



中闽百汇零售集团有限公司
ZHONGMIN BAIHUI RETAIL GROUP LTD.

2024
ANNUAL REPORT

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公司简介

Corporate Profile



Zhongmin Baihui Retail Group Ltd (the “**Group**” or “**ZMBH**”) has over 20 years of experience in the retail business in China. In Fujian Province, the People’s Republic of China (“**PRC**”), the Group operates integrated department stores and supermarkets under the name “中闽百汇”. The Group also operates two mega outlet malls in Hunan Province and Jiangsu Province. ZMBH was incorporated in Singapore on 17 September 2004 and listed on the Catalist Board of the Singapore Exchange (“**SGX**”) on 20 January 2011 before transferring its listing to the SGX Mainboard on 3 September 2013.

The first modern 中闽百汇 store commenced operations in Anxi County, Quanzhou City, Fujian Province in 1997. As of 30 September 2024, the Group has sixteen stores in Fujian Province, comprising thirteen self-owned stores and three managed stores, with an aggregate gross floor area (“**GFA**”) of about 200,000 sqm. Many large integrated stores feature department stores, modern supermarkets, food and beverage outlets, and other commercial services.

The Group is strategically moving to become a notable player in the mega malls sector in China with two mega outlet malls, namely Changsha Sasseur (ZMBH) Outlets in Changsha, Hunan Province, and Wuxi Yueshang Outlets in Wuxi, Jiangsu Province, with a combined GFA of about 600,000 sqm.

The Group strives to offer a quality shopping experience to middle-income consumers. By developing strong relationships with well-known international and domestic brands, the Group constantly optimises its product mix to bring value to its consumers. The Group adheres to our core principles of Unity, Dedication, Faithfulness, and Service (团结、敬业、忠诚、服务) to our employees, customers, and community. ZMBH offers its customers high quality products and services in the spirit of innovation.

公司简介

Corporate Profile

中闽百汇零售集团（以下简称“集团”或“ZMBH”）在中国拥有超过 20 年的零售业务经验。集团在中华人民共和国福建省经营综合性百货商场及超市。集团于湖南省及江苏省经营超大型奥特莱斯商场。ZMBH 于 2004 年 9 月 17 日在新加坡注册成立，于 2011 年 1 月 20 日在新加坡交易所凯利板上市，并于 2013 年 9 月 3 日转至新加坡交易所主板。

本集团在 1997 年，于福建省泉州市安溪县开设了第一家现代化门店。截至 2024 年 9 月 30 日，集团在福建省拥有 16 家门店，包括 13 家自营店和 3 家管理店，总商业面积约为 20 万平方米。好多个规模型综合商场设有大型百货商场、现代超市、餐饮店和其他商业服务。

集团正战略性地发展成为中国超大型购物中心领域的重要参与者，拥有两家大型奥特莱斯，即位于湖南省长沙市的长沙砂之船（ZMBH）奥莱和江苏省无锡市的无锡悦尚奥莱，总商业面积达 60 万平方米。

集团致力于为中等收入消费者提供优质的购物体验。通过与国内外知名品牌建立牢固的关系，集团不断优化产品组合，为消费者带来更多价值。集团本着“团结、敬业、忠诚、服务”的原则，善待员工、服务顾客、回报社会。ZMBH 以创新精神为客户提供优质的产品和服务。

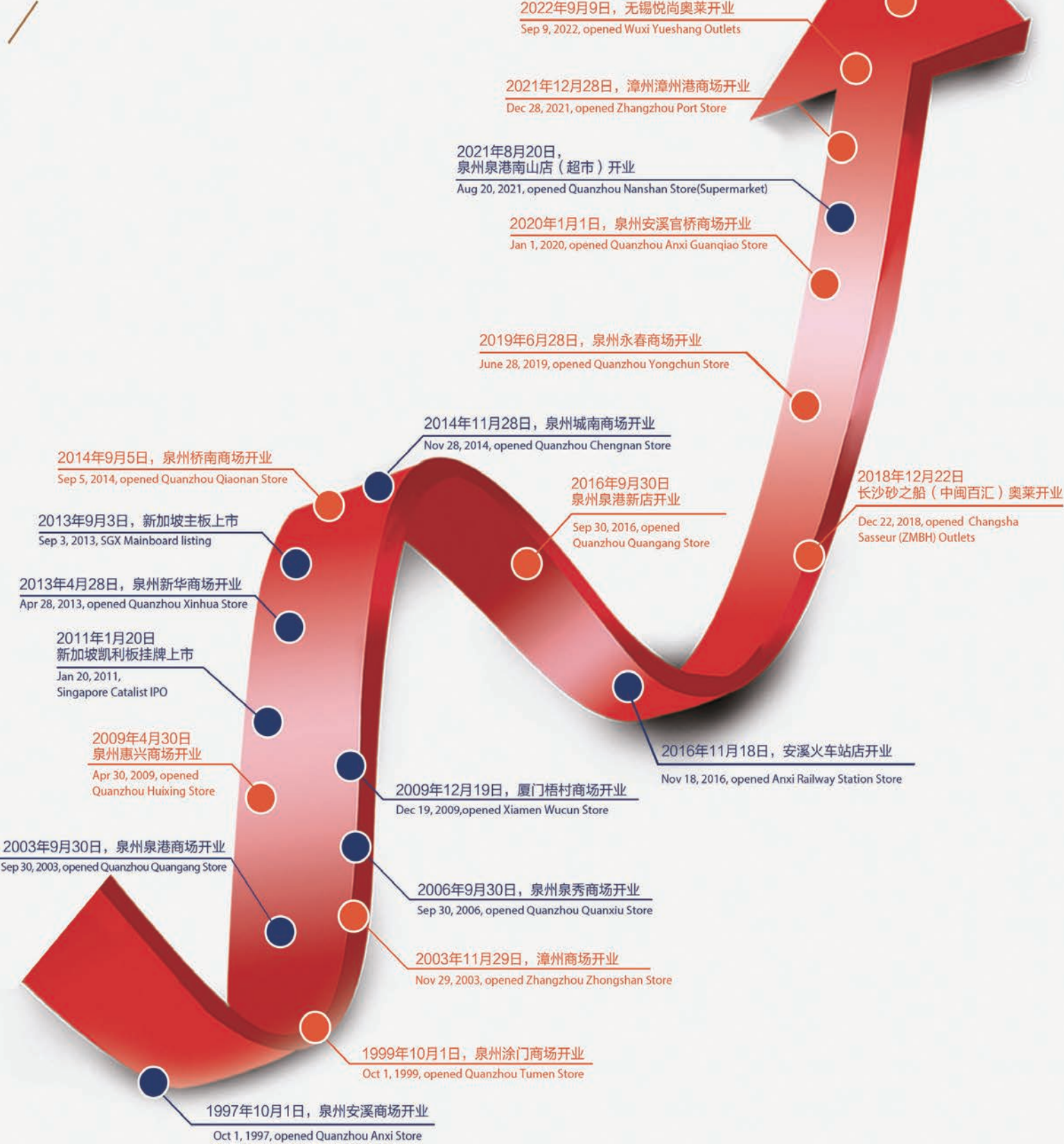
商场位置分布图

Location of Stores



开业进程

Store Opening Timeline





厦门市梧村店

Xiamen Wucun Store

商业面积：28,746 平方米

开业年份：2009 年 12 月（租赁终止 2030 年 9 月）

项目介绍：厦门梧村店位于厦门市思明区繁华的梧村商圈中心，为福建省最大的地下购物中心之一，设有行人隧道连接厦门高铁，厦门地铁站，长途汽车站，公交站和 BRT 站点，为厦门市交通枢纽的人流中心地带。

Gross floor area : 28,746 sqm

Commencement : Dec 2009 (lease ends in Sep 2030)

Description : Xiamen Wucun Store, one of the largest underground retail malls in Fujian, is situated in the commercial centre of Siming District, Xiamen City, and is linked by walkways and underground pedestrian crossings to the Xiamen Railway Station, a Xiamen Metro station, bus terminals, and a BRT Station.



厦门市海沧店(超市)

Xiamen Haicang Store (Supermarket)

商业面积：4,072 平方米

开业年份：2024 年 3 月（租赁终止 2034 年 3 月）

项目介绍：海沧店位于港汇邻里中心，其毗邻海沧自贸区及科技产业园区，靠近多个住宅区。海沧超市提供产品涵盖生鲜、日用、食品、文体玩具等，以满足海沧人民的日常生活所需为目的。

Gross floor area : 4,072 sqm

Commencement : Mar 2024 (lease ends in Mar 2034)

Description : The Haicang Store is located in the Xiamen Ganghui Neighborhood Center, adjacent to the Haicang Free Trade Zone Science and Technology Industrial Park, near numerous residential communities. The store provides fresh produce, daily necessities, food, toys, etc., to satisfy the shopping needs of the local community.

泉州市涂门店

Quanzhou Tumen Store



商业面积：16,361 平方米
开业年份：1999 年 10 月（租赁终止 2030 年 3 月）
项目介绍：泉州涂门店位于人流旺盛的泉州市市中心。

Gross floor area : 16,361 sqm
Commencement : Oct 1999 (lease ends in Mar 2030)
Description : This is an integrated store situated in a popular shopping belt in the downtown area of Quanzhou City and near several popular historic sites.

泉州市泉秀店

Quanzhou Quanxiu Store

商业面积：10,404 平方米
开业年份：2006 年 10 月（租赁终止 2030 年 4 月）
项目介绍：泉州泉秀店位于人口密集的泉州市市中心，连接公交网络，人流稠密。

Gross floor area : 10,404 sqm
Commencement : Oct 2006 (lease ends in Apr 2030)
Description : This store serves a densely populated area in the city centre of Quanzhou City.



泉州市泉港店

Quanzhou Quangang Store

商业面积：16,884 平方米
 开业年份：2016 年 9 月（租赁终止 2031 年 9 月）
 项目介绍：泉州泉港店位于泉港区中心处的石油化工工业区，也是人流稠密的住宅中心。

Gross floor area : 16,884 sqm
 Commencement : Sep 2016 (lease ends in Sep 2031)
 Description : The Quangang Store is in the downtown area of Quangang District, a major petrol chemical centre in Quanzhou City.



泉州市新华店

Quanzhou Xinhua Store

商业面积：8,873 平方米
 开业年份：2013 年 4 月（租赁终止 2024 年 12 月）
 项目介绍：泉州新华店位于泉州市的一个老城区里，紧邻几个旅游景点和住宅区。

Gross floor area : 8,873 sqm
 Commencement : Apr 2013 (lease ends in Dec 2024)
 Description : The Xinhua Store is situated in the historic and tourist district of Quanzhou City.

泉州市桥南店

Quanzhou Qiaonan Store

商业面积：6,791 平方米
 开业年份：2014 年 9 月（租赁终止 2032 年 9 月）
 项目介绍：泉州桥南店位于连接中心市区、晋江、泉州开发区和江南片区的中心地带。

Gross floor area : 6,791 sqm
 Commencement : Sep 2014 (lease ends in Sep 2032)
 Description : The store is near the city centres of Jinjiang District, Quanzhou Development District, and Jiangnan District.





泉州市惠安城南店

Quanzhou Hui'an Chengnan Store

商业面积：25,466 平方米
 开业年份：2014 年 11 月（拥有店面的产权）
 项目介绍：泉州惠安城南店位于惠安县城南部，一座综合商场的宏毅百汇广场内，紧邻惠安县螺阳镇城区。

Gross floor area : 25,466 sqm
 Commencement : Nov 2014 (self-owned property)
 Description : The store is in Hongyi Baihui Centre, an integrated shopping mall adjacent to the Luoyang town area in Hui'an County.



泉州市永春店

Quanzhou Yongchun Store

商业面积：23,200 平方米
 开业年份：2019 年 6 月（租赁终止 2039 年 6 月）
 项目介绍：位于永春县主城区，是县城主要的生活居住区，人口密集，也是政府主要机构、文化、体育、科技等服务设施的集中区。

Gross floor area : 23,200 sqm
 Commencement : Jun 2019 (lease ends in Jun 2039)
 Description : This integrated store serves a densely populated area near cultural, sports, government, science, and technology hubs.



厦门市港汇邻里中心

Xiamen Ganghui Neighborhood Center

项目介绍：福建省厦门市海沧项目由港基百汇商业物流（厦门）有限公司建造并拥有。该公司是集团 30% 的子公司。该项目有一座 30900 平方米 3 层零售楼和一座 668 单位公寓楼可出租。

Description : Xiamen Haicang Ganghui Neighborhood Center is owned by Citi-base Commerce Logistics (Xiamen) Co, a 30%-owned associate of the Group. The complex features a three-floor, 30,900 sqm retail block, and two apartment buildings with 668 rental units. The complex is in a busy part of Haicang District in Xiamen City.



漳州市漳州港店

Zhangzhou Port Store

商业面积：15,152 平方米

开业年份：2021 年 12 月（租赁终止 2036 年 12 月）

项目介绍：位于永鸿商业广场，南厦门中央核心位置，漳州招商局经济技术开发区，漳州港行政科教商住区中心，是漳州港的行政、文化、商业中心。

Gross floor area : 15,152 sqm

Commencement : Dec 2021 (lease ends in Dec 2036)

Description : The store is located in the Zhangzhou CMZD, the state economic development zone created to serve as the administrative, cultural, and commercial centre of Zhangzhou Port. The store occupies four floors of the Yonghong Commercial Plaza.

泉州市泉港南山店(超市)

Quanzhou Nanshan Store (Supermarket)

商业面积：1,220 平方米
 开业年份：2021 年 8 月（租赁终止 2026 年 5 月）
 项目介绍：位于人口密集的官桥镇中心。

Gross floor area : 1,220 sqm
 Commencement : Aug 2021 (lease ends in May 2026)
 Description : This supermarket is situated in the busy Quangang downtown area at the intersection of Zhongxin Road and Nanshan Zhong Road.



泉州市安溪火车站店

Quanzhou Anxi Railway Station Store

商业面积：3,700 平方米
 开业年份：2016 年 11 月（租赁终止 2031 年 6 月）
 项目介绍：安溪火车站店座落于安溪特产城、中国茶都旁，周边住宅密集，主要以超市业态为主，满足周边社区居民购物需求。

Gross floor area : 3,700 sqm
 Commencement : Nov 2016 (lease ends in Jun 2031)
 Description : This store is near the Anxi Railway Station in the downtown area of Chengxiang Town, Anxi County, Quanzhou City.



泉州市安溪官桥店

Quanzhou Anxi Guanqiao Store

商业面积：6,416 平方米
 开业年份：2020 年 1 月（租赁终止 2039 年 5 月）
 项目介绍：位于人口密集的官桥镇中心。

Gross floor area : 6,416 sqm
 Commencement : Jan 2020 (lease ends in May 2039)
 Description : The store is situated in the densely populated town of Guanqiao Town, Anxi County.



泉州市安溪店(管理店)

Quanzhou Anxi Store (managed store)

商业面积：6,413 平方米
 开业年份：1997 年 10 月（2006 年搬至新店）
 项目介绍：泉州安溪店位于安溪县城镇商业中心，人流稠密。

Gross floor area : 6,413 sqm
 Commencement : Oct 1997 (relocated in 2006)
 Description : The store is situated in a lively commercial and residential region of Fengcheng Town, Anxi County.



泉州市惠安惠兴店(管理店)

Quanzhou Hui'an Huixing Store (managed store)

商业面积：10,050 平方米
 开业年份：2009 年 4 月
 项目介绍：泉州惠安惠兴店位于人口密集的惠安县中心处，四周为住宅。

Gross floor area : 10,050 sqm
 Commencement : Apr 2009
 Description : The store is in the densely populated region of Hui'an County.

漳州市中山店(管理店)

Zhangzhou Zhongshan Store (managed store)

商业面积：11,132 平方米
 开业年份：2003 年 11 月
 项目介绍：漳州中山店位于漳州市市中心，人流稠密。

Gross floor area : 11,132 sqm
 Commencement : Nov 2003
 Description : The store is in the vibrant downtown of Zhangzhou City.





长沙市砂之船(中闽百汇)奥莱

Changsha Sasseur (ZMBH) Outlets

商业面积：210,600 平方米

开业年份：2018 年 12 月（合约终止 2038 年 12 月）

项目介绍：该项目是与砂之船（奥莱）集团合作的超大型奥特莱希，位于湖南省长沙市望城区，金星路与月亮岛路交汇处，临近城市三环线，交通便捷，人口稠密。

Gross floor area : 210,600 sqm

Commencement : Dec 2018 (contract ends in Dec 2038)

Description : This mega outlet mall is located at the junction of Jinjing Road and Yueliangdao Road in Wangcheng District, Changsha City, Hunan Province, in a densely populated region.





无锡市悦尚奥莱

Wuxi Yue Shang Outlets

商业面积：400,000 平方米

开业年份：2022 年 9 月

项目介绍：悦尚奥莱位于江苏省无锡市惠山区惠山大道与北环路交汇处，商业面积 40 万平方米，设有 20000 多个停车位。项目将以优质生活为核心打造超级奥莱城，将以国际、国内的顶级名品折扣中心、餐饮美食、大型超市、儿童主题馆、休闲健身娱乐等。

Gross floor area : 400,000 sqm

Commencement : Sep 2022

Description : Yue Shang Outlets is situated at the intersection of Huishan Avenue and Beihuan Road in Huishan District, Wuxi City, Jiangsu Province. The mall has a gross floor area of 400,000 sqm and 20,000 available parking spaces. The mall offers a lifestyle-based shopping experience with a good selection of international and domestic branded goods plus other leisure, entertainment, exercise, and dining options.



李瑞庆/执行主席
Mr Lee Swee Keng/Executive Chairman



陈开通/总裁
Mr Chen Kaitong/CEO

Statement from the Chairman and CEO

主席和总裁致词

On behalf of the Board of Directors, we are pleased to present the Annual Report of Zhongmin Baihui Retail Group Ltd. for the financial year from 1 July 2023 to 30 June 2024 (“FY2024”).

According to the National Bureau of Statistics of China (“NBS”), real GDP in China grew 5.0% in the first half of 2024, marginally lower than the 5.5% growth rate in the first half of 2023 and 5.2% in 2023. Despite the steady GDP growth, domestic demand in China is less than robust as NBS reported retail sales of consumer goods growth of 3.7% in the first half of 2024. Retail sales growth becomes more moderate after a strong post-COVID-19 recovery due to weaker domestic and overseas economic growth. Against this backdrop, the retail environment becomes increasingly more challenging.

The Group took several measures over the past few years to improve the operating performance of our Fujian operations. We closed three stores in FY2023, two in FY2024, and one in August 2024. Closing these underperforming stores freed up resources for other stores. While we closed some stores, we remain open to new opportunities by opening a 4,000 sqm supermarket in Haicang District, Xiamen City, in March 2024. This store is located in the downtown area of Haicang and serves the shopping needs of its residents. As of September 2024, the Group has sixteen stores (thirteen self-owned and three managed) with a total gross floor area of about 200,000 sqm. Outside Fujian Province, the Group has two stores, with a 24.2% stake in a 200,000 sqm store, and a 50% stake in a 400,000 sqm store.

As for the performance of our Zhongmin Baihui stores in Fujian Province in FY2024, the Group recorded revenue of RMB 983.7 million, an increase of 1.7% from the previous financial year. Gross profit grew 7.3% in FY2024 to RMB 231.8 million. Profit before the share of results of associates and joint ventures was a loss of RMB 0.454 million in FY2024 versus a profit of RMB 1.880 million in the previous financial year. The performance of the Zhongmin Baihui stores in FY2024 reflects the ongoing realignment of our store network in Fujian Province.

The Group has two large outlet malls, the 200,000 sqm Changsha Sasseur (ZMBH) Outlets (“CSO”) in Changsha City, Hunan Province, and the 400,000 sqm Wuxi Yueshang Outlets (“YSO”) in Wuxi City, Jiangsu Province. Contributions from these two outlet malls in our financial statements are presented as share of results of associated companies and joint ventures. The Group has an effective 24.2% interest in the operating and managing entity of CSO, Changsha Zhongmin Baihui Outlets Commercial Management Co., Ltd., and a 50% stake in Wuxi Shi Yueshang Outlets Co., the operator and manager of YSO. Opened in December 2018, CSO continues to deliver strong earnings, contributing a record profit of RMB 28.9m to the Group in FY2024, an increase of 33% as compared to the previous financial year. YSO, however, is in the gestation period, having opened for only two years since the opening on 9 September 2022. YSO contributed RMB 6.5 million of profit in FY2024 but this contribution was offset against accumulated unrecognised losses from previous years, which has been reduced to RMB 4.5 million as of 30 June 2024.

The outlet mall sector, which the Group has ventured into since 2018, appears more resilient in this economic climate. Outlet malls offer various non-shopping activities to complement customers' purchasing activities. The Group's outlet malls feature indoor basketball courts, diving and swimming pools, billiard/pool tables, health spas, children's amusement parks, go-kart rides, etc. Additionally, a good selection of medium to high-end culinary choices is available. Many non-retail activities are possible due to the open spaces in the malls. For instance, in November 2023, the International Basketball Federation (FIBA) 3x3 World Tour held a basketball tournament in the open areas of our Wuxi outlet mall. Occasionally, the Group invites entertainers to perform. A notable example of such performances would be a concert featuring Tang-Yi, a celebrity singer with millions of fans in China, singing at our Changsha outlet mall. We believe outlet mall visits should be fun, experiential, and family-oriented.

An integrated commercial and residential complex owned by the Group's 30%-owned associated company, Citi-Base Commerce Logistics (Xiamen) Co., Ltd. ("Citi-Base") commenced operations in late 2023. Citi-Base's 668 apartment units have achieved near full occupancy after an effective marketing campaign. Occupancy in the 30,900 sqm retail complex is progressing well. The operating performance of Citi-Base is expected to improve due to higher rent revenue from leasing retail units and serviced apartments.

The Group remains prudent with our cash flow management. In FY2024, the Group achieved positive net cash flow from operations of RMB 38.0 million, albeit down from RMB 89.2 million in the previous financial year. Over the same corresponding periods, our net current assets improved significantly from negative RMB 10.0 million in the previous financial year to negative RMB 2.6 million in FY2024.

The Group achieved net profits of RMB 23.8 million in FY2024, an increase of 12.0% from the last financial year. Earnings per share for FY2024 is RMB 12.42 cents from RMB 11.08 cents in the previous financial year. Given our improved performance in fiscal 2024, we are pleased to declare a dividend payout of one Singapore cent per share to increase the confidence of our shareholders.

Good corporate governance remains an integral part of our corporate culture. As part of the board rejuvenation plan, we are pleased to welcome two new independent directors to the Board, Mr. Zou Qige, a corporate lawyer practicing in China, and Mr. Yee Chia Hsing, who brings extensive experience in banking, senior corporate management, and community service.

As we enter the new fiscal year, we are committed to enhancing our operating performance with the support of our stakeholders.

