 1H FY2023.

Amortisation expense

Amortisation expense amounted to approximately A\$0.2 million both in 1H FY2023 and 1H FY2022.

Finance costs

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

Total finance costs amounted to approximately A\$0.7 million both in 1H FY2023 and 1H FY2022.

Other expenses

Other expenses increased by A\$0.9 million or 28.9% from A\$3.1 million in 1H FY2022 to A\$4.0 million in 1H FY2023, as the Group's operations continued to recover from the impact of COVID-19 pandemic. The Group recorded higher royalty fees expense, outlet and warehouse supplies, utilities and maintenance expenses in 1H FY2023 driven by the increase in F&B retail sales and supply chain sales.

Share of results of associated company

The Group invested in an associated company, Beef Musketeers (Aust) Pty Ltd, on 24 February 2021. Beef Musketeers (Aust) Pty Ltd is based in Australia and engaged in the principal business of wholesaling and retailing of beef products. The share of results of associated company recorded for 1H FY2023 amounted to A\$5,797. 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 intended principal activity of TST (Aust) Pty Ltd is the investment holding of companies involved in the operation of supermarkets. The joint venture company has not commenced operations as at end of 1H FY2023. The management does not consider the joint venture to be material to the Group.

Profit/(loss) before tax

Due to the reasons above, the Group recorded profit before tax of A\$2.3 million in 1H FY2023 as compared to a loss before tax of A\$0.01 million in 1H FY2022.

Tax (expense)/credit

The Group recorded tax expense of A\$0.8 million in 1H FY2023 as compared to a tax credit of A\$0.06 million in 1H FY2022

Profit for the period from continuing operations, net of tax

After accounting for tax (expense)/credit, the Group recorded a profit after tax from continuing operations of A\$1.5 million in 1H FY2023 as compared to A\$0.04 million in 1H 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 increased by A\$1.1 million or 285% from A\$0.4 million in 1H FY2022 to A\$1.5 million in 1H FY2023.

Review of the Group's financial position

Non-current assets

The Group's non-current assets decreased slightly from A\$41.7 million as at 30 June 2022 to A\$41.1 million as at 31 December 2022, mainly attributable to the following:

- (i) a decrease in right-of-use assets of A\$1.1 million and decrease in intangible assets of A\$0.1 million as a result of depreciation and amortisation expense recorded in 1H FY2023; and
- (ii) offset by an increase in property, plant and equipment of A\$0.3 million as a result of increase in Group's outlets and increase in fixed deposits of A\$0.4 million.

Current assets

Current assets increased slightly by A\$1.6 million from A\$16.1 million as at 30 June 2022 to A\$17.7 million as at 31 December 2022, mainly due to an increase in cash and bank balances of A\$0.9 million and an increase in trade and other receivables of A\$0.8 million, offset by a decrease in financial assets at fair value through profit and loss of A\$0.1 million.

Non-current liabilities

The Group's non-current liabilities decreased by A\$1.3 million from A\$22.2 million as at 30 June 2022 to A\$20.9 million as at 31 December 2022, mainly due to a decrease in non-current lease liabilities of A\$0.9 million and long term borrowings of A\$0.3 million. The decrease in non-current lease liabilities of A\$0.9 million was mainly due to the repayment of lease obligations of Group-owned outlets in 1H FY2023.

Current liabilities

The Group's current liabilities increased by A\$0.6 million, from A\$16.0 million as at 30 June 2022 to A\$16.6 million as at 31 December 2022, mainly due to increase in trade and other payables of A\$1.5 million, increase in contract liabilities of A\$0.3 million and increase in tax payable of A\$0.3 million, offset by a decrease in lease liabilities of A\$1.1 million and decrease in borrowings of A\$0.3 million. The decrease in current lease liabilities was mainly due to the repayment of lease obligations of Group-owned outlets in 1H FY2023.

Working Capital

The Group recorded positive working capital of A\$1.0 million as at 31 December 2022 and A\$0.1 million as at 30 June 2022.

Review of the Group's cashflows

The Group generated net cash from operating activities of A\$7.0 million in 1H FY2023, due to operating cash flow before changes in working capital of A\$6.5 million, net cash generated from working capital changes of A\$1.0 million, and income tax paid of A\$0.4 million. Net cash generated from working capital changes amounted to A\$1.0 million, mainly due to an increase in payables and contract liabilities of A\$1.9 million, offset by an increase in receivables and contract assets of A\$0.8 million and currency translation adjustments of A\$0.2 million.

Net cash used in investing activities amounted to A\$1.1 million, due mainly to additions to property, plant and equipment of A\$1.8 million as the Group expanded its operations and increased the number of outlets; offset by proceeds from disposal of an outlet of A\$0.6 million and financial assets of A\$0.1 million.

Net cash used in financing activities amounted to A\$5.0 million, mainly due to the (i) repayment of bank borrowings of A\$1.5 million, (ii) repayment of lease liabilities of A\$3.5 million, (iii) interest paid of A\$0.7 million; and (iv) increase in fixed deposits pledged of \$0.4 million; offset by loan drawdown of A\$0.9 million.

As a result of the above, net cash and cash equivalents increased by A\$1.0 million in 1H 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.

During 1HFY2023, the Group's performance has improved significantly as the global economy starts to adapt to the new operating environment of living with COVID-19, and the Group continues to commit to developing strong partnerships with its existing sub-franchisees and sub-licensees and continues to look for complimentary brands and potential new partners which will contribute to the growth of the Group's performance.

As at 31 December 2022, the Group had a network of 155 outlets comprising 52 Group-owned outlets and 103 outlets owned by its sub-franchisees and sub-licensees.

The Group remains in a strong cash surplus position with relatively low gearing. In view of the current positive lookout and barring unforeseen circumstances, the Group plans to open another 25 Group-owned and sub-franchised/sub-licensed outlets by June 2023.

5. Dividend

(a) Any dividend recommended/declared for the current financial period reported on?

Name of dividend	Interim
Dividend type	Cash
Dividend amount per ordinary share (in A\$)	A\$0.0033 per ordinary share
Treasury shares	Not entitled
Tax rate	Net of tax after deduction of applicable Australia corporate tax

(b) Any dividend recommended/declared for the corresponding period of the immediately preceding financial year?

Name of dividend	Interim
Dividend type	Cash
Dividend amount per ordinary share (in A\$)	A\$0.0017 per ordinary share
Treasury shares	Not entitled
Tax rate	Net of tax after deduction of applicable Australia corporate tax

(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

Interim dividend is payable on 7 March 2023 in Singapore Dollar. The exchange rate to be used in determining payment of above interim dividend in Singapore Dollar will be disclosed in due course.

(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

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07 Singapore 098632, up to 5.00 p.m. on 23 February 2023 will be registered before entitlements to the interim dividend are determined.

- 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 (“IPT”).

There were no material IPTs between the Group and any of its interested persons of S\$100,000 and above during 1H FY2023.

- 8. Negative confirmation by the board pursuant to Rule 705(5)**

To the best knowledge of the board of directors (the “**Board**”), nothing has come to the attention of the Board which may render the unaudited financial statements of the Group and the Company for 1H FY2023 to be false or misleading in any material aspect.

- 9. 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 in the format set out in Appendix 7H of the Catalist Rules.

10. Use of IPO proceeds

The Company received proceeds from the IPO of approximately S\$6.2 million (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)	Reallocati on 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	(4,500)	1,100
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)	-
Total	6,200	-	(5,100)	1,100

BY ORDER OF THE BOARD

Saw Tatt Ghee
Executive Chairman and Chief Executive Officer

13 February 2023