10 October 2024



Statement from the Chairman and CEO

主席和总裁致词

我们很高兴代表董事会提交中闽百汇零售集团有限公司 2023 年 7 月 1 日至 2024 年 6 月 30 日财政年度（“2024 财年”）的年度报告。

根据中国国家统计局的数据，在 2024 年上半年，中国实际国内生产总值增长了 5.0%，同比 2023 上半年的 5.5% 和 2023 年的 5.2% 小幅下降。尽管国内生产总值稳步增长，但中国的国内需求仍然具有挑战性。国家统计局还报告 2024 年上半年中国消费品零售额增长 3.7%，相比前年也有所放缓。在新冠肺炎疫情后强劲复苏后，由于目前国内外因素的经济放缓，零售销售增长变得更加温和。在此背景下，零售环境变得越来越具有挑战性。

集团在过去几年采取了多项措施来提高我们福建业务的经营业绩。我们在 2023 财年关闭了三家门店，2024 财年关闭了两家，2024 年 8 月关闭了一家。关闭这些表现不佳的门店并重新分配资源，使我们能够提高剩余门店的整体运营绩效。尽管我们正在关闭门店，我们仍然抓住机会推出新店。因此在 2024 年 3 月，我们在厦门市海沧区开设了一家 4000 平方米超市。这家店设为海沧中心，为海沧居民提供购物服务。截至 2024 年 9 月，集团在福建 16 家门店（13 家自营店和 3 家管理店），总建筑面积约为 20 万平方米。省外两家，一家 20 万平方米 24.2% 的权益、一家 40 万平方米为集团公司运营管理 50% 的权益。

在 2024 财年，集团福建中闽百汇门店获得人民币 983.7 百万元收入，同比增长 1.7%。毛利润增长 7.3%，达到人民币 231.8 百万元。在计入联营公司和合资企业的业绩份额之前，2024 财年的净利润为亏损人民币 0.454 百万元，而上一财年为盈利人民币 188 万元。集团福建中闽百汇门店的业绩反映了我们在福建门店的调整。

集团拥有两个大型奥特莱斯，分别是位于湖南省长沙市的长沙砂之船（中闽百汇）奥莱（“CSO”）20 万平方和位于江苏省无锡市的无锡悦尚奥莱（“YSO”）40 万平方。在我们的财务报表中，这两间奥莱的贡献反映在联营公司和合资企业的业绩份额中。本集团持有长沙砂之船中闽百汇奥莱商业管理有限公司 24.2% 的实际权益，集团公司管理和运营 CSO，并持有无锡市悦尚奥莱有限责任公司 50% 的股份，该公司是 YSO 的运营商和管理公司。自 2018 年 12 月开业以来，CSO 继续实现良好的盈利，在 2024 财年为集团贡献了创纪录的人民币 28.9 百万元，比上一财年增长了 33%。然而，YSO 从 2022 年 9 月 9 日到现在才营业两年，刚出投入期不久。YSO 在 2024 财年盈利人民币 6.5 百万元，但被弥补前几年累计未确认亏损的需要所抵消，截至 2024 年 6 月 30 日，累计未确认亏损已降至人民币 4.5 百万元。

集团自 2018 年以来涉足的奥莱行业在目前经济环境下似乎更具弹性。奥莱通常为中高等收入群体提供更高的性价比。此外，规模较大的商场还提供各种非购物活动，以补充顾客的各种各样的消费活动。集团的奥莱设有室内篮球场、跳水和游泳池、台球、健康水疗中心、儿童游乐园、卡丁车等。此外，还提供各种中高端美食选择。由于商场有巨大开放空间，许多非零售活动可举办。例如，2023 年 11 月，国际篮球联合会（FIBA）3x3 世界巡回赛在我们无锡奥莱举办了一场篮球锦标赛。偶尔，集团也会邀请艺人表演。一个值得注意的例子是，在中国拥有数百万粉丝的著名歌手唐怡在我们的长沙奥莱表演。我们认为，逛奥莱应该是有趣、体验式、以家庭为导向的消费。



本集团拥有 30% 股权的港汇物流（厦门）有限公司（“Citi-Base”）的商住综合体在 2023 年末全面开发入住。经过有效的营销活动，Citi-Base 的 668 套公寓几乎全部入住。30900 平方米的零售综合体的入住率进展顺利。由于租金从出租公寓与店面收入增加，Citi-Base 的经营业绩预计将有所改善。

我们继续有审慎的现金流管理。在 2024 财年，集团实现经营净现金流为人民币 38.0 百万元，但低于上个财年的人民币 89.2 百万元。在同一个时间段对比，净流动资产从负人民币 10.0 百万元大幅改善到负人民币 2.6 百万元。

集团 2024 财年实现净利润人民币 23.8 百万元，比上一财年增长 12.0%。2024 财年每股收益为人民币 12.42 分，高于上一个财年人民币 11.08 分。由于我们在 2024 财年的业绩有所改善，我们很高兴宣布每股派息新加坡元 1 分，以增加我们股东的信心。

良好的公司治理仍然是我们企业文化不可或缺的一部分。作为董事会复兴计划的一部分，我们很高兴欢迎两位新的独立董事加入董事会：在中国执业的公司律师邹其鹤先生和在银行、高级企业管理和社区服务方面拥有丰富经验的余家兴先生。

随着我们进入新的财政年度，我们致力于在利益相关者的支持下提高我们的经营业绩。

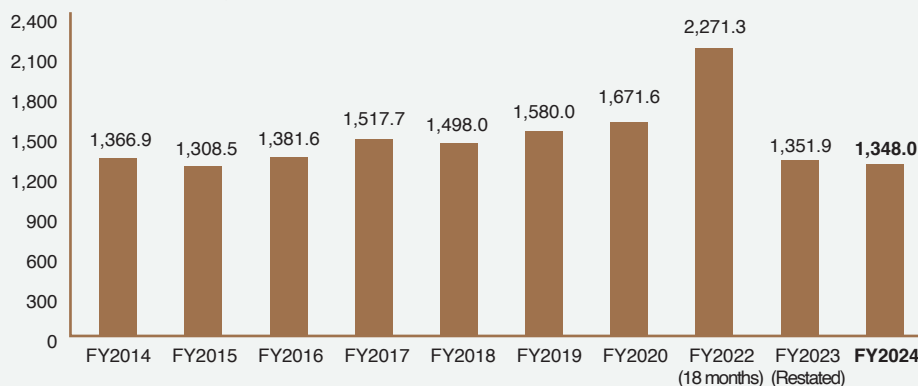
2024 年 10 月 10 日



财务摘要

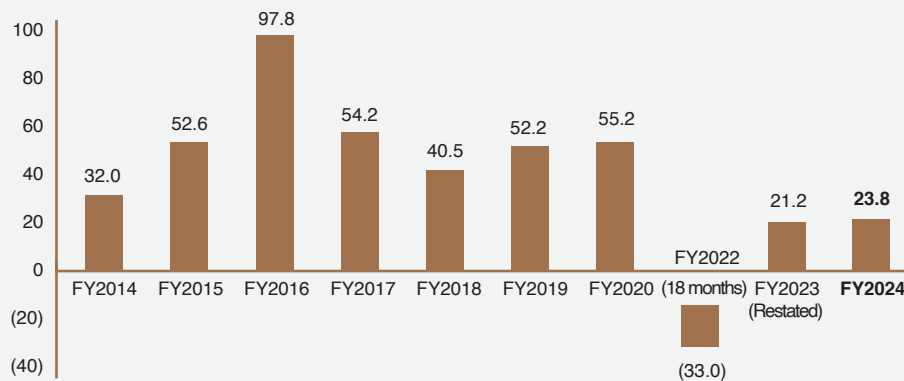
Gross sales proceeds (RMB' Million)

销售所得款项总额 (人民币百万元)



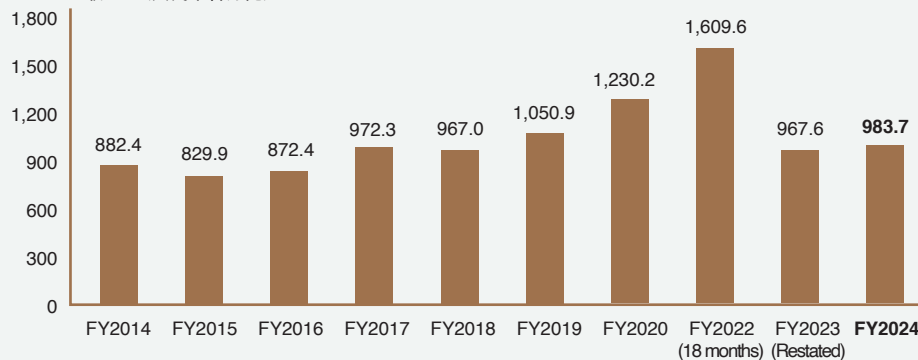
Profit/(loss) for the year (RMB' Million)

年内利润/(亏损) (人民币百万元)



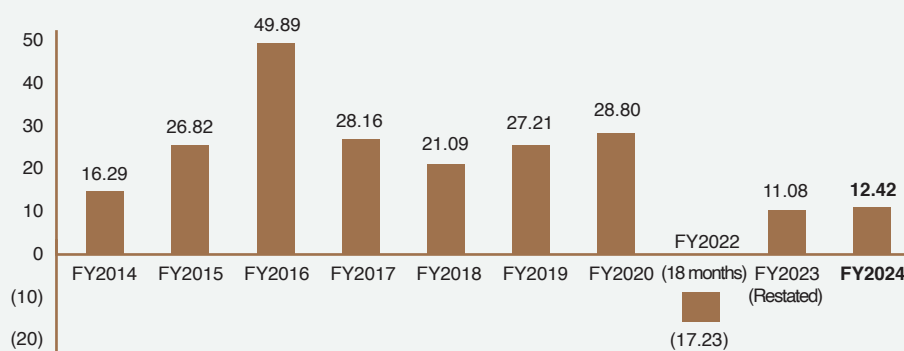
Revenue (RMB' Million)

收入 (人民币百万元)



Earning/(loss) per share-Basic and diluted (RMB cents)

每股盈利/(亏损) - 基本和稀释 (人民币一分)



财务摘要

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2022	FY2023	FY2024
	(18 months) (Restated)									
Financial Results (RMB'000) 财务业绩 (人民币'000)										
Gross sales proceeds 销售所得款项总额*	1,366,916	1,308,535	1,381,641	1,517,687	1,498,022	1,580,035	1,671,578	2,271,299	1,351,947	1,347,985
Revenue 收入	882,350	829,924	872,400	972,340	966,975	1,050,935	1,230,234	1,609,606	967,565	983,737
Profit/(loss) before taxation 税前利润/(亏损)	50,476	77,393	149,093	82,132	65,169	77,832	77,924	(268)	18,180	23,923
Profit/(loss) for the year 年内利润/(亏损)	31,983	52,644	97,823	54,200	40,458	52,187	55,236	(33,044)	21,249	23,805
Total comprehensive income/(loss) for the year attributable to equity holders of the Company 公司权益所有者应占全面收益/(亏损)总额	31,803	53,062	97,201	55,500	40,922	52,622	54,704	(33,861)	18,370	23,786
Financial Position (RMB'000) 财务状况 (人民币'000)										
Non-current assets 非流动资产	110,059	118,120	97,752	212,814	200,128	491,932	443,829	607,170	490,570	576,663
Current assets 流动资产	395,785	425,917	463,099	361,203	394,368	457,013	648,470	669,635	677,488	696,239
Current liabilities 流动负债	(322,646)	(317,723)	(339,278)	(350,952)	(363,435)	(505,856)	(622,989)	(751,890)	(687,585)	(698,859)
Net current assets/(liabilities) 净流动资产/(负债)	73,139	108,194	123,821	10,251	30,933	(48,843)	25,481	(82,255)	(10,097)	(2,620)
Non-current liabilities 非流动负债	(81,183)	(111,543)	(55,862)	(50,772)	(36,607)	(260,409)	(256,163)	(364,037)	(301,224)	(381,575)
Total equity 总权益	102,015	114,771	165,711	172,293	194,454	182,680	213,147	160,878	179,248	192,468
Financial Ratios (RMB cents) 财务比率 (人民币-分)										
<u>Earning/(loss) per share 每股盈利/(亏损)</u>										
- Basic and diluted - 基本和稀释	16.29	26.82	49.89	28.16	21.09	27.21	28.80	(17.23)	11.08	12.42
Net asset value per share 每股净资产值	51.96	58.46	82.37	89.81	101.37	95.23	111.15	83.91	93.48	100.42

* Gross sales proceeds represents the aggregate sum of net amount received and receivable for goods sold by direct sales, gross amount of concessionaire sales, rental income and income from managed rental.

销售所得款项总额指来自自营及联营的销售所得款项，出租及承包的租金收入。



Lee Swee Keng
*Executive Chairman
and Executive Director*

Mr Lee Swee Keng was appointed to the Board in September 2004 as a Director and Executive Chairman. Mr Lee is responsible for charting and steering the Group's business direction, overall management, strategic planning and business development of the Group. He has more than 40 years of operation and management experience in the food, construction machinery and equipment industries. As a key founder of the Group, Mr Lee partnered with Mr Chen Kaitong in setting up and operating department stores in Anxi, Fujian, before they collaborated to establish Zhongmin Baihui. Mr Lee was conferred the Public Service Medal (Pingat Kakti Masyarakat or "PBM") in 2014.



Chen Kaitong
*Chief Executive Officer
and Executive Director*

Mr Chen Kaitong is a key founder of the Group and was appointed as a Director and Chief Executive Officer of the Group in December 2008. He is also a director of various companies of the Group. Mr Chen is instrumental to the Group's growth, operations and direction. He is responsible for strategic corporate planning, business development and overseeing the key day-to-day operations of the Group. Mr Chen has more than 30 years of experience in the retail industry in China. He was involved in the early stages of setting up and running the first modern department store of the Group in Anxi. He has received many awards for his contributions to the sector. He currently serves as the vice president of the Fujian Federation of Enterprises and Entrepreneurs, the honorary president of the Fujian Modern Commerce, Culture and Tourism Chamber of Commerce, the executive vice president of Quanzhou Enterprises and Entrepreneurs, and the president of the Fujian Chain Operations Association. He also deputies to the 17th National People's Congress and other social organizations.

In 2008, he was named the first moral model of Quanzhou City by the Quanzhou City Spiritual Civilization Construction Steering Committee; in 2009, he was on the "China Good People" list which was selected by the Secretariat of the Central Civilization Office and the China Civilization Network; in 2016, he was evaluated by the Talent Office of the Quanzhou Municipal Committee of the Communist Party of China as one of the 20 Leading Talents in Enterprise Management in Quanzhou City and was awarded the Best Management Innovation Award for Cross-border Innovation Leaders in China's Retail Industry by the China Department Store Business Association. In 2018, Chen Kaitong was elected as the Quanzhou Economic Figure of the Year 2018 at the Quanzhou Economic Annual Conference jointly sponsored by the Propaganda Department of the Quanzhou Municipal Committee of the Communist Party of China and other nine units.

董事会



Yee Chia Hsing
Independent Director

Mr Yee Chia Hsing was appointed as our Independent Director on 24 November 2023. Mr Yee, a First-Class Honours graduate in Accountancy from Nanyang Technological University Singapore, has significant experience in corporate finance, capital markets and management.

Mr Yee has more than 20 years of experience in the banking and finance industry. After his banking career, he went on to head a health supplements division of a SGX listed company, before taking on the Executive Director/ CEO role in another SGX listed company with hospitality assets.

Mr Yee is a Member of the Audit Committee of Ren Ci Hospital (non-director role). He also sits on the Boards of Beng Kuang Marine Limited, Hiap Tong Corporation Limited, Union Gas Holdings Limited and Yangzjiang Shipbuilding (Holdings) Limited as Independent Director. Mr Yee served as a Member of Parliament of Chua Chu Kang GRC ("Nanyang division") from 2015 to 2020.



Zou Qige
Independent Director

Mr Zou Qige was appointed to the Board as an Independent Director of the Company on 24 November 2023. He is a Chinese licensed lawyer and a partner of AllBright Law Offices. He has been working as a lawyer in Shanghai for more than 21 years and has rich experience in various corporate matters, including corporate investment and financing, merger & acquisition, corporate governance and private equity etc. Between year 2007 to 2015, he worked as a partner at Bao Rui Legal, which was in strategic alliance with a well-known Singapore law firm. Before that, Mr Zou worked as a partner at Hiways Law Firm in Shanghai. He has advised more than ten China based companies and Singapore companies on their initial public offering or dual listing in Singapore or Hong Kong and therefore, is familiar with regulatory requirements of Singapore Exchange Limited. Mr Zou holds a Bachelor of Art degree in legal English and a Master of Law degree from East China University of Political Science and Law.



Kho Kewee
Independent Director

Mr Kewee Kho was appointed to the board as Independent Director in July 2021. He is chairman of the nominating and remuneration committees, and member of the audit committee. His work experience over the last 25 years has been across multiple roles involving investment banking, private equity, venture capital, investments, corporate and business development, corporate finance, entrepreneur, and business management, covering a broad spectrum of industries in the US and Asia-Pacific. Presently, he is focused on proprietary investments, corporate and financial advisory.

Mr Kho is also board member at The Private Museum Limited. He was previously board member of Lee Metal Group Limited, Courts Asia Limited, and MS Holdings Limited. He is a Fellow of Singapore Institute of Arbitrators, member and Senior Accredited Director of Singapore Institute of Directors. He graduated with a Bachelor of Science from Indiana University and post Graduate Certificate in International Arbitration from National University of Singapore, Law.



Key Management

高级管理层

Su Jianli

Deputy Chief Executive Officer (Marketing and Operations)

Mr Su Jianli joined the Group in year 2003. His responsibilities include assisting Mr Chen Kaitong, the Chief Executive Officer in running the daily operations of the Group, with an emphasis on strategic corporate planning and development of the Group's operations, implementation of quality management policies, marketing and sales. Mr Su possesses more than 17 years of experience at the management level in the power and apparel industries. Mr Su served as a Director of the Group from December 2008 to May 2019.

Wang Liyu

Deputy Chief Executive Officer

Ms Wang Liyu joined the Group in year 2010 and is currently holding the position as the Deputy Chief Executive Officer. She is responsible for overseeing the full spectrum of finance matters including employee recruitment, training, relations and welfare for the finance personnel, of the Group's subsidiaries in China. Prior to joining the Group, Ms Wang was an accountant at the Fujian Motor Industry Group Co., Ltd from year 1996 to 2000, and the Financial Controller of Quanzhou Zhongmin Baihui from year 2000 to 2010. Ms Wang holds a Diploma in Finance and Accounting (Immediate level) from Fujian Commercial College.

Key Management

高级管理层

Hong Yuekui

Deputy Chief Executive Officer

Hong Yuekui joined the Group as the Deputy Chief Executive Officer on 9 January 2023. Under the leadership of Chief Executive Officer, he is put in-charge of the human resource, administration and operation of the Group's subsidiaries in China.

Hong Yuekui graduated with a bachelor's degree from Fujian Fuzhou University fine chemical engineering department in July 1988 and has obtained engineer qualification in 1994. He has more than 30 years of experience in corporate management. He has participated in the executive class of Tsinghua University, the condensed EMBA course of Shanghai Action Education, and the courses of strategic performance management and sales control.

Serine Yeo Ngen Huay

Chief Financial Officer

Ms Serine Yeo joined the Group as the Chief Financial Officer in May 2022. She is responsible for overseeing matters relating to accounting, financial, administration as well as the regulatory compliance and reporting obligations of the Group. In addition to her financial and administrative focus, Ms Yeo is also actively involved in line-of business executive and operations management. Ms Yeo has over 30 years of related work experiences and prior to joining the Group, Ms Yeo held key appointment with various small & medium enterprises, multi-national companies, local and overseas listed companies.

Ms Yeo holds a bachelor's degree in Commerce (major in Accounting & Finance) from The University of Southern Queensland, Australia and possesses diploma in Computer Studies from The National Centre for Information Technology of United Kingdom. She is a Fellow Certified Public Accountant with CPA, Australia. In addition, she is an Accredited Tax Practitioner (Income Tax & Goods & Services Tax) with Singapore Chartered Tax Professionals (formerly known as Singapore Institute of Accredited Tax Professionals).

Andrew Lim Kok-Kin

Director-Investor Relations

Mr Andrew Lim Kok-Kin was appointed to the Board as Non-Executive Director in January 2012 and re-designated as Executive Director in May 2015. In July 2021, Mr Lim ceased his role as Executive Director and was appointed as Director - Investor Relations. He has over 20 years experience in the investment industry, including Director at Azure Capital Pte Ltd, Chief Investment Officer at S.E.A. Asset Management Pte Ltd, Senior Fund Manager at Pheim Asset Management (Asia) Pte Ltd, and Senior Portfolio Manager at MMG Investment (Dubai, UAE). Mr Lim had also taught at the School of Business, Singapore Polytechnic. Mr Lim graduated BSc (Honors), industrial engineering, University of Texas (El Paso) and MBA, University of Texas (Austin). Mr Lim has been a CFA charter holder since 1993.

FASHION SHOPPING

百汇购物 温馨倍至



FASHION

SHOPPING

ZHONGMIN BAIHUI RETAIL GROUP LTD.

Corporate Governance Report

企业治理

Zhongmin Baihui Retail Group Ltd. (the “**Company**”), together with its subsidiaries (the “**Group**”), recognises the importance and is committed to maintaining a high standard of corporate governance. Good corporate governance provides the framework for an ethical and accountable corporate environment, which will protect the interests of the Company’s shareholders and promote investor confidence. This report outlines the Company’s corporate governance practices and structures in the financial year ended 30 June 2024 (“**FY2024**”), with specific reference made to each of the principles of the Code of Corporate Governance 2018 (the “**Code**”) issued on 6 August 2018 and accompanying Practice Guidance (updated on 11 January 2023). Deviations from the Code, if any, are explained.

STATEMENT OF COMPLIANCE

The Board of the Company confirmed that for the financial year ended 30 June 2024, the Company has complied with the principles and guidelines of the Code where appropriate.

BOARD MATTERS

Principle 1: The company is headed by an effective Board that is collectively responsible and works with Management for the long-term success of the company.

The Board of Directors (“**Board**”) is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group. The constitution of the Company (“**Constitution**”)¹ also provides for telephonic meetings.

The Company was transferred from the Catalist Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) to the Mainboard of the SGX-ST on 3 September 2013.

The Directors attend and actively participate in Board and Board Committee meetings and, where the Directors hold multiple board representation, the Nominating Committee will consider and ensure that they have sufficient time and attention for the affairs of each company. As a general rule, the maximum number of listed company board appointments shall not exceed five (5) companies unless the Nominating Committee decides otherwise.

The number of Board and Board committee meetings held and attended by each Director of the Company during the financial year under review is as set forth:

	AGM held on 24 November 2023	Board	Board Committees		
			Audit	Nominating	Remuneration
Number of meetings held	1	4	4	1	2
			Number of meetings attended		
Mr. Lee Swee Keng	1	4	4*	1*	2*
Mr. Chen Kaitong	1	4	4*	1*	2*
Mr. Kho Kewee	1	4	4	1	2
Mr. Yee Chia Hsing ⁽¹⁾	–	3	3	–	1
Mr. Zou Qige ⁽²⁾	–	3	3	–	1

* By Invitation

(1) Mr. Yee Chia Hsing was appointed as an Independent Director of the Company with effect from 24 November 2023.

(2) Mr. Zou Qige was appointed as an Independent Director of the Company with effect from 24 November 2023.

¹ Pursuant to the prevailing Companies Act 1967, the Memorandum and Articles of Association of the Company are deemed by law to be merged to form the Constitution of the Company.

Corporate Governance Report

企业治理

The Board decides on matters that require the Board's approval and clearly communicates this to the management in writing. Matters which specifically require the Board's decision or approval are those involving:

- corporate strategy and business plans;
- investment and divestment proposals;
- funding decisions of the Group;
- nomination of Board and appointment of key personnel;
- half-yearly and full-year results announcements, annual reports and accounts;
- interested person transactions;
- material acquisitions and disposal of assets;
- identification of the key stakeholder groups and recognition that their perceptions affect the Company's reputation;
- setting the Company's values and standards (including ethical standards, tone-from-the-top and organisational culture), and ensuring that obligations to shareholders and other stakeholders are understood and met;
- consideration of sustainability issues (e.g. environmental and social factors) in the formulation of its strategies;
- establishment and maintaining a sound risk management framework; and
- all matters of strategic importance.

Where there are matters in which the Directors face conflicts of interest, the Directors recuse themselves from discussions and decisions involving the issues of conflict.

All other matters are delegated to committees of the Board whose actions are monitored and endorsed by the Board. These committees include the Audit Committee, the Nominating Committee and the Remuneration Committee, all of which operate within clearly defined and written terms of reference and functional procedures, which are reviewed on a regular basis. Each of these committees reports its activities regularly to the Board, and their actions are reviewed by the Board. A summary of each committee's activities is disclosed in this Annual Report.

The Board ensures that any Director with no prior experience as a director of a listed company undergoes training in the roles and responsibilities of a listed company director unless the Nominating Committee is of the view that the Director has other relevant experience. The incoming newly appointed Directors will be given an orientation on the Group's business strategies and operations and governance practices to facilitate the effective discharge of their duties.

The Company is responsible for arranging and funding the training of Directors. Directors have been and will be encouraged to attend seminars and receive training to improve themselves in the discharge of their duties as directors. The Company works closely with professionals to provide its Directors with updates on changes to relevant laws, regulations and accounting standards. Directors are also encouraged to attend relevant and useful seminars to improve their continuing education and skills.

Corporate Governance Report

企业治理

Directors are also provided with an insight into the Group's operational facilities and periodically meet with the management of the Company (“**Management**”) to gain a better understanding of the Group's business operations. The Board as a whole is updated on risk management and the key changes in the relevant regulations which have an important bearing on the Company and the Directors' obligations to the Company.

The Company recognises that an organisation's success is not based solely on its business achievements, but also on the positive role it plays in community engagement and environmental sustainability. The Company strongly encourages its staff to be aware of social issues, and to participate in fundraising initiatives, community projects and activities.

Each member of the Board has complete access to such information regarding the Group as may be required for the discharge of his duties and responsibilities. Prior to each Board meeting, the members of the Board are each provided with the relevant documents and information necessary, including background and explanatory statements, financial statements, budgets, forecasts and progress reports of the Group's business operations, for them to comprehensively understand the issues to be deliberated upon and make informed decisions thereon.

As a general rule, notices are sent to the Directors at least five (5) days in advance of Board meetings, followed by the Board papers in order for the Directors to be adequately prepared for the meetings. Senior management personnel will attend Board meetings to address queries from the Directors, if required. The Directors also have unrestricted access to senior members of the Management. Requests for the Company's information by the Board are dealt with promptly.

The Directors have separate and independent access to the Company Secretary. The Company Secretary or a representative attends all Board meetings and ensures that the Board procedures and the provisions of applicable laws, the Companies Act 1967, the Constitution and the Listing Manual of the SGX-ST (the “**Listing Manual**”) are observed. The Company Secretary also assists with the circulation of Board papers and updates the Directors on changes in laws and regulations relevant to the Group. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Board (whether as individual members or as a group) has direct access to independent professional advisers, where so requested by them, at the Company's expense.

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

In FY2024, the Board comprised five (5) members, two (2) of whom hold executive positions and three (3) of whom are Independent Directors.

At the date of this Annual Report, the Board comprises the following members:

Mr. Lee Swee Keng	Executive Director and Chairman
Mr. Chen Kaitong	Executive Director and Chief Executive Officer
Mr. Kho Kewee	Independent Director
Mr. Yee Chia Hsing	Independent Director
Mr. Zou Qige	Independent Director

The Company endeavours to maintain a strong and independent element on the Board. The Company recognises the importance and benefits of having an effective and diverse Board with a mix of skills, experience, gender and age, which generates an appropriate level of diversity of thought and background and fosters constructive debate with a high level of independent thinking. The Board considers an Independent Director as one who is independent in conduct, character and judgement, and has no

Corporate Governance Report

企业治理

relationship with the Company, its related corporations, its substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

As at the date of this Annual Report, the current Board comprises five members, with three (3) out of five (5) being Independent Directors, who are business leaders and professionals in their respective fields. These Directors are individuals with experience and professional qualifications in the fields of retail, accounting, legal, audit, investments, corporate management and marketing, and have managed big corporations and worked in international firms during their careers. The Board also has Directors of different ages to allow for a more diversified contribution to the Board.

In compliance with the prevailing applicable guideline of the Code, the majority of the Board comprises of Independent Directors since the Executive Chairman, Mr. Lee Swee Keng, is not an Independent Director, and the Board is satisfied that there is a strong and independent element in the Board. This is because all the board committee meetings are chaired by Independent Directors, and the majority of the Board is comprised of Non-Executive Directors who have consistently proven to exercise independent business judgement in the best interests of the Company. No changes were made to the Board composition noting the effectiveness of the present Board as explained below.

Each of the Independent Directors has confirmed that he/she does not have any relationship with the Company or its related corporations, its officers, or its shareholders with shareholdings of 5% or more in the voting shares of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of his/her independent business judgement. There are no other Independent Directors who have served on the Board beyond nine (9) years from the date of his or her first appointment for the purposes of rule 210(5)(iv) of the Mainboard Rules. The Nominating Committee has reviewed and determined that the said Directors are independent. The independence of each Director has been and will be reviewed annually by the Nominating Committee based on the guidelines set forth in the Code.

Taking the above into account, the Board is of the view that the Directors, on the whole, have an appropriate balance and mix of skills, knowledge, experience, age, gender and diversity of thought to foster constructive debate with a high level of independent thinking. Hence, the Board believes that its current composition has the appropriate level of balance and mix to enable it to make discussions in the best interests of the Company, consistent with the intent of Principle 2 of the Code.

The Board has also examined its size and is satisfied that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Company. The Nominating Committee is of the view that no individual or small group of individuals dominates the Board's decision-making process.

The Nominating Committee is of the view that the current Board comprises persons who as a group provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. Details of the Board members' qualifications and experience are presented in this Annual Report under the heading "Board of Directors".

The Company recognises and embraces the benefits of diversity on the Board and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Company has adopted a formal Board Diversity Policy, setting out the Group's principles for promoting and maintaining diversity in the reviewing the Board composition.

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In this regard, the Nominating Committee adopts a deliberate and targeted board renewal process. It assesses the needs for Board composition in a proactive manner and uses them as an objective criterion when selecting potential candidates. In reviewing the Board composition and succession planning, the Nominating Committee will consider the relevant qualitative and quantitative objectives for promoting and achieving diversity on the Board and review them against the directors' skills, business experiences, ages, genders, nationalities, cultural, educational and professional industry backgrounds, ethnicities, and other relevant personal attributes and distinguishing qualities that the Board requires to function competently and efficiently. The selection of directors will be based on merit and after giving due regard to the benefits of diversity, the overall balance and Board effectiveness.

The Board recognises the importance of gender diversity and ensures the inclusion of potential female candidates, where possible and available, in the selection process. Further, the Group's senior key female management personnels are invited and included at Board meetings. The Nominating Committee continuously monitors the implementation of its Board Diversity Policy to ensure its effectiveness, and constantly endeavours to identify and evaluate suitable candidates to ensure there is diversity on the Board.

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Executive Chairman of the Company is Mr. Lee Swee Keng. The Chief Executive Officer of the Company is Mr. Chen Kaitong. There is a clear division of responsibilities between the Executive Chairman and the Chief Executive Officer to ensure that there is an appropriate balance of power, increased accountability and sufficient capacity of the Board for independent decision-making. The requirement of the Code that the roles of the Chairman and Chief Executive Officer be separate is therefore met in the case of the Company.

The Executive Chairman, Mr. Lee Swee Keng, plays a vital role in charting and steering the corporate direction of the Group and is responsible for the overall management, strategic planning, business development and promoting high standards of corporate governance of the Group.

As the Chief Executive Officer of the Company, Mr. Chen Kaitong is responsible for developing the overall strategic corporate planning and business development of the Group as well as the overall aspects of the Group. He plays an important role in determining the opening and location of the Group's new stores and formulating its business workflow and organisational structure.

The Chief Executive Officer, Mr. Chen Kaitong, is a distant relative of the Executive Chairman, Mr. Lee Swee Keng. The brother of Mr. Lee Swee Keng's grandmother is the father of Mr. Chen Kaitong. Where the Chairman is not independent, Provision 3.3 of the Code recommends that the Company may appoint an independent non-executive director to be the Lead Independent Director of the Company. During the period under review, the Lead Independent Director of the Company was Mr. Choy Bing Choong (the former AC Chairman) who had resigned on 24 November 2023. The Board is of the view that it is not necessary to appoint a lead independent director as there is a strong independence element on the Board with a majority of the Board consisting of non-executive Independent Directors. The Board also has full and unrestricted access to all information pertaining to the Company's business and affairs as well as access to the key management personnel. The Independent Directors are free to raise queries with and provide feedback to the Chairman on an ongoing basis. Therefore, the Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence.

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Principle 4: The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

In FY2024, the members of the Company's Nominating Committee during the financial period under review are Mr. Kho Kewee, Mr. Yee Chia Hsing and Mr. Zou Qige. As at the date of this Annual Report, there are three (3) Independent Directors, all of whom comprise the Nominating Committee. The Nominating Committee meets at least once a year.

The Nominating Committee is responsible for the following:

- (a) the review of board succession plans for Directors and key management personnel;
- (b) the development, process and criteria for evaluation of the performance of the Board, its board committees and Directors;
- (c) the review of training, continuing education and professional development programmes for the Board;
- (d) to make recommendations to the Board on all board appointments and re-appointment, having regard to the Director's contribution and performance (for example, attendance, preparedness, participation and candour);
- (e) to determine annually whether or not a Director is independent;
- (f) in respect of a Director who has multiple board representations on various companies, to decide whether or not such Director is able to and has been adequately carrying out his/her duties as Director, having regard to the competing time commitments that are faced when serving on multiple boards; and
- (g) to assess the performance of the Board and the contribution of each Director to the effectiveness of the Board.

Each member of the Nominating Committee shall abstain from voting on any resolution relating to the assessment of his performance or his re-nomination as a Director.

The Nominating Committee will ensure that there is a formal and transparent process for all appointments to the Board. It has adopted written terms of reference defining its membership, administration and duties which will ensure that new directors are aware of their duties and obligations. The Nominating Committee determines on an annual basis, and as and when circumstances require, whether or not a Director is independent, for the purposes of the Code. With reference to Principle 2 above, the Nominating Committee is of the view that the Independent Directors are independent.

In assessing the performance of each individual Director, the Nominating Committee considers whether he/she has multiple board representations and other principal commitments, and is able to and has adequately carried out his/her duties as a Director notwithstanding such commitments. The Nominating Committee is satisfied that sufficient time and attention to the affairs of the Company have been given by those Directors who have multiple board representations.

To address the competing time commitments that are faced when Directors serve on multiple boards, the Nominating Committee has reviewed, and the Board has determined and set that as a general rule, the maximum number of listed company board appointments be not more than five (5) companies. However, any Director may hold more than five (5) listed company board representations should the Nominating Committee be satisfied and is of the view that such Directors are able to devote sufficient time and attention to the

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affairs of the Company after taking into account their individual circumstances, contributions, responsibilities and other principal commitments. Non-executive Directors may consult the Chairman of the Nominating Committee before accepting any appointments as Directors. Currently, none of the Directors hold more than five (5) directorships in listed companies.

The Nominating Committee ensures that new directors are aware of their duties and obligations by providing terms of reference and reviewing any prior experience such new director had as a director of a company listed on SGX-ST. If the new director does not have such prior experience, the Company will arrange for the new director to attend relevant training programmes by the Singapore Institution of Directors. Existing directors are encouraged to attend relevant training programmes conducted by the relevant institutions and organisations. The cost of all such training will be borne by the Company.

Regulation 104 of the Constitution requires one-third of the Directors to retire from office at least once every three (3) years at an AGM. Regulation 106 of the Constitution provides that the retiring Directors are eligible to offer themselves for re-election.

Regulation 114 of the Constitution provides that the Directors shall have power at any time and from time to time to appoint any other qualified person as a Director either to fill a casual vacancy or as an addition to the Board. However, any Director so appointed shall hold office only until the next AGM of the Company and shall be eligible for re-election.

In assessing potential new directors, the Nominating Committee considers selection criteria including integrity, diversity of competencies, expertise, industry experience and financial literacy. The Nominating Committee seeks potential candidates widely and beyond the recommendations from the Directors and/or the Management and is empowered to engage external parties, such as professional search firms and institutions, to undertake research on or assessment of candidates as it deems necessary.

The Nominating Committee recommended to the Board that Mr. Chen Kaitong and Mr. Kho Kewee be nominated for re-election at the forthcoming AGM. In making the recommendation, the Nominating Committee has considered the Directors' overall contributions and performance.

Mr. Chen Kaitong will, upon re-election, remain as Chief Executive Officer and Executive Director of the Board. Mr. Kho Kewee will, upon re-election, remain as Independent Director, Chairman of the Remuneration Committee and Nominating Committee and a member of the Audit of the Committee.

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As at the date of this Annual Report, the date of initial appointment and last re-election of each Director, together with their directorships in other listed companies are set out below:

Name	Age	Appointment	Date of initial appointment	Date of last re-election or re-appointment	Directorship in other listed companies	Principal Commitments ²
LEE SWEE KENG	65	Executive Chairman	17 September 2004	29 July 2021	NIL	<ol style="list-style-type: none"> Singapore Hokkien Huay Kuan The Hokkien Foundation Singapore Hokkien Huay Kuan Cultural Academy Pte Ltd Ee Hoe Hean Club Yunnan Realty Pte Ltd Lee Bin Hong Pigs Supplier Pte Ltd
CHEN KAITONG	59	Chief Executive Officer and Executive Director	9 December 2008	29 July 2022	NIL	NIL
YEE CHIA HSING	53	Independent Director	24 November 2023	NIL	<ol style="list-style-type: none"> Beng Kuang Marine Limited Hiap Tong Corporation Limited Union Gas Holdings Limited Yangzijiang Shipping (Holdings) Limited 	<ol style="list-style-type: none"> Ren-Ci Hospital (Audit Committee member, non director role)
KHO KEWEE	54	Independent Director	29 July 2021	NIL	NIL	<ol style="list-style-type: none"> Pillars & Woggs LLP Nautilus Maritime Pte Ltd The Private Museum Limited
ZOU QIGE	47	Independent Director	24 November 2023	NIL	NIL	AllBright Law Offices

² The term "Principal Commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments

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Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board committees and individual Directors.

The Nominating Committee had adopted processes for the evaluation of the Board's performance and effectiveness as a whole and the performance of individual Directors, including the Chairman, and each Board committee, based on performance criteria which were recommended by the Nominating Committee and approved by the Board. For the evaluation of the Board performance, the criteria include return on assets, return on equity and the Company's share price performance which allow the Company to make comparisons with its industry peers and are linked to long-term shareholders' value. The Nominating Committee also takes into consideration the feedback from individual Directors on areas relating to the Board's competencies and effectiveness. The results of the overall evaluation of the Board by the Nominating Committee including its recommendation, if any, for improvements are presented to the Board.

The assessment process involves and includes inputs from Board members, applying the performance criteria of the Nominating Committee and approved by the Board. These inputs are collated and reviewed by the Chairman of the Nominating Committee, who presents a summary of the overall assessment to the Nominating Committee for review. Areas where the Board's performance and effectiveness could be enhanced and recommendations for improvements are then submitted to the Board for discussions and, where appropriate, approval for implementation.

The individual performance criteria include qualitative and quantitative factors such as performance of principal functions and fiduciary duties, level of participation at meetings and attendance record.

The annual evaluation process for each individual Director's performance comprises three (3) parts: (a) background information concerning the Directors, including their attendance records at Board and Board Committee meetings; (b) questionnaires for completion by each individual Board member; and (c) the Nominating Committee's evaluation based on certain assessment parameters. The questionnaires and the assessment parameters were recommended by the Nominating Committee and approved by the Board. The completed questionnaires are then reviewed by the Nominating Committee before the Nominating Committee completes its evaluation of the individual Directors. When deliberating on the performance of a particular Director who is also a member of the Nominating Committee, that member abstains from the discussions in order to avoid any conflict of interests.

The Nominating Committee has assessed the current Board's performance to date and is of the view that the performance of the Board as a whole was satisfactory. Although some of the Board members have multiple board representations, the Nominating Committee is satisfied that sufficient time and attention has been given by the Directors to the Group.

REMUNERATION MATTERS

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

In FY2024 and as at the date of this Annual Report, the members of the Company's Remuneration Committee during the financial period under review are Mr. Kho Kewee, Mr. Yee Chia Hsing and Mr. Zou Qige. The Remuneration Committee is entirely constituted by Independent Directors, and the Chairman of the Remuneration Committee is Mr. Kho Kewee.

The Remuneration Committee will review and recommend to the Board a framework of remuneration for the Directors and key management personnel and determine specific remuneration packages for each Director as well as for the key management personnel. The recommendations of the Remuneration Committee

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should be submitted for endorsement by the Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives, awards, benefits-in-kind shall be covered by the Remuneration Committee to ensure that they are fair. In addition, the Remuneration Committee will perform an annual review of the remuneration of employees related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scope and level of responsibilities. They will also review and approve any bonuses, pay increases and/or promotion for these employees. Each member of the Remuneration Committee shall abstain from voting on any resolution in respect of his remuneration package. The Remuneration Committee shall also review the Company's obligations arising in the event of termination of the employment of Directors and key management personnel to ensure that they are fair. The Remuneration Committee may access expert advice regarding executive compensation matters relating to Directors and key management personnel if required. There was no necessity for the engagement of an external remuneration consultant in FY2024.

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

In setting remuneration packages, the Remuneration Committee will ensure that the Directors are adequately but not excessively remunerated as compared to the industry and comparable companies and that the remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

The remuneration packages for Executive Directors and key management personnel take into account the performance of the Group and the individual. The Director's fees for Non-executive Directors are based on the effort, time spent and responsibilities of the Non-executive Directors, and are subject to approval at AGMs. The Company has entered into service agreements with Mr. Lee Swee Keng (the Executive Chairman) and Mr. Chen Kaitong (the Chief Executive Officer and Executive Director) commencing from the date of admission of the Company to the Catalist Board. They are valid for an initial period of three (3) years (the "Initial Term") each and upon the expiry of the Initial Term, the employment of the respective appointee shall be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree. The service agreements may be terminated by either the Company or the respective Directors giving to the other party six (6) calendar months' notice in writing or payment of six (6) months' basic salary in lieu of notice. Revisions to the terms of the service agreements will be reviewed by the Remuneration Committee, which, upon taking into consideration the employment conditions within the retail industry and comparable companies, will recommend the same to the Board where such revisions are in order.

The remuneration packages for the Executive Directors and key management personnel include a fixed salary and a variable performance-related bonus which is designed to align their interests with those of the shareholders and other stakeholders and promote the long-term success of the Company.

The Company does not have in place any share-based compensation schemes or any long-term scheme involving the offer of shares.

All revisions to the remuneration packages for the Directors and key management personnel are subject to the review by and approval of the Board. Directors' fees are further subject to the approval of shareholders at the AGM. Each member of the Remuneration Committee will abstain from deciding his or her own remuneration and the remuneration packages of persons related to him or her.

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Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Remuneration Committee recommends to the Board a framework of remuneration for the Board and key management personnel to ensure that the structure is competitive and sufficient to attract, retain and motivate key management personnel to run the Company successfully in order to maximise shareholders' value. The recommendations of the Remuneration Committee on the remuneration of Directors and key management will be submitted for endorsement by the Board. The members of the Remuneration Committee do not participate in any decisions concerning their own remuneration.

The breakdown showing the level and mix of each individual Director's remuneration in the financial period under review by percentage (%) is as follows:

Remuneration Band and Name of Director	Base / Fixed salary	Directors' fees	Variable or performance Bonus	Other Benefits
Above S\$250,000 and below S\$500,000				
Mr. Lee Swee Keng	73%	–	24%	3%
Below S\$250,000				
Mr. Chen Kaitong	89%	–	10%	1%
Mr. Kho Kewee	–	100%	–	–
Mr. Yee Chia Hsing	–	100%	–	–
Mr. Zou Qige	–	100%	–	–
Mr. Choy Bing Choong ⁽¹⁾	–	100%	–	–
Ms. Goh Poh Kee ⁽²⁾	–	100%	–	–

(1) With effect from 24 November 2023, Mr. Choy Bing Choong resigned as Non-Executive Independent Director.

(2) With effect from 24 November 2023, Ms. Goh Poh Kee retired as Non-Executive Independent Director.

During the financial year ended on 30 June 2024, there were five (5) management personnel whom the Company considered to be key management personnel (who are not Directors or the Chief Executive Officer). Accordingly, these five (5) key management personnel of the Group during the financial year under review fell within the remuneration band of below S\$250,000:

Remuneration Band and Name of key management personnel	Base / Fixed salary	Directors' fees	Variable or performance Bonus	Other Benefits
Mr. Su Jianli	89%	–	8%	3%
Ms. Wang Liyu	89%	–	8%	3%
Mr. Hong Yuekui	89%	–	8%	3%
Ms. Serine Yeo Ngen Huay	80%	–	13%	7%
Mr. Andrew Lim Kok-Kin	77%	–	13%	10%

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In considering the disclosure of remuneration of these five (5) key management personnel of the Company, the Company considered the overall quantum received by each individual executive as well as the confidential nature of each key management personnel's remuneration and believes that a full disclosure as recommended by the Code would be prejudicial to the Company's interest. The annual aggregate remuneration paid to these five (5) key management personnel of the Company (who are not Directors or the Chief Executive Officer) for FY2024 is approximately S\$634,000.

As the Company operates in a highly competitive industry, the disclosure of the exact details of the remuneration of each individual Director and key management personnel would adversely impact the Company's operations and business due to the sensitive nature of such information. Accordingly, the Company has not disclosed exact details of the remuneration of each individual Director as it is not in the best interests of the Company and employees to disclose such details due to the sensitive nature of such information.

While the exact remuneration of the Directors cannot be shared, the Company has disclosed, the level and mix remuneration, in percentage terms in bands of S\$250,000, of the Directors and Chief Executive Officer into various categories of compensation, namely, fixed salary, Directors' fees, allowance and others and variable or performance related income for FY2024. The Company has also disclosed the level and mix remuneration of the five (5) key management personnel (who are not Directors or the Chief Executive Officer), in percentage terms in a single band of S\$250,000 for FY2024. The total remuneration paid to these key management personnel were also disclosed. Taking in consideration of the abovesaid, the Company is of the view that such disclosure provides a balance between detailed disclosure and confidentiality.

Other than a fixed salary component, the Executive Director and Key Management Personnel are given variable performance related bonus which will take into account the profitability of the Company, contributions from the individuals and the scope of responsibilities assigned to those individuals. The total remuneration given to these individuals aims to attract, retain and motivate them so as to achieve sustainability and business growth.

Accordingly, the Company believes that such disclosures and reviews will provide shareholders with an adequate appreciation of the remuneration packages of the Directors and the top five (5) management personnel and is consistent with the intent of Principle 8 of the Code.

The Company currently does not participate in any employee share schemes or any share-based compensation schemes.

No employee who was an immediate family member of a Director was paid more than S\$100,000 during FY2024. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister, and parent of such person.

No employee who is a substantial shareholder of the Company was paid more than S\$100,000 during FY2024. Pursuant to Division 4 (Substantial Shareholdings) of Part 4 of the Companies Act 1967, a person is considered as having substantial shareholding in a company if he has an interest in 5% or more of the voting shares of that company.

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ACCOUNTABILITY AND AUDIT

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

In line with the continuing disclosure obligations of the Company under the Listing Manual, the Board's policy is that shareholders shall be informed of all major developments of the Company. Information is presented to shareholders on a timely basis through SGXNet and/or the press. In presenting the annual financial statements and half yearly and full year result announcements to its shareholders, it is the objective of the Board to provide its shareholders with a reasonable understanding of the Group's financial position, performance and prospects.

The Management currently provides the Board with management accounts of the Group's performance, position and prospects on a monthly basis.

The Group's internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial information and to safeguard and maintain accountability of its assets.

Accordingly, to facilitate compliance with Rule 1207(10) of the Listing Manual, the Board has engaged an external consultant to review the adequacy and effectiveness of the Company's internal control system in FY2024 to assist the Board and the Audit Committee in their review of the Group's risk management and internal control systems focusing on financial, operational and compliance controls.

The Executive Chairman and the Chief Financial Officer have provided assurance that as at the end of FY2024 (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the Company's risk management and internal control systems are effective.

With the concurrence of the Audit Committee, the Board is of the opinion that the Company has in place a robust and effective system of internal controls addressing financial, operational and compliance risks to safeguard shareholders' interests and the Group's assets. In the absence of any evidence to the contrary, the Board is further of the view that the system of internal controls maintained by the Management provides reasonable assurances against material financial misstatements or losses, safeguarding of assets, maintenance of proper accounting records, reliability of financial information, compliance with legislation regulations and best practices and the identification and management of business risks. The Board recognises that no cost-effective internal control system will preclude all errors and irregularities, as such a system is designed to manage (rather than eliminate the risk of failure) and achieve its business objectives. Such a system can only provide reasonable and not absolute assurance against material misstatement or loss.

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

In FY2024 and as at the date of this Annual Report, the members of the Company's Audit Committee during the financial period under review are Mr. Yee Chia Hsing, Mr. Kho Kewee and Mr. Zou Qige. The Audit Committee is entirely constituted by Independent Directors who do not have any financial interest in and are not former partners or directors of the Company's Auditor, Foo Kon Tan LLP, and the Chairman of the Audit Committee is Mr. Yee Chia Hsing, an Independent Director. At least two (2) members of the Audit Committee, including the Chairman of the Audit Committee, have recent and relevant accounting or related financial management expertise or experience.

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The principal role and functions of the Audit Committee are as follows:

- (a) review the significant financial reporting issues and judgements of the financial statements and announcements;
- (b) review and report to the Board at least annually the adequacy and effectiveness of the Company's internal financial controls, operational and compliance controls, information technology controls and risk management policies and systems;
- (c) review the effectiveness of company's internal audit function;
- (d) review with the external auditors and internal auditor their audit plans, evaluation of the system of internal accounting controls, audit reports, management letters and the management's responses;
- (e) review the internal control and procedures, co-operation and assistance given by the management to the external auditors and to discuss problems and concerns, if any;
- (f) ensure the internal audit function is adequate and appropriate as well as review the scope and results of the internal audit procedures including the effectiveness of the internal audit function;
- (g) ensure that a review of the effectiveness of Company's material internal controls is conducted at least annually by the internal and/or external auditors;
- (h) review and ensure the integrity of the financial statements before the submission to the Board for approval;
- (i) Commission, review and discuss with external and internal auditors, if necessary, any suspected fraud or irregularity or suspected failure of internal controls, infringement of any relevant laws, rules or regulations;
- (j) review the scope and results of the audit, its cost effectiveness, the independence and objectivity of the external auditors;
- (k) review the independence of external auditors and recommendation of their appointment or re-appointment to Board;
- (l) approve internal control procedures and arrangements for all Interested Person Transactions;
- (m) review the procedures by which employees of the Company may report to the Chairman of the Audit Committee, possible improprieties and ensure there are arrangements in place for independent investigation and follow-up action;
- (n) review whistle blowing policy and arrangements by which the staff may raise concerns about possible improprieties and ensure arrangement are in place for the independent investigation;
- (o) review and ratify transactions falling within the scope of SGX listing rules in particularly for matters pertaining to Interested Person Transactions, Acquisitions and Realisation as laid down in Chapters 9 and 10;
- (p) review and monitor the activities of the Company on a continuing basis for any conflicts of interest;

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- (q) Undertake such other reviews and projects as may be requested or directed by the Board and report to Board its findings from time-to-time on matters arising;
- (r) undertake generally such other functions and duties as may be required by statute or SGX listing rules, or by such amendments made thereto from time-to-time; and
- (s) review the assurance from the executive officers, including the Chief Executive Officer and Chief Financial Officer on the financial records and financial statements.

Apart from the duties listed above, the Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. Each member of the Audit Committee shall abstain from voting on any resolutions in respect of matters in which he is interested.

The Audit Committee has adopted written terms of reference defining its membership, administration and duties.

The Audit Committee has explicit authority to investigate any matter within its terms of reference and is authorised to obtain independent professional advice. It has full access to and co-operation of the Management and reasonable resources to enable it to discharge its duties properly. It also has full discretion to invite any director or executive officer or any other person to attend its meetings.

The members of the Audit Committee have sufficient financial and/or management expertise, as assessed by the Board in its business judgement, to discharge the Audit Committee's functions.

The Audit Committee met four (4) times during the year under review. Details of members' attendance at the meetings are set out under Principle 1. The Investor Relations Director, Deputy Chief Executive Officer, Chief Financial Officer, Company Secretary, internal auditors and external auditors (as appropriate) are invited to these meetings. Other senior members of the Management are also invited to attend as appropriate to present reports.

The Audit Committee meet with the external auditors and internal auditors in the absence of the Management at least once in every financial year.

The aggregate amount of fees paid to the external auditors have been reviewed by the Audit Committee, such that the Audit Committee is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The fees paid to the external auditors are presented in this Annual Report under "Auditor and Audit Fees" and "Non-Audit Fees" headings in respect of Principle 13.

The Audit Committee met on a quarterly basis and reviewed the half-year and full-year announcements, material announcements and all related disclosures to the shareholders before submission to the Board for approval. In the process, the Audit Committee reviewed the audit plan and audit committee report presented by the external auditors. The external auditors provide regular updates and briefing to the Audit Committee on changes or amendments to accounting standards to enable the members of the Audit Committee to keep abreast of such changes and its corresponding impact on the financial statements, if any.

The Audit Committee also reviewed the annual financial statements and discussed with the Management, and the external auditors the significant accounting policies, judgement and estimate applied by the Management that might affect the integrity of the financial statements and considered the clarity of key disclosures in the financial statements. The Audit Committee reviewed, amongst other matters, the following significant matters identified by the external auditors for FY2024.

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Key audit matters	How the issues were addressed by the Audit Committee
Cash and bank balances	The Audit Committee reviewed and discussed with the Management and the external auditors the key internal and financial controls in this area, in particular the cash and bank reconciliations, cash counting and handling procedures, authorisation and segregation of duties, as well as security and surveillance measures. No significant issue came to the attention of the Audit Committee in the course of its review.
Gold inventories	The Audit Committee reviewed and discussed with the Management and the external auditors the key internal and financial controls in this area, in particular period and random stock-taking procedures, inventory reconciliations, security and surveillance measures, inventory level control, as well as the cost recognition at not realisable value against market price. No significant issue came to the attention of the Audit Committee in the course of its review.
Impairment assessment of: (i) property, plant and equipment; and (ii) right-of-use assets	The Audit Committee reviewed and discussed with the Management and the external auditors the approach and methodology being used in this area, in particular the cash flows projections, growth rate and discount rate, based on fair value less costs to sell. No significant issue came to the attention of the Audit Committee in the course of its review.

Following the review and discussions, the Audit Committee then recommended to the Board for approval of the audited annual financial statements.

The Company has put in place a whistle-blowing policy, which provides for the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, with the objective of ensuring that arrangements are in place for the independent investigation of such matters for appropriate follow-up action. The Audit Committee exercises the overseeing function over the administration of the whistle-blowing policy. Details of the whistle-blowing policies and arrangements are publicly disclosed and have been made available to all employees of the Company.

The external auditors provided regular updates and periodic briefings to the Audit Committee on changes or amendments to accounting standards to enable the members of the Audit Committee to keep abreast of such changes and its corresponding impact on the financial statements, if any.

Internal Audit Function

The Board recognises the importance of maintaining a system of internal controls to safeguard the shareholders' investments and the Company's assets.

The objective of the internal audit function is to provide an independent review of the effectiveness of the Group's internal controls and provide reasonable assurance to the Audit Committee and the Management that the Group's risk management, controls and governance processes are adequate and effective.

In order to strengthen further the Group's internal audit function, the Audit Committee has recommended and the Board has approved the appointment of an external audit professional firm to undertake the internal audit function of the Group. The Company has outsourced its internal audit function to BDO Advisory Pte Ltd, an established international auditing firm. BDO Advisory Pte Ltd conducts their internal audits based on the BDO Global Internal Audit Methodology which is consistent with the International Professional Practices Framework established by the Institute of Internal Auditors. The BDO Advisory Pte Ltd Engagement Partner has more than 20 years of audit and advisory experience and is a Chartered Accountant (Singapore),

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Certified Internal Auditor and Certified Information System Auditor. As Head of Risk Advisory Services in BDO Singapore, the Engagement Partner manages a portfolio of outsourced internal audits of several listed companies and other organisations such as government bodies and regulated entities. Members of the internal audit team also have relevant academic qualifications, professional certifications and internal audit experience. The Audit Committee is hence satisfied that the outsourced internal audit function is adequately staffed by suitably qualified and experienced professionals based on the internal audits conducted for FY2024.

These audit professionals primarily report to the Audit Committee. The internal audit plan is submitted to the Audit Committee for approval prior to the commencement of the internal audit, and the Audit Committee oversees and monitors the implementation of improvements as required. The internal auditors have unrestricted direct access to all of the Company's documents, records, properties and personnel and a direct and primary reporting line to the Audit Committee.

The Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors are used as a reference and guide by the Company's internal auditors. The Audit Committee reviews at least annually, the adequacy and effectiveness of the internal auditors and is satisfied that the internal auditors are staffed by qualified and experienced personnel.

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

All shareholders are treated fairly and equitably to facilitate their ownership rights. The Board recognises the importance of maintaining transparency and accountability to its shareholders. The Board's policy is that all shareholders should be informed in a comprehensive manner and on a timely basis of all material developments that impact the Group.

All shareholders are entitled to attend and vote at general meetings in person or by proxy. The rules including the voting procedures are set out in the notice of general meetings. The Constitution allows all shareholders to appoint proxy/proxies to attend general meetings and vote on his/her/their behalf. In particular, Relevant Intermediaries, as defined under the Companies Act 1967, may appoint more than two (2) proxies.

In line with the continuing disclosure obligations of the Company under the Listing Manual, shareholders are informed of all major developments of the Company. The information is presented to shareholders on a timely basis through SGXNet and/or the press. In presenting the annual financial statements, half-year and full-year result announcements to its shareholders, it is the objective of the Board to provide its shareholders with a reasonable understanding of the Group's financial position, performance and prospects.

Pertinent information will be disclosed to shareholders in a timely, fair and equitable manner. The Company does not practise selective disclosure. Price sensitive information is first publicly released before the Company meets with any group of investors or analysts.

Pertinent information is communicated to shareholders through:

- (1) half-year and full-year results announcements which are published on the SGXNet;
- (2) the Group's annual reports that are prepared and issued to all shareholders;

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- (3) notices of and explanatory memoranda, for AGMs and extraordinary general meetings; and
- (4) press releases on major developments of the Group.

AGMs are the main forum for communication with shareholders. Notice of AGM, Proxy form and Request form are sent to all shareholders. Printed copies of the Annual Report and Circular for FY2024 will be sent to shareholders upon request. Instead, the Annual Report and Circular for FY2024 have been made available on the Company's website at <https://www.zhongminbaihui.com.sg/default.aspx?uc=16> and the SGXNet. The members of the Audit Committee, Nominating Committee and Remuneration Committee will be present at AGMs to answer questions relating to the work of these committees. The external auditors will also be present to assist the Directors in addressing any relevant queries by shareholders. The Board welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad hoc basis.

Where there are substantial or relevant comments or queries by the shareholders relating to the agenda of the general meeting, the queries or comments of the shareholders and the response from the Directors and Management are recorded in the minutes of the general meetings. The minutes have been made available to shareholders on the Company's corporate website from FY2019 onwards.

The Constitution of the Company allows absentia voting by proxy at general meetings.

Resolutions are as far as possible, structured separately and may be voted upon independently. In line with Rule 730A of the Listing Manual, with effect from 1 August 2015, all resolutions at general meetings will be voted by way of poll.

The Group has specifically entrusted an investor relations team comprising the Executive Chairman, the Chief Executive Officer, the Chief Financial Officer and an executive officer with the responsibility of facilitating communications with shareholders and analysts and attending to their queries or concerns. The investor relations team generally communicates with shareholders and analysts via email, telephone and face-to-face conference. Communication of relevant announcements of the Group is generally made through annual reports, SGXNet announcements and its corporate website.

The Group currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. Notwithstanding the above, any declaration of dividends is clearly communicated to the shareholders via SGXNet.

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has its materiality assessment process to identify its key stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. The Company engages its key stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its key stakeholders. For more information on the Company's identification and engagement with its

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key stakeholders and the Company's strategy and key areas of focus in relation to the management of stakeholder relationships in FY2024, please refer to the Company's Sustainability Report which will be published along with this Annual Report.

The Company maintains a corporate website to communicate and engage with its key stakeholders.

DEALINGS IN SECURITIES

The Company has adopted the best practices on dealings in securities set out in Rule 1207(19) of the Listing Manual and made known the best practices to Directors and officers. The Company had pursuant to the share buyback mandate given by the shareholders at the Annual General Meeting on 24 November 2023, made a purchase of 20,300 shares of the Company at S\$0.6497 by way of market purchase on 9 July 2024. The total number of shares acquired by the Company was insignificant and there were no material changes of the Company's share price before and after the purchase. The Company has reviewed and updated its policies on dealings in securities that Directors and officers are not allowed to deal in the Company's shares one (1) month before the announcement of the Company's half-year and full-year results, or when they are in possession of unpublished price sensitive information on the Group.

The Group has reminded its Directors and officers that it is an offence under the Securities and Futures Act 2001 for a listed issuer or its key executives to deal in the listed issuer's securities as well as securities of other listed issuers when the officers are in possession of unpublished material price-sensitive information in relation to those securities. Directors and executives are expected and reminded to observe insider-trading laws at all times even when dealing in securities within permitted trading periods. The Group has further reminded its Directors and officers not to deal in the Company's securities on short-term considerations.

AUDITOR AND AUDIT FEES

The amount of audit fees charged by Foo Kon Tan LLP in FY2024 was S\$340,000. The Group confirms that it has complied with Rule 712 and Rule 715 of the Listing Manual in relation to its auditing firms.

NON-AUDIT FEES

Non-audit fees of S\$47,300 was paid to the Group's Auditor, Foo Kon Tan LLP for FY2024. The Audit Committee, having reviewed such non-audit services, is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

MATERIAL CONTRACTS

Save for the following interested person transactions, there are no material contracts entered into by the Company and its subsidiaries during the FY2024 or still subsisting as at 30 June 2024 which involved the interests of the Chief Executive Officer, any of the Directors or controlling shareholders of the Company.

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INTERESTED PERSON TRANSACTIONS

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
Concessionaire income charged to a related party: Fujian Hancal Garments Co. Ltd	RMB 1,309,374	–
Management fees charged to a related party: Quanzhou Zhongmin Baihui Shopping Co.,	RMB 4,924,528	–
Renewal of a 5-year lease entered into with a related party (lessor): Quanzhou Zhongmin Baihui Shopping Co., Ltd.	RMB 20,600,160	–

Previously purchases made by end customers using prepaid cards issued by Quanzhou Zhongmin Baihui Shopping Co., Ltd and Zhangzhou Zhongmin Baihui Shopping Co., Ltd were wrongly classified as IPTs. These have been removed from the above table because the sales were made to the end customers and not to these two entities.

When a potential conflict of interest arises, the Director concerned does not participate in discussion and refrains from exercising any influence over other members of the Board.

The Company has established internal control policies to ensure that interested person transactions are properly reviewed and approved and are conducted on an arm's length basis.

The Group has not obtained a general mandate from Shareholders for interested person transactions.

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ZHONGMIN BAIHUI RETAIL GROUP LTD.

SUSTAINABILITY REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Sustainability Report

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1. Message to stakeholders

On behalf of the Board of Directors (the “**Board**”) of Zhongmin Baihui Retail Group Ltd. (“**ZMBH**” or the “**Company**”, together with its subsidiaries, the “**Group**”), we are pleased to present to you the Sustainability Report (the “**Report**”) for the financial year ended 30 June 2024 (“**FY2024**”).

ZMBH is firmly dedicated to sustainable development, consistently striving to conduct business responsibly. We remain committed to enhancing sustainability achievements and collaborating with partners to create a green ecosystem and a harmonious living environment.

In response to the ever-changing business landscape, we undertook a comprehensive reassessment of our environmental, social, and governance (“**ESG**”) factors. Our comprehensive evaluation considered several critical aspects, such as the impact of supply chain disruptions, the complexities of geopolitical tensions, the potential consequences of natural disasters, and the implications of the latest regulatory frameworks. This holistic approach ensures that our sustainability strategy remains adaptable and resilient, effectively addressing the most pressing challenges and opportunities in today’s dynamic world. The identified material ESG factors, namely **Business Resiliency, Green Operations, Product Safety and Quality, and Employee Development and Welfare**, serve as the cornerstones of our sustainability strategy. This report provides a concise summary of the Group’s ESG performance for the period from 1 July 2023 to 30 June 2024.

Furthermore, in our commitment to sustainability, we understand the importance of comprehending and addressing the impacts of climate change. To this end, in FY2024, we conducted the evaluation of our business operations in line with the recommendations of the Taskforce for Climate-related Financial Disclosures (“**TCFD**”).

Lastly, we emphasize that sustainability issues are central to our strategic planning. The Board has played an active role in identifying material ESG factors and has effectively overseen their management and monitoring. Our commitment to sustainability is deeply embedded in our corporate values, guiding us towards a more sustainable and responsible future.

On behalf of the Board of Directors,

Mr Chen Kaitong
Chief Executive Officer

10 October 2024

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2. Corporate Profile

The Group is engaged in the ownership, operation and management of department stores and supermarkets in Fujian Province, People's Republic of China ("PRC") and in the management and operation of outlet malls in other provinces in the PRC. Department stores and supermarkets in Fujian Province are operated under the reputable brand "中闽百汇". The first modern store opened in Anxi County, Quanzhou City, Fujian Province in 1997. The Group was incorporated in Singapore in 2004.

Five of the self-owned stores are primarily supermarkets, ranging from 1,000 m² to 4,000 m² in GFA, while the remaining stores are large integrated retail outlets, ranging from 6,000 m² to 28,000 m² in GFA. Many of the larger stores also offer food and beverage options and other essential services to enhance the customers' shopping experience.

Recognising the potential of mega malls in China, the Group has embarked on a strategic plan to expand its presence in this segment. Currently, the Group manages two outlet malls with a total GFA of approximately 600,000 m² via an associated company and a joint-venture company. The Group's Yueshang Outlets in Wuxi City, Jiangsu Province, opened in September 2022, while its maiden outlet mall, Changsha Sasseur (ZMBH) Outlets, opened in December 2018.

The Group's mission is to provide a quality shopping experience with a wide variety of quality merchandise, lifestyle products, and customer-oriented services catering to middle-income consumers. By optimizing its product mix and developing strong relationships with well-known international and domestic brands, the Group aims to bring more value to its customers. The Group also adheres to our business principle of **Unity, Dedication, Faithfulness and Services** (团结, 敬业, 忠诚, 服务) to our stakeholders.

Through our strong commitment to the Group's mission, the Group was named one of the top 10 brand enterprises in Quanzhou in 2015 and the trendiest business enterprise in Xiamen in 2017 as a testament to the high quality of service and customer satisfaction that the Group provides.

ZMBH is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (SGX-ST) under the stock code 5SR.

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3. About the report

Scope of Sustainability Report

The scope of the report covers information on material sustainability aspects of ZMBH, covering stores operated by its wholly-owned subsidiaries, Xiamen Shi Zhongmin Baihui Commercial Co., Ltd, Zhongmin Baihui (Fujian) Shopping Centre, Co., Ltd, Zhangzhou Zhongmin Baihui Supermarket Co., Ltd, Zhangzhou Zhongmin Baihui Business Service Co., Ltd and Zhongmin Baihui (China) Retail Group Co., Ltd., from 1 July 2023 to 30 June 2024 unless otherwise specified. The scope of the report encompasses the business activities conducted within the operating store areas directly managed by the Group, excluding any store areas that are leased. To access information regarding the organisational reporting boundaries, kindly refer to **Appendix A**.

Reporting Framework

The report is prepared in compliance with the SGX-ST Section B: Rules of the Mainboard Listing Rule 711A and 711B (“**Mainboard Rules**”) which draws on the guidance set out by the SGX-ST Practice Note 7.6 Sustainability Reporting Guide (the “**SR Guide**”).

In addition to complying with the relevant listing rules, this report is also meticulously crafted with reference to the Global Reporting Initiative (“**GRI**”) Standards: Core Option, which is recognised as a comprehensive and globally accepted framework for sustainability reporting. Our report adheres to the GRI’s principles for determining report content and ensuring report quality. This involves a thorough consideration of the Group’s activities, their associated impacts, and the significant expectations and interests of our stakeholders. Please refer to **Appendix B** for the GRI content index.

Furthermore, this report is prepared in accordance with the recommendations of the TCFD. We have adopted a phased approach in alignment with the recommendations in SGX-ST Practice Note 7.6 Sustainability Reporting Guide, focusing on specific areas of climate-related financial disclosures in our reporting. This approach enables us to address key aspects of climate risk and opportunities within the context of our operations and business activities. Please refer to **Appendix C** for the TCFD content index.

Independent Verification

We have engaged our internal auditors to perform an internal review of our sustainability reporting process. We have not sought external assurance on this report but will consider doing so as our reporting matures over time.

Restatements

No restatements were made from the previous report.

Sustainability Contact

The electronic version of this report can be accessed on the Company’s website under the “Investor Relations” section.

We welcome your views and feedback on our sustainability practices and reporting at enquiry@zhongminbaihui.com.sg

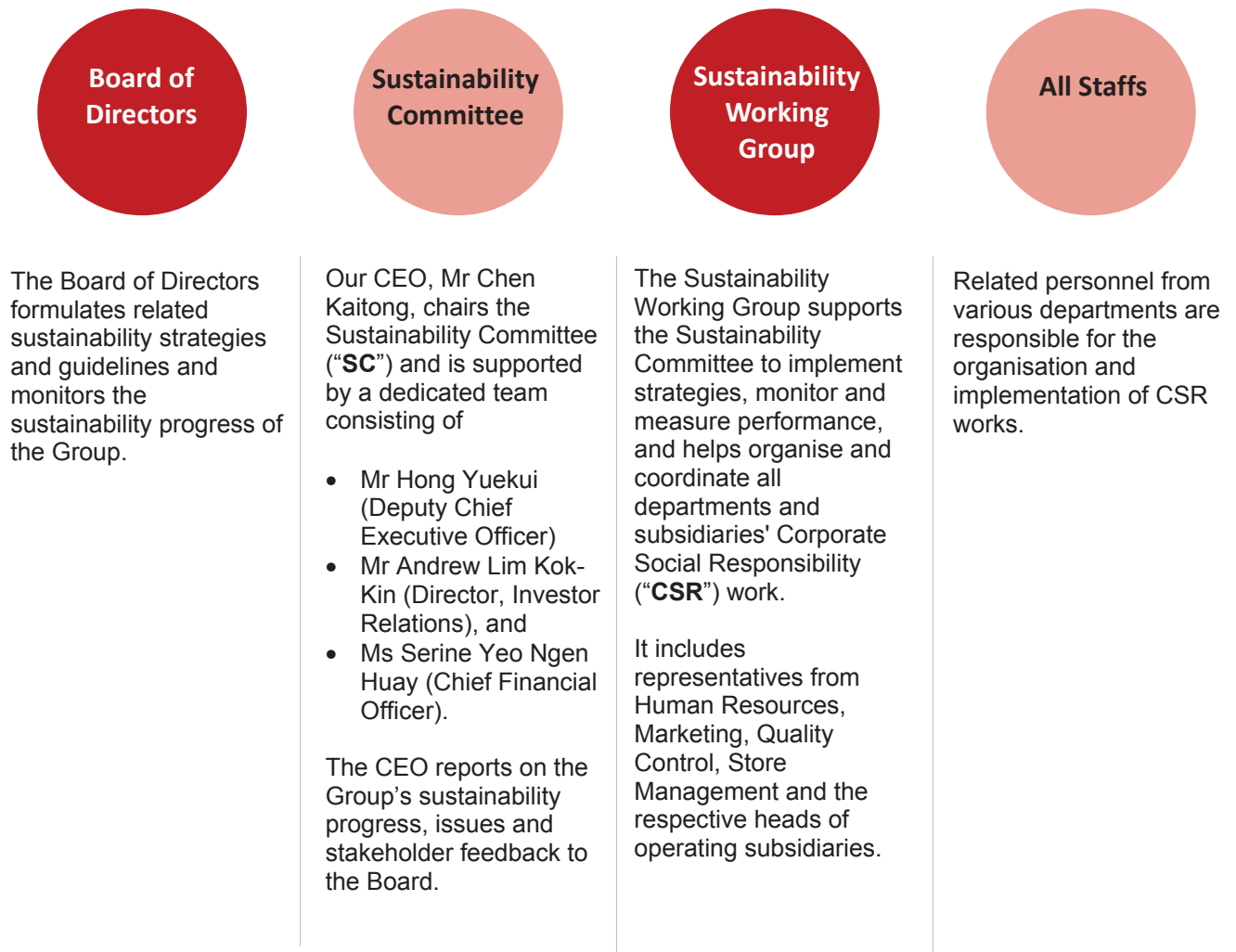
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4. Our approach to sustainability

Sustainability Organisational Structure

Sustainability is a vital part of our corporate strategy for achieving long-term growth. The values we create for our people, the environment and society at large very much determine our financial performance. We developed a sustainability organisational structure to move things forward:



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Sustainability Strategy

Our sustainability strategy aims to create integrated values. Together with disciplined execution of our strategy and a commitment to doing business responsibly, we commit to delivering value to all our stakeholders through the following:



The sustainable strategy is underpinned by our comprehensive internal policies on the following:

- **Goods Acceptance Management (收货管理)** and **Goods Inspection Management (货物检验管理)**, which cover aspects of the assessment and evaluation of suppliers, inspection of incoming goods received, in-store testing on the food quality and safety and handling of goods in the stores.
- **Customers' Feedback and Complaint Management (客户反馈及投诉管理)**, which covers aspects of the handling of customers' feedback and complaints including receiving, recording, monitoring and resolving the customers' feedback and complaints.
- **Human Resources Management (人事管理)**, which covers aspects of the employee handbook, department-specific performance evaluations, rewards and penalties.

The strategy is also guided by external sources, including the Global Reporting Initiative Standards and Sustainability Reporting Guide in Practice Note 7.6 of the Singapore Exchange Listing Rules.

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Stakeholder Engagement

We recognise the importance of continuously enhancing our responsible business practices to meet the growing expectations of our stakeholders regarding our impact on the economy, environment, and society. Therefore, we regularly engage with our stakeholders to identify the issues most relevant to them and ZMBH.

The aspect boundaries ‘within’ the organisation are limited to ZMBH and our subsidiaries, whereas the aspect boundaries ‘outside’ the organisation include employees, customers, suppliers, shareholders, investors and regulatory authorities.

An overview of our approach and rationale is set out below together with the feedback we have received.

Stakeholders	How we listen	Why do we do it	What they've told us
Employees	<ul style="list-style-type: none"> • Performance appraisal • Employee training and development • Feedback to supervisor 	<ul style="list-style-type: none"> • Improve employee's well-being by managing health and safety • Improve employee capabilities through internal and external training 	<ul style="list-style-type: none"> • Employee safety and health • Training and development opportunities • Remunerations and welfare • Fair and competitive employment practices
Customers	<ul style="list-style-type: none"> • Quality management system • Customer feedback channels 	<ul style="list-style-type: none"> • Ensure customer satisfaction is upheld • Ensure service standard 	<ul style="list-style-type: none"> • Optimising customer service • Ensuring product quality and safety • Timely response to customer complaints • Data privacy and confidentiality
Suppliers	<ul style="list-style-type: none"> • Periodical meetings • Periodic evaluations of suppliers' performance 	<ul style="list-style-type: none"> • Ensure products supplied are of acceptable quality • The safety of products is upheld 	<ul style="list-style-type: none"> • Ability to meet the Company's product quality standards • Ability to meet the Company's product safety standard • Fair and robust procurement system • Prompt payment cycles
Shareholders and investors	<ul style="list-style-type: none"> • SGX Announcements • Shareholder meetings • Annual reports • Company's website • Regular updates and communication 	<ul style="list-style-type: none"> • Committed to delivering economic value to our capital providers through strong financial performance and our methods of engagement with them. 	<ul style="list-style-type: none"> • Long-term profitability • Sustainability matters • Group's performance against targets • Compliance with all relevant requirements • Business continuity • Timely and transparent reporting
Regulatory authorities	<ul style="list-style-type: none"> • Timely and transparent reporting • Correspondences through emails and letters 	<ul style="list-style-type: none"> • Adhere to environmental regulations • Active participation in events to increase visibility and transparency 	<ul style="list-style-type: none"> • Compliance with relevant laws and regulations • Safe working environment • Environmentally sustainable business practices

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Sustainability Materiality

We are dedicated to transparency and accountability in our sustainability initiatives. At the core of this commitment is our Materiality Assessment Process, which enables us to systematically identify, prioritise, validate, and review the most critical sustainability issues that are significant to our stakeholders and our business, ensuring that our efforts are aligned with their needs and our strategic objectives.

Upon completing the latest review, it was determined that the material factors reported in FY2023 retained their relevance in FY2024. The Group's materiality assessment approach is outlined below:

IDENTIFICATION

- Our process involves a comprehensive analysis of various data sources, including but not limited to financial performance, environmental impacts, and social initiatives. These data sources are integrated with the insights gained from stakeholder engagement sessions. This combined effort allows us to identify material issues that both affect our business and are influenced by our business activities.

PRIORITISATION

- To systematically prioritise material issues, we utilise a structured approach. Each issue is assigned specific weights based on its significance to our stakeholders and its potential impact on our business operations. This systematic evaluation leads to the creation of a Materiality Matrix, providing a visual representation of the relative importance of each issue.

VALIDATION

- Our materiality assessment is conducted in alignment with globally recognised sustainability reporting standards, such as GRI standards. This rigorous alignment ensures that our reporting adheres to the highest industry standards, guaranteeing transparency and reliability in our sustainability disclosures.

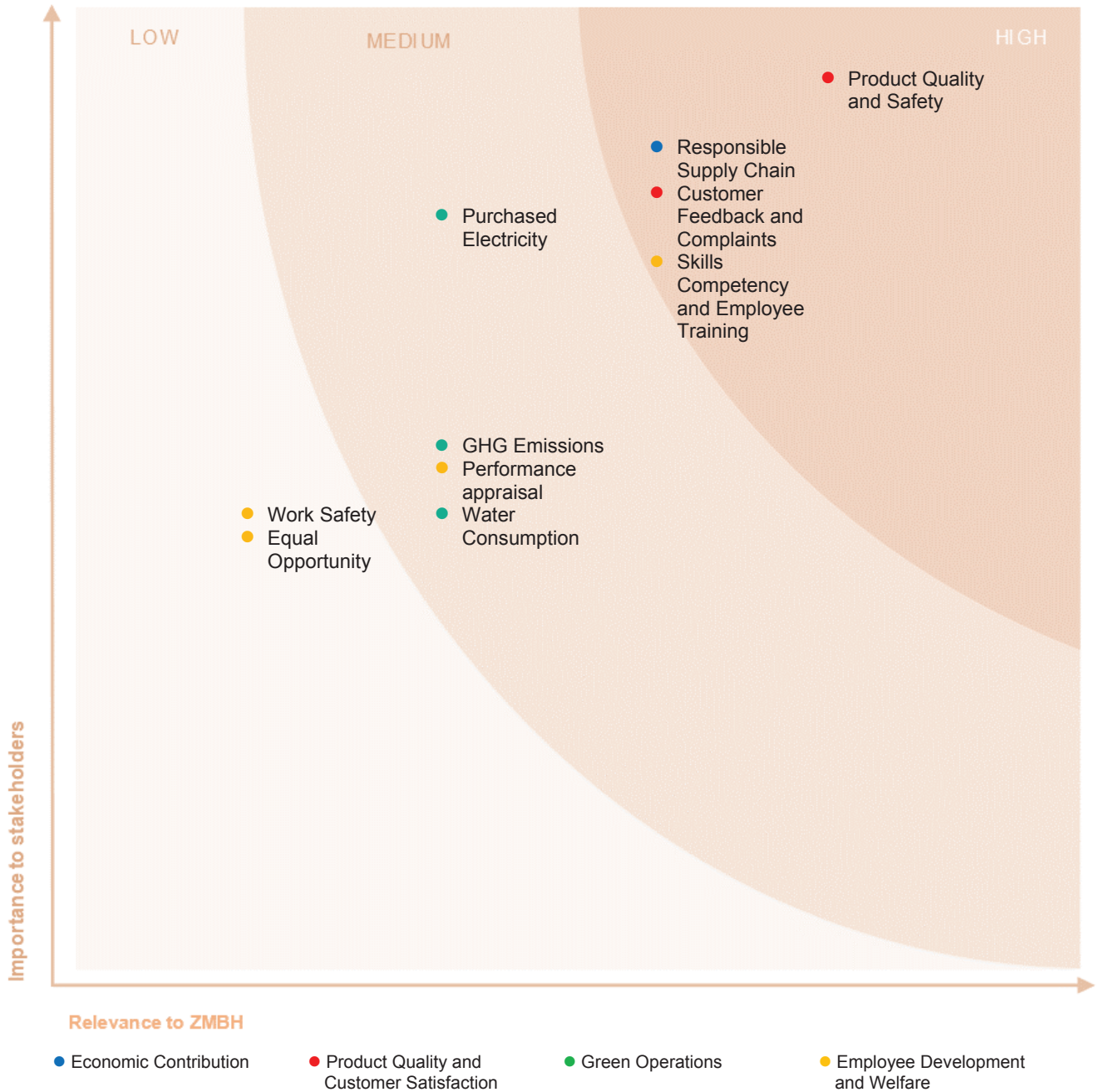
REVIEW

- Our commitment to staying current and responsive involves biannual reviews of our materiality assessment. These reviews are essential for accommodating changing stakeholder expectations, adapting to evolving business conditions, and addressing emerging sustainability challenges.

Our sustainability materiality matrix contains material aspects that are aligned with our principal business and operational risks and formed our sustainability strategy which has shaped our approach to sustainability reporting, as illustrated in the diagram on the next page.

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Performance Monitoring

Our sustainability strategy is seamlessly integrated into various aspects of our business, with dedicated teams assigned to each focus area and coordinated by our departmental managers. Progress will be tracked through two main approaches: measuring performance against specific metrics and evaluating the advancement of our programs through a series of defined commitments.

To assess our performance, we have defined metrics and targets for the material factors outlined in our structure. Our dedication to sustainability is evident in the meticulous annual tracking and review of our program, conducted collaboratively with the Board. This thorough assessment, held at least once a year, underscores our commitment to transparency and accountability. The progress we have made against each key target is indicated using the symbols shown in the table below:

	New commitment		Not started		In progress		Complete		Ongoing commitment		Target revised
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During FY2024, our stores saw a rise in customer traffic and an increase in business volume as compared to the previous years during the COVID-19 period. As a result, the Group was unable to meet the environmental targets set for FY2024. In response, we conducted a thorough review of our performance metrics to identify areas for improvement. Given the ongoing economic recovery and the gradual improvement after the COVID-19 years, along with the rise in customer traffic, we have revised our annual environmental targets to be more moderate. For more details, please refer to the “**Green Operations**” section.

For comprehensive details on our metrics, please refer to the attached Sustainability Scorecard in **Appendix D**.

For the methodologies for the measurement of our metrics, please refer to the appended Methodologies and Data Boundaries in **Appendix E**.

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United Nations Development Goals (“UNSDGs”)

ZMBH’s support for UNSDG underscores its commitment to addressing global challenges. By aligning with these goals, we actively contribute to sustainable development efforts.

Goals	How we support
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>ZMBH is dedicated to making significant contributions to SDG’s “Good Health and Well-Being” through a wide range of impactful initiatives and practices. First and foremost, the company places utmost importance on producing safe and high-quality products for its customers. By ensuring product safety and reliability, ZMBH actively prevents potential health risks and fosters consumer trust in its offerings.</p> <p>Additionally, ZMBH prioritises a comprehensive work safety guideline, fostering a culture of safety and accountability among its employees. The company encourages and empowers workers to promptly report any potential hazards or unsafe conditions, leading to swift remediation and preventive actions. By maintaining an environment of open communication and safety consciousness, ZMBH ensures that all employees actively contribute to upholding a safe working environment.</p> <p>For our commitment, please refer to “Product Quality and Customer Satisfaction” and “Employee Development and Welfare”</p>
 <p>5 GENDER EQUALITY</p>	<p>ZMBH actively contributes to SDG’s “Gender Equality” through various initiatives that promote equal opportunities and empowerment for women within the organisation and the broader community. Within the company, ZMBH is committed to ensuring a workplace that fosters gender equality and diversity. By fostering a supportive and inclusive work environment, ZMBH promotes the participation and leadership of women in various roles, including managerial and executive positions.</p> <p>For our commitment, please refer to “Employee Development and Welfare”.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>ZMBH actively contributes to SDG’s “Decent Work and Economic Growth” through its expansion of stores, which plays a crucial role in supporting the local economy. As the company expands its retail presence, it creates numerous job opportunities in the communities where it operates. These new employment opportunities not only contribute to reducing unemployment rates but also support the growth of local businesses and economies.</p> <p>For our commitment, please refer to “Economic Contribution”.</p>
 <p>13 CLIMATE ACTION</p>	<p>ZMBH actively contributes to SDG’s “Climate Action” through its efforts to reduce energy and water usage in its stores. As part of its commitment to sustainability, the company has implemented comprehensive initiatives to minimise its environmental footprint and mitigate climate change impacts.</p> <p>For our commitment, please refer to “Green Operations”.</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>ZMBH actively contributes to SDG’s “Responsible Consumption and Production” through ongoing supplier engagement, the Group minimises supply chain disruption risks, swiftly adapts to market changes and challenges, and consistently delivers high-quality products to customers.</p> <p>For our commitment, please refer to “Economic Contribution”.</p>

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5. Economic Contribution

Overview

The Group is dedicated to expanding its business and strengthening its brand by consistently delivering a superior shopping experience. This is achieved through offering a diverse range of high-quality merchandise and lifestyle products that match the needs and preferences of middle-income consumers, providing customer-oriented services tailored to the specific requirements of its target market, and maintaining an unwavering commitment to excellence in all aspects of its operations.

While pursuing business growth and attracting new customers, the Group places the highest priority on customer satisfaction. To ensure that it consistently meets and exceeds customer expectations, the Group diligently collects and carefully considers all customer feedback when making crucial business decisions. We also attentively listen to the needs and preferences of its local customer base to align its offerings with their expectations and preferences. This customer-centric approach underpins the Group's quest for sustainable growth and reinforces its commitment to delivering an exceptional shopping experience to its valued clientele.

By adhering to this customer-centric philosophy and continuously striving for excellence, the Group is well-positioned to achieve its goals of business expansion and brand enhancement while maintaining its position as a trusted and preferred choice among middle-income consumers.

Key Performance



Expansion of the Network of Store

In the fiscal year 2024, we opened the Xiamen Haicang Store on March 29, 2024, in Haicang District, Xiamen City. Xiamen Haicang Store is a supermarket store with a gross floor area of 4,072 m² in the Citi-Base Commercial Complex, an integrated property complex built by Citi-Base Commerce Logistics (Xiamen) Co, a 30%-owned associate of the Group. The complex is in a vibrant part of Haicang District.

The Group remains committed to broadening its physical store network, aiming to deliver an exceptional shopping experience to an expanding customer base.

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Responsible Supply Chain

Supply chain management stands as a cornerstone for retail industries, and our Group firmly recognises its pivotal role. To ensure a strong and reliable supply chain, we have implemented rigorous supplier evaluation procedures. Prior to engaging in any commercial transactions, suppliers undergo a comprehensive assessment covering various aspects, including their background, product quality, pricing structures, service standards, and efficiency in delivery. Through meticulous evaluations, we aim to form partnerships with suppliers who meet our rigorous standards and share our commitment to excellence. This approach enables us to maintain a dependable and efficient supply chain that supports our business objectives effectively.

Highlighting the intrinsic value and significance of local suppliers, our Group actively endeavours to bolster the local economy while concurrently reducing carbon emissions associated with transportation. By prioritising local suppliers, we aim not only to enhance the resilience of regional businesses but also to foster a deep sense of community engagement. Furthermore, sourcing products locally offers the dual benefit of lowering transportation expenses and carbon footprints, thereby advancing our sustainability objectives. This strategic approach underscores our commitment to responsible business practices and sustainable growth.

Moreover, the Group recognises the importance of diversifying its supply chain. Through ongoing efforts to identify and engage with a diverse array of suppliers, the Group effectively mitigates risks linked to supply disruptions. This strategy of diversification enables prompt adaptation to fluctuating market conditions, unexpected challenges, and global uncertainties, all while ensuring a steady provision of top-tier products to meet customer demands consistently.

Anti-corruption and Whistleblowing

We uphold a strict zero-tolerance policy towards corruption, reinforced by comprehensive formal anti-corruption measures and whistleblowing protocols. These policies underscore our unwavering commitment to ethical behaviour, adherence to legal standards, and protection of whistleblowers. They form the bedrock of our commitment to fostering transparency, accountability, and a work environment free from corruption. While we encourage whistleblowers to identify themselves, we prioritise and ensure the confidentiality of their identities. The Audit Committee, in collaboration with external advisors, develops response strategies and conducts thorough investigations based on the information provided.

For FY2024, our Group reported zero confirmed cases of corruption, and we target to maintain this result through FY2025.

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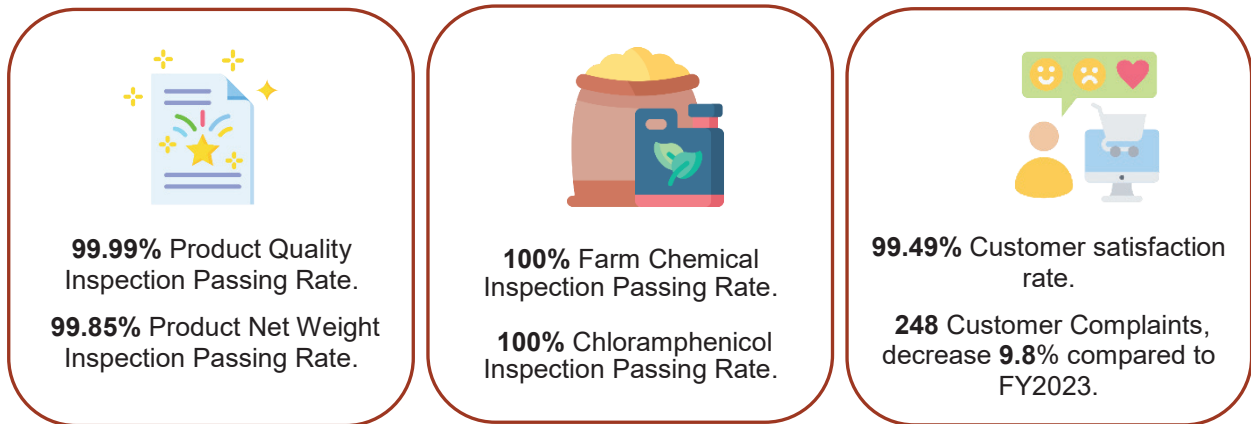
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6. Product Quality and Customer Satisfaction

Overview

We are committed to delivering a superior shopping experience for our customers. To achieve this, we have implemented stringent quality controls throughout our operations. Every product undergoes thorough and regular inspections to meet our high standards and exceed customer expectations. We recognise the importance of customer feedback and prioritise collecting and proactively utilizing their insights. By valuing their input, we continually enhance our services and product offerings, ensuring that every customer journey is seamless, enjoyable, and personalized to their individual needs and preferences.

Key Performance



Product Quality and Safety

Product quality is of utmost importance to the Group, and we have implemented robust measures to uphold our high standards. We have devised comprehensive systems for Goods Acceptance Management and Goods Inspection Management to ensure that the products available in our stores consistently meet the quality expectations of both our company and our customers. Our store teams conduct thorough inspections during the goods acceptance process, while goods received from approved suppliers undergo rigorous 100% inspection upon arrival.

To uphold the quality of perishable goods such as fruits, vegetables, meats, eggs, and seafood, we carry out daily evaluations of their freshness and shelf life. These assessments include detailed testing for pesticide residues in fruits and vegetables, as well as for chloramphenicol in seafood, ensuring the highest level of safety for our customers.

In FY2023, our inspection pass rates were high, we also have consistently maintained these standards throughout FY2024, with the farm chemical inspection rate and chloramphenicol inspection passing rate at a perfect 100%, demonstrating our commitment to rigorous safety protocols. Products that do not meet our strict inspection criteria or receive frequent customer complaints are subjected to stringent procedures, which may lead to their removal from our offerings. This reflects our steadfast dedication to providing superior-quality products and ensuring customer satisfaction.

In FY2024, we achieved 99.99% in product quality inspection passing rate and 99.85% in product net weight inspection passing rate, which showed a similar result in FY2023. This underscores the sustained excellence of our product standards. Furthermore, the Group is pleased to reaffirm our unwavering adherence to all pertinent consumer and food safety laws and regulations in our operational country, demonstrating our steadfast commitment to ethical and responsible business practices.

As part of our continued strategy, we will uphold our commitment to prioritising product quality, ensuring customer safety, and maintaining compliance with all applicable laws and regulations. These efforts will further strengthen our reputation as a reliable and responsible retailer.

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Customer Feedback and Complaints

At the core of our commitment to excellence lies our aim to provide customers with a premier shopping experience. To ensure consistent achievement of this objective, we have instituted thorough Customer Feedback and Complaint Management Policies governing the handling of customer feedback and complaints.

Within our Group, we place a profound emphasis on treating each piece of feedback and complaint with the utmost importance, expecting our employees to uphold the same stringent standards. Resolving customer complaints promptly on-site is a primary operational focus. Whether it is about our products, services or return policies, our committed team ensures swift resolution of customer concerns. This proactive approach is crucial for consistently maintaining high levels of customer satisfaction, which remains a cornerstone of our organisational ethos.

To gain valuable insights into customer experiences, we conduct quarterly customer satisfaction surveys featuring comprehensive questionnaires. The results are subjected to rigorous analysis and thorough examination to pinpoint areas for enhancement. We facilitate interdepartmental discussions to effectively address identified issues, thereby ensuring ongoing monitoring and improvement of our service offerings.

During FY2024, we collected 98,941 customer surveys, with 98,427 reflecting satisfactory results, representing a 99.48% customer satisfaction rate. This closely aligns with the exceptional 99.60% achieved in the previous period. The 0.12% decrease as compared to FY2023 was primarily due to lower satisfaction rates from surveys at our new Xiamen Haicang Store, which opened in March 2024. The Group has since investigated the causes and made operational improvements to better meet customer expectations.

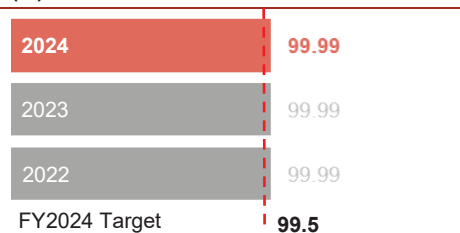
It is noteworthy that in FY2024, the Group experienced a notable decrease in customer complaints as compared to FY2023, from 275 cases to 248 cases, a decrease of 9.8%.

Looking ahead, we reaffirm our unwavering commitment to providing outstanding service and fulfilling our customers' needs with careful consideration and steadfast dedication to ensuring satisfaction.

Commitments

Maintain product quality and safety

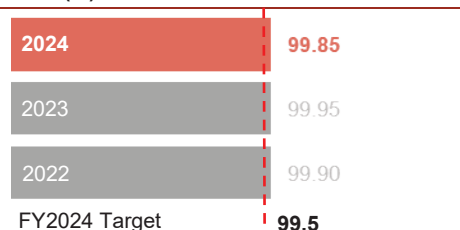
% Product Quality Inspection Passing Rate (%)



FY2024 progress

- We achieved our target by maintaining the product quality inspection passing rate at 99.99%, exceeding the goal of 99.5%.
- In FY2025, we target to achieve $\geq 96\%$ for this indicator.

% Product Net Weight Inspection Passing Rate (%)

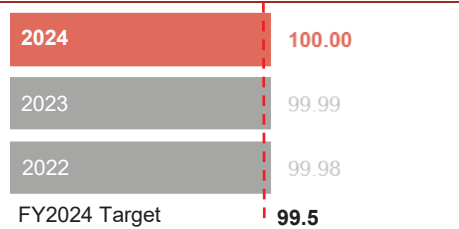


FY2024 progress

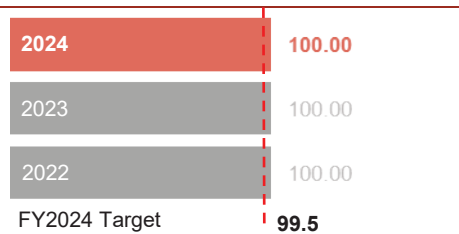
- We achieved the target of maintaining the percentage of product net weight inspection at 99.99%, exceeding the goal of 99.5%.
- In FY2025, we target to achieve $\geq 96\%$ for this indicator.

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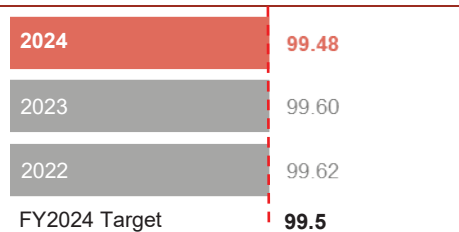
% Farm Chemical inspection passing rate (%)**FY2024 progress**

- We achieved the target by maintaining the farm chemical inspection passing rate at 100%, exceeding the goal of 99.5%.
- In FY2025, we target to achieve $\geq 96\%$ for this indicator.

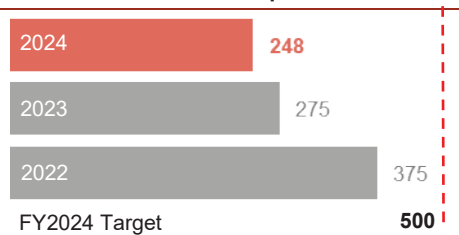
% Chloramphenicol inspection passing rate**FY2024 progress**

- We exceeded the target by maintaining the farm chemical inspection passing rate at 100%, surpassing the goal of 99.5%.
- In FY2025, we target to achieve $\geq 96\%$ for this indicator.

Maintain a high level of customer satisfaction, and decrease the number of customer complaints

% Customer satisfaction rate**FY2024 progress**

- 99.48% of our customers feel satisfied, a 0.12% decrease compared to FY2023.
- In FY2025, we target to achieve $\geq 96\%$ for this indicator.

Number of customer complaints**FY2024 progress**

- We reached the target by keeping the number of customer complaints at 248, well below the goal of 500 customer complaints.
- In FY2025, we target to limit the customer complaints to ≤ 500 customer complaints.

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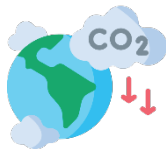
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7. Green Operations

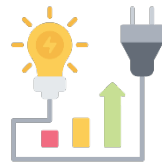
Overview

At the Group, we firmly believe that environmental conservation is essential for achieving long-term sustainability. We are dedicated to minimising the environmental impact of our operations and fostering sustainable practices throughout our network of stores. To realise this commitment, we have launched a series of initiatives designed to significantly reduce our ecological footprint.

Key Performance



Total carbon emissions amounted to **29,723 tCO₂e**, with a carbon emissions intensity of **189 kgCO₂e** per square meter of outlet size.



Total electricity consumption amounted to **36,909 MWh**, with an electricity consumption intensity of **234 kWh** per square meter of outlet size.



Total water consumption amounted to **252,986 l**, with a water consumption intensity of **1,606 ml** per square meter of outlet size.



Zero regulatory and compliance incidents relevant to environmental protection



Total recycled waste amounted to **1,483 tons**.



Total energy consumption amounted to **133,454 GJ** with an energy consumption intensity of **0.85 GJ** per square meter of outlet size.

Climate Change Resiliency

Acknowledging the urgency of climate change, we are steadfastly committed to working with our stakeholders to minimize its effects on the environment and society. Our dedication includes actively managing the risks that climate change poses to our business operations while upholding our commitment to environmentally responsible practices. The TCFD report serves as a concrete expression of our determination to address climate change. We believe that the information disclosed in this report is essential for our stakeholders to understand our strategies for managing climate-related risks and identifying opportunities within our operations.

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Governance

In our focus on sustainable long-term growth, sustainability is integral to our corporate strategy and core values. The value we create for our stakeholders, including employees, the environment, and society, significantly impacts our financial outcomes. Our specialized SC fosters a sustainability-oriented culture within ZMBH and manages sustainability efforts on behalf of the Board. Meanwhile, our Sustainability Working Group implements various sustainability initiatives across the Group's operations.

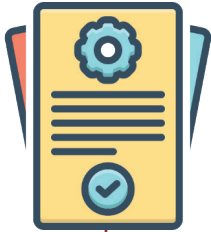
Strategy

In FY2024, we undertook a comprehensive reassessment of climate-related risks in collaboration with the management teams across our different business units. This assessment includes a rigorous evaluation that examines both the probability and potential impact of climate risks and opportunities on our operations. These risks and opportunities are classified into three specific time frames: **Short-term (≤ 5 years)**, **Medium-term (5 to 10 years)** and **Long-term (> 10 years)**.

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The following are the key climate-related risks identified:



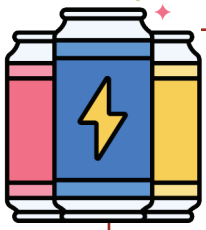
Policy and Regulatory Changes

Transitional Risk

Category	Risk Rating	Timeline
Policy and Legal	Low	Medium-term
Description of Risks	Impact	Our Strategy
<p>The growing concern over climate change is garnering increased attention from governments and international organisations. This heightened focus has resulted in frequent changes to policies and regulations related to climate issues.</p> <p>These changes present risks to companies, impacting their business models, financial stability, and reputations.</p>	<p>Direct impacts:</p> <ul style="list-style-type: none"> • Stricter environmental policies and regulations could increase supermarket costs and alter business models. • Enhanced environmental disclosures, reduced greenhouse gas emissions, and adoption of eco-friendly practices may be required. • New regulations might restrict company operations and affect the production and sale of certain products, potentially reducing revenue. • Stricter food safety regulations could necessitate higher standards in procurement, storage, sales, traceability, and quality testing. • Governments may introduce eco-friendly incentives and taxes on polluting activities, impacting financial strategies and operations. <p>Indirect impact:</p> <ul style="list-style-type: none"> • Regulatory shifts may influence consumer preferences and necessitate supply chain modifications, increasing operational costs. • Stricter regulations could require more rigorous environmental assessments and supplier audits, elevating management costs and operational risks. 	<p>The Sustainability Working Group actively monitors and analyses regulatory developments to ensure compliance and promote sustainable development.</p> <p>To minimise its carbon footprint, the Group uses products with fewer high-carbon components and relies on external partners for transportation, avoiding impacts from new energy vehicle regulations.</p> <p>The Group enforces rigorous quality testing for agricultural and seafood products, regularly checking packaging, compliance with content standards, and testing for pesticide residues and harmful substances.</p> <p>The stores maintain low levels of environmental pollution, adhering to current standards and staying unaffected by regulatory changes.</p>

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Increasing energy prices

Transitional Risk

Category	Risk Rating	Timeline
Financial	Medium	Short-term
Description of Risks	Impact	Our Strategy
<p>Climate change and its accompanying policies could result in changes in energy prices, affecting both the operational costs and sustainability efforts of supermarkets.</p> <p>This impact is particularly significant in terms of energy consumption and transportation costs throughout the supply chain.</p>	<p>Direct impact:</p> <ul style="list-style-type: none"> Escalating energy prices will increase operational costs for supermarkets, including electricity, natural gas, and fuel, reducing profitability. Higher energy prices may raise production and transportation costs across the supply chain, leading to increased product prices and affecting sales and customer buying patterns. <p>Indirect impact:</p> <ul style="list-style-type: none"> Rising energy costs may reduce operational efficiency and competitiveness for businesses. Competitors with better cost management could gain an advantage. Fluctuating energy prices may destabilize supply chain segments, affecting supplier viability and transport logistics, and potentially disrupting operations and product availability. 	<p>Electricity consumption in the company's stores mainly goes to lighting, air conditioning, and refrigeration, contributing to operational costs. To optimise energy efficiency and reduce expenses, the Group will prioritise energy-saving features in new store projects.</p> <p>Product transportation relies on external partners rather than the Group's fleet vehicles, which still subjects the Group to potential impacts from rising fuel prices through increased transportation costs from these partners. To mitigate this, the company actively diversifies its transportation partners, prioritising those that utilise electric vehicles (EVs) in the future.</p>

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The effect of climate change - rising temperatures, shifting precipitation

Transitional Risk

Category	Risk Rating	Timeline
Operational	Low	Medium-term
Description of Risks	Impact	Our Strategy
<p>Climate change has the potential to cause enduring trends such as rising temperatures and shifting precipitation patterns, which could adversely affect supermarket supply chains, inventory management, and sales.</p> <p>For instance, these changes may lead to shifts in harvest seasons and fluctuations in product prices.</p>	<p>Direct Impact:</p> <ul style="list-style-type: none"> • Temperature fluctuations due to climate change can increase demand for cold beverages and reduce interest in winter clothing. • Changes in precipitation patterns can disrupt agricultural production and supply chains, decreasing crop yields and affecting inventory and product availability. • Climate change can cause soil degradation and water pollution, risking the quality and safety of supermarket products. <p>Indirect Impact:</p> <ul style="list-style-type: none"> • Unpredictable weather extremes complicate supply chain and inventory management, raising operational costs. • Climate variations can disrupt seasonal demand patterns, affecting sales (e.g., higher temperatures increase demand for summer products but reduce interest in winter items). • Inadequate responses to climate change, such as insufficient supply or compromised product quality, can damage a company's brand image and reputation, as consumers and stakeholders closely monitor corporate responses to climate challenges. 	<p>The store's product supply chain encompasses diverse regions and countries, designed to maintain consistent product availability despite regional climate variations. This diversified supply chain structure allows us to adapt flexibly to potential disruptions in supply arising from climate change and natural disasters.</p> <p>We rigorously enforce quality testing and control protocols for agricultural and seafood products. Supplier accountability for product quality is emphasised, supported by comprehensive cooperation agreements and monitoring mechanisms to ensure adherence to standards and prompt resolution of any quality concerns.</p>

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**Extreme weather event - floods, heatwave and typhoons**

Physical Risk

Category	Risk Rating	Timeline
Acute or Chronic	Low	Short-term
Description of Risks	Impact	Our Strategy
<p>Extreme weather events, including phenomena like typhoons, heavy rainfall, and floods specifically within Fujian Province, China, have the potential to affect supermarket operations both directly and indirectly.</p>	<p>Direct Impact:</p> <ul style="list-style-type: none"> Severe typhoons or floods can cause temporary supermarket closures and damage infrastructure and inventory. Extreme weather events may disrupt transportation, leading to road closures and supply chain challenges, resulting in delivery delays, inventory shortages, and an inability to meet consumer demand. <p>Indirect Impact:</p> <ul style="list-style-type: none"> Following extreme weather events, customer visits to supermarkets may decline, reducing sales volume. Companies may incur additional costs to manage supply chain disruptions, such as procuring emergency supplies or adjusting transportation logistics, increasing operational expenses. Inadequate management of extreme weather impacts, like closures or unmet customer expectations, risks damaging the Company's reputation and brand image. 	<p>We have implemented comprehensive flood prevention measures, such as storing sandbags and equipping professional pumping equipment, to ensure store safety and stability.</p> <p>Regular fire drills and evacuation training enhance employee safety awareness and emergency preparedness, minimizing potential harm and property damage.</p> <p>Our stores have not experienced economic losses from flooding. Future store locations will be selected with careful consideration of flood risks to maintain operational stability and safety.</p>

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Risk Management

ZMBH acknowledges the critical importance of developing a strong strategy and risk management framework to support our sustainability initiatives. As regulatory bodies, investors, and stakeholders increasingly scrutinise sustainability and climate-related factors, integrating these considerations into our decision-making processes has become a top priority.

To effectively evaluate climate risks and opportunities, we have implemented a comprehensive enterprise risk management framework. This framework ensures that we identify, assess, and systematically manage climate-related risks. Risks are evaluated based on their likelihood and potential impact.

The impact of risks is categorised into 5 tiers ranging: Insignificant, Minor, Moderate, Major, and Very Significant. This categorisation helps us prioritise risks and allocate resources efficiently. The likelihood is assessed on a scale from Very Low, Low, Medium, High, and Very High, guiding our strategies to strengthen existing internal controls or implement new measures to mitigate and transfer risks. We also establish monitoring mechanisms to evaluate the effectiveness of these strategies.

Recognizing the interconnected nature of climate-related risks with other business risks, we integrate climate considerations into our broader risk management strategy. Our approach applies consistently to both general business risks and climate-related risks, ensuring thorough identification, assessment, and continuous monitoring aligned with our enterprise risk management framework.

Greenhouse Gas Emissions (GHG)

In the Group, we steadfastly uphold our duty to address our influence on climate change with utmost seriousness. We maintain an unwavering commitment to proactive measures aimed at efficiently and responsibly reducing carbon emissions in our operations, thereby contributing positively to societal welfare.

To precisely ascertain our carbon emissions, we undertake systematic monitoring and periodic review of our energy consumption data across operations, meticulously calculating our total annual carbon footprint. Our reporting adheres strictly to the Greenhouse Gas Protocol, the internationally recognized standard established by the World Resources Institute and the World Business Council for Sustainable Development for quantifying corporate greenhouse gas emissions.

As part of our continued efforts to enhance transparency and comprehensiveness, we have expanded our carbon emissions reporting to encompass Scope 1 emissions from direct sources, such as mobile combustion, petrol used in operational and commuting activities, and Scope 2 emissions from purchased electricity.

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The following is our GHG Emissions profile:

GHG Emissions	Unit	FY2023	FY2024
Total GHG Emissions	tCO ₂ e	27,791	29,723
GHG Scope-wise Emissions			
Scope 1	tCO ₂ e	33	41
Scope 2	tCO ₂ e	27,758	29,682
Percentage (%)			
Scope 1	Proportion	0.12	0.14
Scope 2	Proportion	99.88	99.86
Intensity			
GHG Emissions Intensity	kgCO ₂ e/ square meter of outlet size (“m ² ”)	147	189

We are dedicated to exploring innovative solutions that effectively reduce our ecological footprint while maintaining the high standards of service we consistently deliver to our esteemed customers.

Energy Consumption

At the Group, we acknowledge the critical importance of minimising our electricity consumption to mitigate our environmental impact. Our electricity usage primarily stems from core store operations, including elevator operations, central air-conditioning systems, and refrigeration units essential for preserving product freshness.

In FY2024, the group’s electricity consumption totalled 36,909 MWh, with an electricity consumption intensity of 234 kWh/m². This represents a 28.38% increase compared to FY2023, driven primarily by the higher volume of operations in our stores. The rise in customers traffic led to increased lighting, extended operating hours, more frequent use of air-conditioning systems, and additional energy-intensive in-store equipment such as chillers, all of which contributed to higher electricity usage.

To uphold our rigorous electricity-saving policy, we rigorously enforce compliance among all employees. In support of this initiative, we have implemented several practical measures, including:

- Energy-saving reminder labels should be strategically placed to prompt employees to power off lights and equipment when not in use.
- Upgrading to energy-efficient light bulbs throughout our stores.
- Conducting regular preventive maintenance and promptly replacing equipment to ensure the smooth operation of elevators and central air-conditioning systems.

Besides monitoring electricity consumption, the Group also monitors petrol consumption, aiming to manage our GHG emissions.

Petrol is primarily used for staff transportation activities. In FY2024, our annual petrol consumption increased by 24.64%, from 14,076 ℓ in FY2023 to 17,544 ℓ. This increase was necessary to support the higher volume of operations in our stores and to facilitate business development activities during this period.

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The energy consumption arising from electricity and petrol consumed during FY2024 was 133,454 Gigajoules (“GJ”), translating to an energy consumption intensity of 0.85 GJ/m².

We have adjusted our energy efficiency targets to be more moderate, recognising the increased business activities following the post-COVID-19 recovery. While we remain committed to reducing electricity consumption, these revised targets reflect a balanced approach to meeting our growing operational demands.

Water Consumption

At the Group, we recognise the importance of reducing our water consumption and implementing responsible water management practices. Our water usage predominantly arises from routine store operations, encompassing both domestic use by employees and customers, as well as water consumption for cleaning purposes.

To ensure comprehensive water conservation throughout our operations, we have established a rigorous water-saving policy that all employees are expected to diligently follow. As part of our steadfast commitment to sustainability, we have implemented several initiatives aimed at achieving our water-saving targets. These initiatives include:

- Strategically placing “Saving Water” posters in key locations to raise awareness and promote water conservation.
- Conduct regular inspections to detect and promptly address any instances of water leakage within our stores.
- Upgrading equipment to more water-efficient models as part of our ongoing efforts to minimise water consumption.

During this reporting period, our total water consumption reached 252,986 ℓ, with a water consumption intensity of 1,606 ml/m². This marks a 33.50% increase compared to FY2023, primarily driven by the increased volume of operations in our stores. The rise in customer traffic necessitated more frequent cleaning, enhanced sanitation protocols, greater restroom usage, and additional in-store services, all of which contributed to the higher water usage.

We have adjusted our water consumption targets to be more moderate, taking into account the rise in business activities following the post-COVID-19 recovery. While we are committed to reducing water usage, these revised targets reflect a balanced approach to addressing the increased operational demands.

Waste Management

In FY2024, we made a significant advancement by reporting our recycled waste figures for the first time, with a total of 1,483 tons of waste recycled during this initial period. This milestone underscores the Group’s strong commitment to sustainability and environmentally responsible practices. Moving forward, we plan to introduce additional metrics to more effectively track both our waste generation and recycling efforts in the coming years.

Compliant with Environmental Regulations

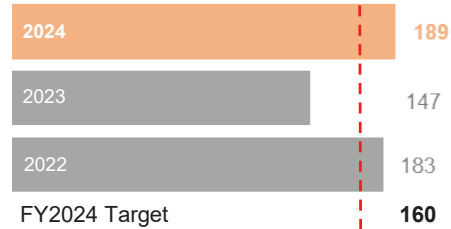
During the reporting period, we have noted that there have been no violations of environmental compliance regulations. As an essential element of our strategy, we are dedicated to unwaveringly adhering to all environmental standards in every jurisdiction that significantly affects the Group.

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Commitments

Carbon emissions

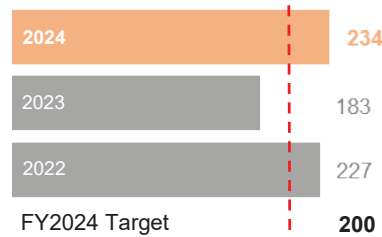
Carbon emission intensity (kgCO₂e/m²)

FY2024 progress



- The carbon emission intensity was 189 kgCO₂e/m², a 28.40% increase as compared to FY2023. This increase is driven by the higher volume of operations in our stores, primarily due to a rise in customer traffic, which in turn demands more activities to meet customer requirements.
- Given the estimated uptick in business volume in our stores due to the gradual economic improvement after COVID-19, we have set a target to limit the carbon emission intensity for FY2025 to ≤220 kgCO₂e/m².

Purchased electricity

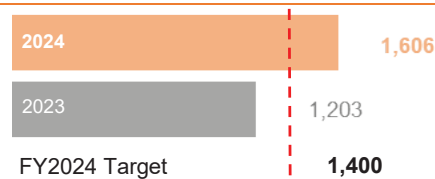
Electricity consumption intensity (kWh/m²)

FY2024 progress



- The electricity consumption intensity was 234 kWh/m², a 28.38% increase as compared to FY2023. This increase is driven by the higher volume of operations in our stores, primarily due to a rise in customer traffic, which in turn demands more activities to meet customer requirements.
- Given the estimated uptick in business volume in our stores due to the gradual economic improvement after COVID-19, we have set a target to limit the electricity consumption intensity for FY2025 to ≤270 kWh/m².

Water consumption

Water consumption intensity (ml /m²)

FY2024 progress



- The water consumption intensity was 1,606 ml/m², a 33.50% increase as compared to FY2023. This increase is driven by the higher volume of operations in our stores, primarily due to a rise in customer traffic, which in turn demands more activities to meet customer requirements.
- Given the estimated uptick in business volume in our stores due to the gradual economic improvement after COVID-19, we have set a target to limit the water consumption intensity for FY2025 to ≤2,200 ml /m².

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8. Employee Development and Welfare

Overview

In the fiercely competitive retail sector, our Group places utmost importance on customer satisfaction by equipping our well-trained employees to deliver exceptional shopping experiences. We ensure all staff have equal access to comprehensive training, fostering a supportive work environment that contributes positively to local economic development. Our dedication to nurturing employee development strategically positions us to consistently surpass customer expectations and sustain our success in the market.

Key Performance



Total training hours amounted to **11,862 hours**, with **6.5 hours** average training hours per employee per year.



100% employee subject to an annual performance appraisal.



79% female representation in the workforce.



The total number of injuries in the workplace is **2 incidents**, with **zero** fatalities, **zero** high-consequence injuries, and **zero** work-related ill health cases.

Skills Competency and Employee Training

In our commitment to maintaining high standards among our employees, the Group has established a dedicated training academy staffed by a team of expert full-time and part-time trainers. These trainers bring extensive experience in the retail sector and possess in-depth knowledge of our product range. Their guidance empowers our employees to continually enhance their skills and expertise, ensuring they deliver exceptional customer experiences and remain at the forefront of the competitive retail market.

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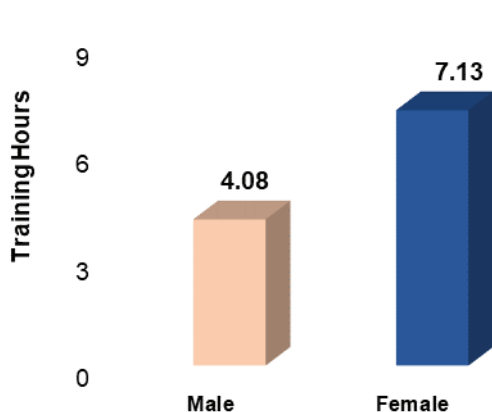
The Group categorised the training into the following:



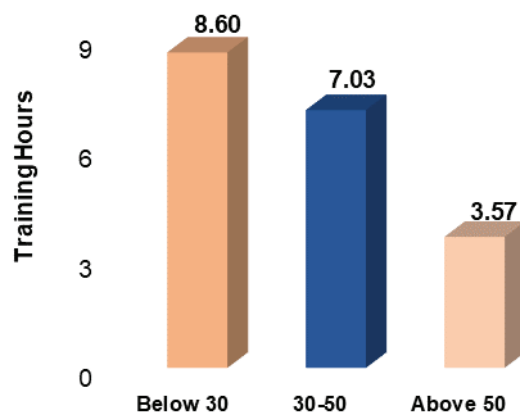
In FY2024, the Group allocated RMB 1,080,000 to our training program focused on fostering professional growth and career advancement. This initiative resulted in a total of 11,861.5 training hours, averaging 6.52 hours per employee. However, we did not meet our target for average training hours per employee due to the increased business operations, which limited the time available for training.

We have set a new target of 6 average training hours per employee for FY2025, considering the increased business volume and customer traffic following the COVID-19 restrictions. To address this, we have strategically adjusted our training plans to prioritise delivering thorough and impactful training experiences. This approach will enhance our employees' skills and foster a culture of excellence across the organisation.

Average Training Hours By Gender



Average Training Hours By Age



In FY2024, we note that average training hours by gender are similar to the numbers in FY2023, with females averaging 7.13 hours and males averaging 4.08 hours. However, there are significant fluctuations in average training hours by age group. Employees aged over 50 and those between 30 and 50 recorded average training hours of 3.57 and 7.02 hours, respectively, showing decreases of 9% and 5% from the previous year.

Conversely, the average training hours for employees under 30 rose markedly from 5.67 hours to 8.60 hours, reflecting a 51% increase compared to the prior year.

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Performance Appraisal

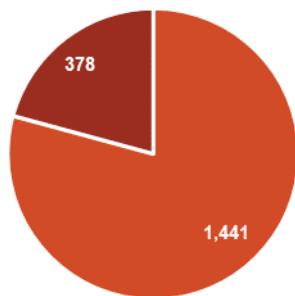
During the reporting period, we observed full participation from all employees in the Company’s annual performance assessment, utilising rigorous and quantifiable criteria to ensure an impartial and transparent evaluation process. Moreover, the Group actively gathered performance metrics through direct supervision evaluations and solicited feedback from employees. To foster effective communication, the Group advocates for regular two-way interactions during scheduled employee communication sessions, providing invaluable insights into areas for skill development. In response to this feedback, tailored training programs are meticulously designed to enhance employee capabilities, thereby contributing to heightened levels of customer satisfaction. This data-centric approach empowers employees to advance professionally and fortifies the Group’s ability to consistently surpass customer expectations.

Equal opportunity

We hold a firm belief that embracing diversity and offering equal opportunities is not only a moral imperative but also a pivotal catalyst for our sustained success and growth.

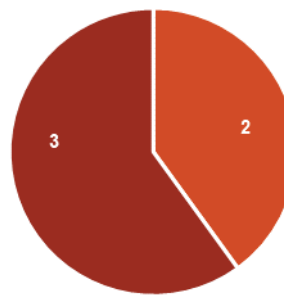
Due to the nature of our industry, we have noted a significant presence of female employees, comprising 79% of our current workforce, which exceeds industry competitors selected by us. While we value and promote diversity and inclusivity, we recognise the importance of achieving gender balance. Following a thorough analysis last fiscal year, we’ve adjusted our target to maintain at least 75% female representation in our workforce. This balanced approach aims to uphold our current diversity while addressing any gender disparities effectively.

Total Number of Employees by Gender



■ Female ■ Male

Total Number of Management by Gender

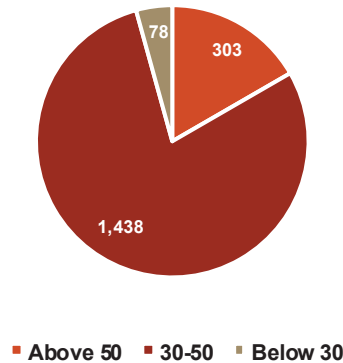


■ Female ■ Male

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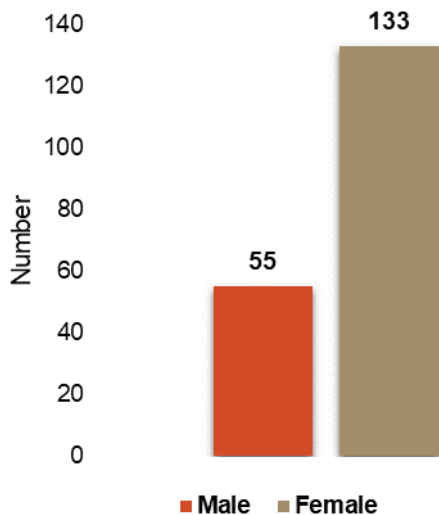
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Total Number of Employees by Age Group

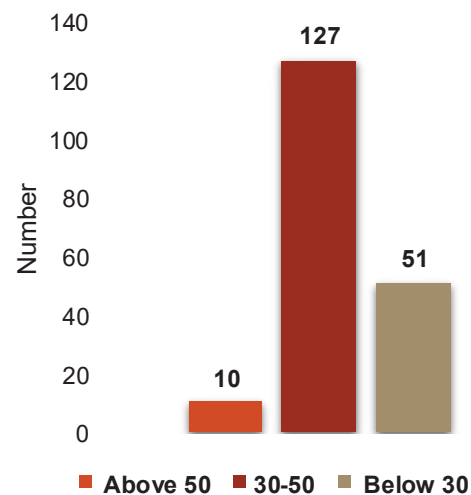


Throughout FY2024, we newly recruited a total of 133 new female employees, as a result, our female new hire rate is 9.23%. The majority of our hires are aged below 30, with 65.38%, followed by new employees aged 30-50 with 8.83%, and new employees above 50 with 3.30%. This demographic composition underscores the company's strategic emphasis on experienced professionals to ensure optimal service quality.

New Hires by Gender



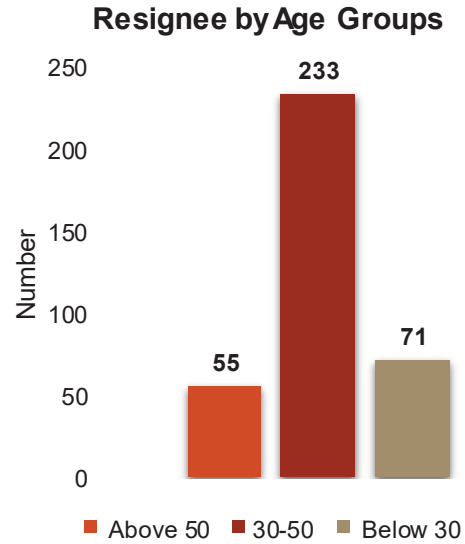
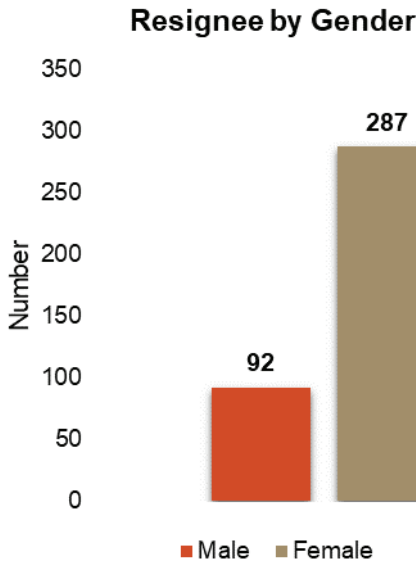
New Hiring by Age Groups



However, we also have 379 employees who left us during the year, of which there were 287 female resignees, as a result, our female turnover rate is 19.92%. The turnover rate by age group is 91.03% for those under 30, 17.59% for ages 30-50, and 18.15% for those above 50.

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Work Safety

The Group places paramount importance on ensuring a secure working environment for our employees. To achieve this goal, we have meticulously crafted a comprehensive workplace safety guideline that establishes the benchmark for safety standards across all our offices and stores.

Routine workplace safety training is regularly administered as an integral component of our periodic training regimen, underscoring the criticality of upholding a secure environment. This training serves as a continual reinforcement for all employees, emphasising the precautions and protocols necessary to safeguard their well-being and that of their peers.

During the reporting period, our safety performance was exemplary, with no fatalities, high-consequence injuries, or work-related health issues. In FY2024, we recorded only 2 workplace accidents, a notable reduction from the 10 incidents reported in FY2023. For those instances where recordable injuries occurred, immediate and effective medical care was administered, ensuring full recovery for the affected employees. Specifically, one of our employees, who incurred a left tibia fracture from a fall at Gate 1 of the Huian Branch Store while on duty and required surgical intervention, has been granted a two-month sick leave to support his recovery. Furthermore, one of our employees working in the seafood area at the Xinhua Road Branch Store twisted her foot while descending the stairs and subsequently received medical treatment for her injury later that evening.

Our unwavering commitment to maintaining a secure workplace and our continuous advancements in safety performance exemplify the Group's steadfast dedication to the well-being and welfare of our employees. Safety will persist as a paramount priority within our operational ethos, ensuring our employees can operate with confidence and security.

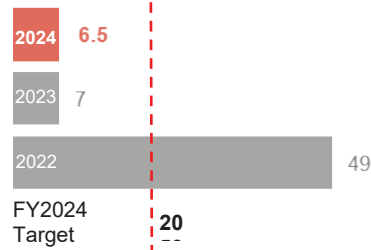
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Commitments:

Skill competency and employee training

Average training hours (hours)



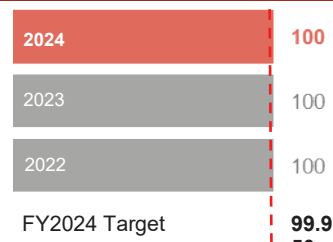
FY2024 progress



- In FY2024, the average training hours were 6.5 hours, falling short of the target set for the year.
- We target to achieve a minimum of 6 average training hours per employee for FY2025, considering the increased business volume in our stores, which limits the available time for training opportunities.
- We updated our training strategy to focus on maximizing the quality and impact of sessions, offsetting the reduced training hours while ensuring employees still gain essential skills efficiently.

Performance appraisal

Performance appraisal (%)



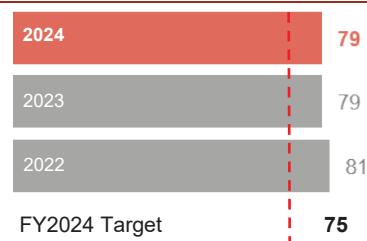
FY2024 progress



- We achieved the target of maintaining a 100% performance appraisal rate.
- We target to achieve a $\geq 95\%$ performance appraisal rate for FY2025.

Equal opportunity

% Female representation in the workforce (%)



FY2024 progress



- We achieved the target by maintaining workforce representation at 79%, exceeding the goal of 75%.
- For FY2025, we will continue to uphold the target of 75% female representation in the workforce.

Maintaining a secure workplace and continuous advancement in safety performance

Recordable injuries in the workplace (Number)



FY2024 progress



- We achieved the target by keeping the number of workplace injuries to 2 incidents, well below the goal of 15.
- For FY2025, we will continue to uphold the target of ≤ 15 recordable injuries in the workplace.

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Appendix A: List of entities included in this report

No.	Name of Entity	Store	Total Store Area (m ²)	Owned operating area (m ²)	Note
1	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Tumen Store	16,361	16,201	
2	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Quanxiu Store	10,404	10,404	
3	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Xinhua Store	8,873	8,873	
4	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Qiaonan Store	6,791	6,791	
5	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Quangang Store	16,884	12,100	
6	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Anxi Railway Station Store	3,700	2,500	
7	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Guangqiao Store	6,416	4,416	
8	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Luncang Store	4,000	4,000	Ceased operation in November 2023
9	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Quangang Nanshan Store	1,220	1,220	
10	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Hui'an Chengnan Store	25,466	25,466	
11	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Yongchun Store	23,200	23,200	
12	Zhongmin Baihui (Fujian) Shopping Centre Co., Ltd	Xiamen Haicang Maluanwan Store	1,400	1,400	Ceased operation in January 2024
13	Xiamen Haicang Zhongmin Baihui Supermarket Co., Ltd	Xiamen Haicang Store	4,072	4,072	New opening store in March 2024
14	Xiamen Shi Zhongmin Baihui Commercial Co., Ltd	Xiamen Wucun Store	28,746	20,301	
15	Xiamen Shi Zhongmin Baihui Commercial Co., Ltd	Zhangzhou Jinfeng Store	1,400	1,400	
16	Zhangzhou Zhongmin Baihui Business Service Co., Ltd	Zhangzhou Port Store	15,152	15,152	
	TOTAL		174,085	157,496	

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Appendix B: GRI content index

GRI Standards Content Index

The GRI Content Index references the ZMBH Sustainability Report 2024 (SR), and the Annual Report 2024 (AR).

Disclosure number	Disclosure title	Reference and remarks	
GRI 2: General disclosures			
The organisation and its reporting practices	2-1	Organisation details	<ul style="list-style-type: none"> SR Corporate Profile
	2-2	Entities included in the organisation's sustainability reporting	<ul style="list-style-type: none"> SR Appendix A: Organisation reporting boundaries
	2-3	Reporting period, frequency and contact point	<ul style="list-style-type: none"> SR Scope of Sustainability Report SR Sustainability Contact
	2-4	Restatements of information	<ul style="list-style-type: none"> SR Restatements
	2-5	External assurance	<ul style="list-style-type: none"> SR Independent Verification
Activities and workers	2-6	Activities, value chain and other business relationships	<ul style="list-style-type: none"> SR Corporate Profile
	2-7	Employee	<ul style="list-style-type: none"> SR Appendix D: Sustainability scorecard
	2-8	Workers who are not an employee	<ul style="list-style-type: none"> SR Appendix E: Methodologies and data boundaries
Governance	2-9	Governance structure and composition	<ul style="list-style-type: none"> AR Corporate Governance
	2-10	Nomination and selection of the highest governance body	<ul style="list-style-type: none"> AR Corporate Governance
	2-11	Chair of the highest governance body	<ul style="list-style-type: none"> AR Corporate Governance
	2-12	Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> AR Corporate Governance
	2-13	Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> AR Corporate Governance
	2-14	Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> SR Sustainability organisational structure
	2-15	Conflicts of interest	<ul style="list-style-type: none"> AR Corporate Governance
	2-16	Communication of critical concerns	<ul style="list-style-type: none"> SR Stakeholder Engagement
	2-17	The collective knowledge of the highest governance body	<ul style="list-style-type: none"> AR Corporate Governance
	2-18	Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> AR Corporate Governance
	2-19	Remuneration policies	<ul style="list-style-type: none"> AR Corporate Governance
	2-20	The process to determine the remuneration	<ul style="list-style-type: none"> AR Corporate Governance
	2-21	Annual total compensation ratio	<ul style="list-style-type: none"> AR Corporate Governance

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Disclosure number	Disclosure title	Reference and remarks	
Strategy, policies and practices	2-22	Statement on Sustainable Development Strategy	<ul style="list-style-type: none"> SR Sustainability strategy
	2-23	Policy commitments	<ul style="list-style-type: none"> SR Sustainability strategy
	2-24	Embedding policy commitments	<ul style="list-style-type: none"> SR Sustainability strategy
	2-25	Processes to remediate negative impacts	<ul style="list-style-type: none"> SR Performance Monitoring
	2-26	Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> SR Stakeholder Engagement
	2-27	Compliance with laws and regulations	<ul style="list-style-type: none"> SR Product Quality and Customer Satisfaction SR Green Operations
	2-28	Membership associations	<ul style="list-style-type: none"> Not Applicable
Stakeholder engagement	2-29	Approach to Stakeholder Engagement	<ul style="list-style-type: none"> SR Stakeholder Engagement
	2-30	Collective bargaining agreements	<ul style="list-style-type: none"> Not Applicable
GRI 3: Disclosures on material topics			
Material topics	3-1	The process of determining material topics	<ul style="list-style-type: none"> SR Sustainability materiality
	3-2	List of material topics	<ul style="list-style-type: none"> SR Sustainability materiality
	3-3	Management of material topics	<ul style="list-style-type: none"> SR Sustainability materiality
GRI 200: Economic disclosures (applicable sections only)			
Economic performance	201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> SR Economic Contribution
GRI 300: Environment disclosures (applicable sections only)			
Energy	302-1	Energy consumption within the organisation	<ul style="list-style-type: none"> SR Green Operations
	302-3	Energy intensity	<ul style="list-style-type: none"> SR Green Operations
Water	303-5	Water consumption	<ul style="list-style-type: none"> SR Green Operations
Emissions	305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> SR Green Operations
	305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> SR Green Operations
	305-3	Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> Not Disclosing
	305-4	GHG emission intensity	<ul style="list-style-type: none"> SR Green Operations
GRI 400: Social disclosures (applicable sections only)			
Employment	401-1	New employee hires and employee turnover	<ul style="list-style-type: none"> SR Employee Development and Welfare SR Appendix D: Sustainability scorecard

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Disclosure number	Disclosure title	Reference and remarks	
Occupational health and safety	403-1	Occupational health and safety management system	<ul style="list-style-type: none"> SR Employee Development and Welfare
	403-5	Worker training in occupational health and safety	<ul style="list-style-type: none"> SR Employee Development and Welfare
	403-9	Work-related injuries	<ul style="list-style-type: none"> SR Employee Development and Welfare
	403-10	Work-related ill health	<ul style="list-style-type: none"> SR Employee Development and Welfare
Training and Education	404-1	Average hours of training per year per employee	<ul style="list-style-type: none"> SR Employee Development and Welfare
	404-2	Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> SR Employee Development and Welfare
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none"> SR Employee Development and Welfare
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"> No incidents of discrimination have been reported in FY2024
Child labour	408-1	Operations and suppliers at significant risk for incidents of child labour	<ul style="list-style-type: none"> Child labour is strictly prohibited
Forced or compulsory labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	<ul style="list-style-type: none"> Forced and compulsory labour is strictly prohibited.

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Appendix C: TCFD recommendations content index

TCFD Recommendations Content Index

The TCFD Recommendation Content Index indicates our current implementation status for climate reporting.

TCFD Thematic Areas	Recommended Disclosures	Reference and Remarks
Governance		
Disclose the organisation’s governance around climate-related risks and opportunities.	Describe the board’s oversight of climate-related risks and opportunities.	SR Governance
	Describe management’s role in assessing and managing climate-related risks and opportunities.	SR Governance
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	SR Strategy
	Describe the impact of climate-related risks and opportunities on the organisation’s business, strategy, and financial planning.	SR Strategy
	Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The Group currently does not employ scenario analysis in identifying climate risks and opportunities. However, there are plans to integrate scenario analysis into our assessment of climate risks and opportunities in the future.
Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks.	Describe the organisation’s processes for identifying and assessing climate-related risks.	SR Risk Management
	Describe the organisation’s processes for managing climate-related risks	SR Risk Management
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.	SR Risk Management
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	SR Climate-related risks
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks.	The Group has disclosed Scope 1 and Scope 2 GHG emissions. The Group plans to include Scope 3 GHG emissions in the total GHG emissions in the future.
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	SR Climate-related risks

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Appendix D: Sustainability scorecard

Economic Contribution

Performance indicators	Units	Annualised FY2022 Performance	FY2023	FY2024
Total revenue	RMB million	1,073	968	984
Total GFA for Stores Operation	m ²	157,371	189,083	157,496

Product Quality and Customer Satisfaction

Performance indicators	Units	Annualised FY2022 Performance	FY2023	FY2024
Product Quality Inspection Passing Rate	%	99.99	99.99	99.99
Product Net Weight Inspection Passing Rate	%	99.90	99.90	99.85
Farm Chemical Inspection Passing Rate	%	99.98	99.98	100.00
Chloramphenicol Inspection Passing Rate	%	100.00	100.00	100.00
Customer Satisfactory Rate	%	99.62	99.60	99.48
Customer Complaints	Number	317	275	248

Green Operations

Performance indicators	Units	Annualised FY2022 Performance	FY2023	FY2024
Total carbon emission	tCO ₂ e	28,730	27,791	29,723
Carbon emission intensity	kgCO ₂ e/m ²	183	147	189
Electricity consumption	MWh	35,725	34,516	36,909
Electricity consumption intensity	kWh/m ²	227	183	234
Energy consumption	GJ	- ¹	- ¹	133,454
Energy consumption intensity	GJ/m ²	- ¹	- ¹	0.85
Water consumption	litres	- ¹	227,517	252,986
Water consumption intensity	m ^l /m ²	- ¹	1,203	1,606
Recycled waste	ton	- ¹	- ¹	1,483

Employee Development and Welfare

Performance indicators	Units	Annualised FY2022 Performance	FY2023	FY2024
Total spending on training	RMB	- ¹	1,080,000	1,080,000
Total training hours	Hours	128,963	12,929	11,862
Average training hours per employee	Hours	49	7	6.5
Average training hours per male employee	Hours	- ¹	4	4
Average training hours per female employee	Hours	- ¹	7	7

¹ These data were not tracked during FY2022 and/or FY2023 Sustainability Report

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Performance indicators	Units	Annualised FY2022 Performance	FY2023	FY2024
Average training hours by age group:				
• Age below 30	Hours	– ²	5.67	8.60
• Age between 30 - 50	Hours	– ²	7.39	7.02
• Age above 50	Hours	– ²	3.93	3.57
The employee who is subjected to an annual performance appraisal	%	– ²	100	100
Female Board members	%	– ²	20	0
Female management personnel	%	– ²	40	40
Total number of employees	Number	2,632	1,888	1,819
Male employee	%	19	21	21
Female employee	%	81	79	79
Employee by age group				
• Age below 30	%	– ²	6.00	4.29
• Age between 30 – 50	%	– ²	81.00	79.05
• Age above 50	%	– ²	13.00	16.66
Total number of new hires	Number	– ²	186	188
Male new hires	%	– ²	26.00	14.55
Female new hires	%	– ²	74.00	9.23
New hires by age group				
• Age below 30	Number	– ²	55	51
• Age between 30 – 50	Number	– ²	120	127
• Age above 50	Number	– ²	11	10
Total number of resigned	Number	– ²	280	379
Employee turnover	%	6.00	15.00	17.24
Male turnover rate	%	7.00	22.00	24.34
Female turnover rate	%	5.00	13.00	19.92
Turnover rate by age group				
• Age below 30	%	– ²	42.00	91.03
• Age between 30 – 50	%	– ²	12.00	17.59
• Age above 50	%	– ²	16.00	18.15
Fatalities in workplace	Number	0	0	0
High-consequence injuries in the workplace	Number	0	0	0
Recordable injuries in the workplace	Number	11	10	2
Recordable work-related ill health cases in the workplace	Number	0	0	0

² These data were not tracked during FY2022 and/or FY2023 Sustainability Report

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Appendix E: Methodologies and Data Boundaries

This section details key definitions, methodologies and data boundaries applied to ZMBH's Sustainability Report, as we endeavour to elevate transparency and facilitate comparability of our data disclosed. These definitions and methodologies are adapted with reference to the GRI Standards Glossary 2021, Reporting Recommendations and Guidance set out in the respective GRI disclosures and various authoritative intergovernmental instruments.

Carbon Emissions

In the scope of this reporting, scope 1 emissions are emissions generated from the consumption of fuels for our operations. The emission factor used for calculating carbon emission is obtained from the Department for Energy Security and Net Zero of the United Kingdom. Carbon emissions are expressed in tonnes of carbon dioxide equivalent ("tCO₂e").

The scope of this reporting, scope 2 emissions are emissions that result from the generation of purchased or acquired electricity, by the Group. The Grid Emission Factor (**GEF**) used for calculating carbon emissions is obtained from the Ministry of Ecology and Environment of the People's Republic of China. Carbon emissions are expressed in tonnes of carbon dioxide equivalent ("tCO₂e").

Carbon Emissions Intensity

This is the ratio of carbon emissions relative to the Gross Floor Area (**GFA**) of the stores operated by the Group. Carbon emissions intensity is expressed in kilogram of carbon dioxide equivalent per square meter of outlet size ("kgCO₂e/ m²").

Electricity Consumption

Energy consumed results from purchased electricity consumed by the operations of the Group.

Electricity consumed is expressed in Megawatt hours ("MWh").

Electricity Consumption Intensity

This is the ratio of energy consumed relative to the GFA of the stores operated by the Group.

Energy intensity is expressed in kWh per square meter of outlet size ("kWh/m²").

Water Consumption

This is the volume of water consumed by the Group. The sources of the water are supplied by local municipalities. The total amount of water withdrawn is assumed to be the amount consumed as is reflected in utility bills received.

The volume of water consumed is expressed in litres ("**ℓ**").

Water Consumption Intensity

This is the ratio of water consumed relative to the GFA of the stores operated by the Group.

Water intensity is expressed in mℓ per square meter of outlet size ("mℓ/m²").

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Energy Consumption

Purchased electricity consumption and fuel consumption are converted to energy in Gigajoules (“GJ”), with a conversion rate of 0.0036 GJ per kWh.

Energy Intensity

This is the ratio of energy consumption relative to the total outlet size in square meters for the Group’s operations. Energy intensity is expressed in Gigajoules per square meter of outlet size (“GJ/m²”).

New Hires and Turnover

New hires are defined as new employees who have joined the Group during the financial year.

Turnover is defined as all employees who have left the Group voluntarily, or due to dismissal, retirement or death in service during the financial year.

New hire/turnover rate is the total number of new hires/employee turnovers in the financial year, relative to the total number of employees recorded at the financial year-end.

The new hires/turnover rate by gender is the total number of female/(male) employee turnovers for each gender in the financial year, relative to the total number of female/(male) employees recorded at financial year-end.

The turnover rate by age group is the total number of employee turnovers for each age group in the financial year, relative to the number of each age group recorded at financial year-end.

Training hours

Average training hours per employee is the total number of training hours incurred during the financial year provided to employees, relative to the total number of employees recorded as of financial year-end.

Average training hours per female/(male) employee is the total number of training hours provided to female/(male) employees, relative to the total number of female/(male) employees recorded as of financial year-end.

Average training hours by age group is the total number of training hours provided to each age group, relative to the number of each age group recorded as of financial year-end.

Fatalities in workplace

The number of fatalities as a result of work-related injury during the reporting period across the organisation.

High-consequence injuries in the workplace

Number of high-consequence work-related injuries (an injury that results in a fatality from which the worker cannot recover fully to pre-injury health status within 6 months) excluding fatalities during the reporting period.

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Recordable injuries

The number of recordable work-related injuries during the reporting period.

Recordable Work-related Ill Health Cases

The number of recordable work-related illnesses or health conditions arising from exposure to hazards at work during the reporting period.

Directors' Statement

The directors are pleased to present their statement to the members together with the audited financial statements of Zhongmin Baihui Retail Group Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 30 June 2024.

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date, in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, as disclosed in Note 2.1, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of Directors

The directors of the Company in office at the date of this statement are:

Lee Swee Keng
Chen Kaitong
Yee Chia Hsing (Appointed on 24 November 2023)
Zou Qige (Appointed on 24 November 2023)
Kho Kewee

Arrangements to enable directors to acquire benefits by means of the acquisition of shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed in this statement.

Directors' Statement

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967, none of the Directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

<u>Name of director</u>	<u>Holdings registered in the name of director or nominee</u>		<u>Holdings in which a director is deemed to have an interest</u>	
	<u>As at 1.7.2023 or date of appointment, if later</u>	<u>As at 30.6.2024</u>	<u>As at 1.7.2023 or date of appointment, if later</u>	<u>As at 30.6.2024</u>
	<u>Number of ordinary shares</u>			
The Company - <u>Zhongmin Baihui Retail Group Ltd.</u>				
Lee Swee Keng	45,790,700	43,790,700	-	-
Chen Kaitong	41,400,680	41,400,680	-	-
Yee Chia Hsing	5,100	5,100	-	-

There was no change in any of the above-mentioned interest in the Company between the end of the financial year and 21 July 2024.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Share option scheme

There were no options granted during the financial year to subscribe for unissued shares of the Company or of its subsidiaries.

There were no shares issued during the financial year to which this statement relates by virtue of the exercise of the options to take up unissued shares of the Company or any subsidiary.

There were no unissued shares of the Company or any subsidiary under option at the end of the financial year.

Directors' Statement

Audit Committee

The Audit Committee at the end of the financial year comprises the following members:

Yee Chia Hsing (Chairman)
Zou Qige
Kho Kewee

The Audit Committee ("AC") carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, the SGX Listing Manual and the Code of Corporate Governance.

In performing these functions, the Audit Committee has met four times since the last Annual General Meeting and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

- (i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;
- (ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- (iii) the quarterly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2024 as well as the auditor's report thereon;
- (iv) effectiveness of the Company's internal controls, including financial, operational and compliance controls and information technology controls and risk management systems via reviews carried out by the internal auditors;
- (v) the auditors confirmed during the Audit Committee meeting that there was no significant disagreement with management and non-compliance with accounting standards and internal controls during the audit;
- (vi) legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- (vii) the cost effectiveness and the independence and objectivity of the external auditor;
- (viii) the nature and extent of non-audit services provided by the external auditor;
- (ix) recommended to the Board of Directors the external auditor and internal auditors to be nominated, approved the compensation of the external auditor and internal auditors, and reviewed the scope and results of the audits;
- (x) reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considered appropriate; and
- (xi) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

Directors' Statement

Audit Committee (Cont'd)

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

Further details regarding the AC are disclosed in the Report on Corporate Governance in the Annual Report of the Company.

In appointing the auditors for the Company, subsidiaries, associates and joint ventures, Rules 712, 715 and 716 of the SGX Listing Manual have been complied.

Independent auditor

The independent auditor, Foo Kon Tan LLP, has expressed its willingness to accept re-appointment.

On behalf of the Directors

.....
LEE SWEE KENG

.....
CHEN KAITONG

Dated: 8 October 2024

Independent Auditor's Report

to the Members of Zhongmin Baihui Retail Group Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zhongmin Baihui Retail Group Ltd. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Cash and bank balances

The Group's cash and bank balances, excluding fixed deposits and restricted cash, are significant as they represented 7% of the Group's total assets balance. The cash and bank balances held by the Company and its subsidiaries represented 15% and 85% of the total cash and bank balances, respectively. A significant portion of the cash and bank balances were held by the Group's subsidiaries in China for the operation of the retail malls which involve large volumes of low value cash transactions. Additionally, they are subjected to higher inherent risk of theft and pilferage. As such we determined this to be a key audit matter.

Our audit procedures include, among others, obtaining bank confirmations from the banks and comparing the bank balances recorded by the subsidiaries for those bank accounts. We have also reviewed the bank reconciliations prepared by management as at year end and tested the reconciling items for selected samples.

We also focused on the adequacy of the disclosures related to cash and bank balances in Note 19 to the consolidated financial statements.

Independent Auditor's Report

to the Members of Zhongmin Baihui Retail Group Ltd.

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

Gold inventory

The Group's gold inventory balance as of reporting date is RMB 82,734,678 representing 12% of the Group's total current assets. Additionally, gold inventory is subject to higher inherent risk of theft and pilferage and its price is subject to market volatility. As such we determined this to be a key audit matter.

As part of our audit, we evaluated the design and operating effectiveness of internal controls with respect to physical safeguards over gold inventory. We attended and observed year-end gold inventory counts at all stores to test the quantity of gold inventory.

We have also assessed the net realisable value of the gold inventory at year end by comparing the year end gold market prices against the carrying amounts.

Impairment of property, plant and equipment and right-of-use assets

The Group operates several departmental stores in China. As of reporting date, its total property, plant and equipment and right-of-use assets amounted to RMB 114,896,106 and RMB 350,368,224 representing 9% and 28% of the Group's total assets, respectively. For the financial year ended 30 June 2024, the Group has assessed the loss-making stores to have indicators of impairment. The impairment assessment involves significant judgements and estimates in determining the recoverable amount, particularly those relating to gross margin, growth rates, market rent and overall market and economic conditions of the industry. Due to the significance of the amounts and, the judgements and estimates involved in the impairment assessment, we considered this as a key audit matter.

Our audit procedures included, among others, engaging our valuation specialist to assist us in assessing the appropriateness of management's assumptions, such as the discount rate applied in the value-in-use model and market rent applied in the fair value model. We also obtained an understanding of management's planned strategy on revenue growth, gross profit margin, and cost initiatives and compared these assumptions against our knowledge of the store operations and historical performance. We also considered the adequacy of the disclosures in Notes 5 and 6 of the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

to the Members of Zhongmin Baihui Retail Group Ltd.

Report on the Audit of the Financial Statements (Cont'd)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report

to the Members of Zhongmin Baihui Retail Group Ltd.

Report on the Audit of the Financial Statements (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ong Soo Ann.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 8 October 2024

Statements of financial position

as at 30 June 2024

	Note	The Group		The Company	
		30 June 2024 RMB	30 June 2023 RMB	30 June 2024 RMB	30 June 2023 RMB
ASSETS					
Non-Current Assets					
Property, plant and equipment	5	114,896,106	126,326,512	47,015	33,636
Right-of-use assets	6(a)	350,368,224	259,752,303	132,551	257,060
Intangible assets	7	3,809,553	3,809,553	–	–
Investment in subsidiaries	8	–	–	58,988,269	58,988,269
Investment in joint ventures	9	1,484,130	1,481,438	–	–
Investment in associates	10	85,534,437	77,219,576	–	–
Other receivables	14	9,822,598	10,822,110	–	77,353
Deferred tax assets	11	15,498,015	11,112,718	–	1,023
Other assets	26	–	45,496	–	–
		581,431,063	490,569,706	59,167,835	59,357,341
Current Assets					
Inventories	12	194,603,713	161,549,261	–	–
Prepayments	13	7,113,385	8,307,036	62,305	55,236
Trade and other receivables	14	30,937,778	24,902,630	279,288	375
Amount due from a subsidiary	15	–	–	28,147,548	27,322,306
Amount due from associates	16	51,900,000	38,400,000	–	–
Amount due from a joint venture	17	216,522,724	207,522,724	–	–
Amount due from related parties	18	3,183,508	4,468,764	–	–
Cash on hand, bank balances and fixed deposits	19	91,878,173	192,237,249	13,410,498	6,509,053
Restricted cash at bank and fixed deposits	20	100,100,000	40,100,000	–	–
		696,239,281	677,487,664	41,899,639	33,886,970
Total assets		1,277,652,344	1,168,057,370	101,067,474	93,244,311
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	21	67,147,926	67,147,926	67,147,926	67,147,926
Treasury shares	22	(25,394,592)	(25,092,662)	(25,394,592)	(25,092,662)
Reserves	23	150,714,570	137,192,563	(5,559,531)	(21,282,096)
Total equity		192,467,904	179,247,827	36,193,803	20,773,168
Non-Current Liabilities					
Loans and borrowings	24	42,635,387	49,084,128	42,635,387	49,084,128
Lease liabilities	6(b)	318,991,139	233,723,801	–	–
Other liabilities	26	507,984	507,984	–	–
Deferred tax liabilities	11	19,440,717	17,908,471	10,005,831	12,974,930
		381,575,227	301,224,384	52,641,218	62,059,058
Current Liabilities					
Loans and borrowings	24	175,122,972	131,060,871	6,934,972	6,760,871
Trade and other payables	25	430,358,780	434,404,498	2,307,830	382,913
Lease liabilities	6(b)	58,510,728	64,798,668	133,423	266,755
Other liabilities	26	32,305,306	28,054,257	2,856,228	3,001,546
Amount due to related parties	18	4,554,065	22,846,172	–	–
Income tax payable		2,762,362	6,420,693	–	–
		703,609,213	687,585,159	12,232,453	10,412,085
Total liabilities		1,085,184,440	988,809,543	64,873,671	72,471,143
Total equity and liabilities		1,277,652,344	1,168,057,370	101,067,474	93,244,311

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of profit or loss and other comprehensive income

for the financial year ended 30 June 2024

The Group	Note	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB (Restated)
Revenue	4	983,737,265	967,564,731
Cost of sales	12	(751,906,493)	(751,517,770)
Gross profit		231,830,772	216,046,961
Other income	27(a)	91,310,330	106,834,880
Interest income	27(b)	4,393,217	7,062,664
Selling and distribution expenses	27(c)	(197,630,113)	(198,209,874)
Administrative expenses	27(d)	(110,321,069)	(107,463,510)
Finance costs	27(e)	(20,037,180)	(22,390,876)
(Loss)/profit before taxation and share of results of joint ventures and associates		(454,043)	1,880,245
Share of results of joint ventures	9	2,692	(1,175,387)
Share of results of associates	10	24,373,855	17,475,535
Profit before taxation	27(f)	23,922,504	18,180,393
Taxation	28	(117,713)	3,068,201
Profit for the year		23,804,791	21,248,594
Other comprehensive loss after tax:			
Items that may be reclassified subsequently to profit or loss			
Loss on foreign currency translation		(19,193)	(2,879,084)
Other comprehensive loss for the year, net of tax		(19,193)	(2,879,084)
Total comprehensive income for the year		23,785,598	18,369,510
Earnings per share (cents)			
- Basic and diluted	29	12.42	11.08

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of changes in equity

for the financial year ended 30 June 2024

	Attributable to equity holders of the Company					Total equity RMB
	Share capital [Note 21] RMB	Treasury shares [Note 22] RMB	Revenue reserve RMB (Restated)	Statutory reserve fund [Note 23(b)] RMB (Restated)	Foreign currency translation reserve [Note 23(a)] RMB (Restated)	
The Group						
Balance at 1 July 2022	67,147,926	(25,092,662)	82,037,963	37,891,129	(1,106,039)	118,823,053
Profit for the year, as restated	-	-	21,248,594	-	-	21,248,594
Other comprehensive income	-	-	-	-	-	-
Exchange differences on translating foreign operations, as restated	-	-	-	-	(2,879,084)	(2,879,084)
Total comprehensive income for the year	-	-	21,248,594	-	(2,879,084)	18,369,510
Others	-	-	-	-	-	-
Transfer to statutory reserve fund, as restated (Note 37)	-	-	(3,092,505)	3,092,505	-	-
Balance at 30 June 2023	67,147,926	(25,092,662)	100,194,052	40,983,634	(3,985,123)	137,192,563
						179,247,827

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of changes in equity

for the financial year ended 30 June 2024

		Attributable to equity holders of the Company						
		Share capital [Note 21] RMB	Treasury shares [Note 22] RMB	Revenue reserve RMB (Restated)	Statutory reserve fund [Note 23(b)] RMB (Restated)	Foreign currency translation reserve [Note 23(a)] RMB (Restated)	Total reserves RMB	Total equity RMB
The Group								
	Balance at 1 July 2023, as previously reported	67,147,926	(25,092,662)	100,194,052	40,416,520	(3,418,009)	137,192,563	179,247,827
	Restatement (Note 37)	-	-	-	567,114	(567,114)	-	-
	Balance at 1 July 2023, as restated	67,147,926	(25,092,662)	100,194,052	40,983,634	(3,985,123)	137,192,563	179,247,827
	Profit for the year	-	-	23,804,791	-	-	23,804,791	23,804,791
	Other comprehensive income	-	-	-	-	-	-	-
	Exchange differences on translating foreign operations	-	-	-	-	(19,193)	(19,193)	(19,193)
	Total comprehensive income for the year	-	-	23,804,791	-	(19,193)	23,785,598	23,785,598
	Contributions by and distributions to owners	-	-	-	-	-	-	-
	Purchase of treasury shares	-	(301,930)	-	-	-	-	(301,930)
	Dividends (Note 33)	-	-	(10,263,591)	-	-	(10,263,591)	(10,263,591)
	Total contributions by and distributions to owners	-	(301,930)	(10,263,591)	-	-	(10,263,591)	(10,565,521)
	Balance at 30 June 2024	67,147,926	(25,394,592)	113,735,252	40,983,634	(4,004,316)	150,714,570	192,467,904

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of cash flows

for the financial year ended 30 June 2024

The Group	Note	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB (Restated)
Cash Flows from Operating Activities			
Profit before taxation		23,922,504	18,180,393
Adjustments for:			
Depreciation of property, plant and equipment	5	14,595,091	13,583,907
Depreciation of right-of-use assets	6	55,124,650	61,941,476
Gain on discounts on bond		–	(1,387,739)
Unwinding on discounts of bond	27(e)	467,740	117,755
Write-back of impairment on property, plant and equipment	5	(21,503)	(201,614)
Impairment loss on right-of-use assets	6	–	4,032,172
Reversal of provision for termination of lease		–	(10,370,623)
Net loss/(gain) on disposal of property, plant and equipment		278,767	(1,859)
Net gain on de-recognition of right-of-use assets		(2,190,662)	(10,530,588)
Net gain on lease modification		(5,759,949)	–
Net gain on disposal of investment in joint ventures*		–	(589,074)
Amortisation of step rental income		45,496	2,865,373
Inventories written off		47,154	134,796
Property, plant and equipment written off	5	3,175,117	10,524,377
Interest income	27(b)	(4,393,217)	(7,062,664)
Finance costs	27(e)	20,037,180	22,390,876
Share of results of joint ventures	9	(2,692)	1,175,387
Share of results of associates	10	(24,373,855)	(17,475,535)
Unrealised exchange difference		–	2,842,644
Operating profit before working capital changes		80,951,821	90,169,460
Change in inventories		(33,101,606)	8,199,825
Change in prepayments		1,817,030	11,463,156
Change in trade and other receivables		(5,352,862)	8,778,641
Change in trade and other payables		(4,380,954)	(31,352,109)
Cash generated from operations		39,933,429	87,258,973
Interest received		4,707,149	7,916,126
Income tax paid		(6,635,893)	(6,001,700)
Net cash generated from operating activities		38,004,685	89,173,399
Cash Flows from Investing Activities			
Dividend received		16,058,994	16,951,668
Purchase of property, plant and equipment		(6,636,887)	(1,671,107)
Amount due from a joint venture		(9,000,000)	(14,512,252)
Amount due from associates		(13,500,000)	(22,500,000)
Amount due from a related party (non-trade)		1,087,729	3,741,698
Proceeds from disposal of joint ventures		–	200,000
Proceeds from disposal of property, plant and equipment		39,823	1,374,370
Withdrawals of fixed deposits		40,300,248	–
Net cash generated from/(used in) investing activities		28,349,907	(16,415,623)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of cash flows

for the financial year ended 30 June 2024

The Group	Note	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB (Restated)
Balance brought forward		66,354,592	72,757,776
Cash Flows from Financing Activities			
Dividends paid	33	(10,263,591)	–
Interest paid on lease liabilities		(9,926,120)	(12,112,816)
Interest paid on loans and bonds		(5,346,728)	(6,654,727)
Purchase of treasury shares		(301,930)	–
Proceeds from issuance of bond		–	42,494,400
Proceeds from loans and borrowings		177,688,000	124,300,000
Redemption of bond		–	(42,494,400)
Repayment of bank loans		(140,566,948)	(118,840,791)
Repayment of lease liabilities		(59,746,494)	(57,503,259)
Repayment of loan to related parties		(17,961,823)	(387,143)
Restricted cash at bank and bank deposit pledged		(60,000,000)	(100,000)
Net cash used in financing activities		(126,425,634)	(71,298,736)
Net (decrease)/increase in cash and cash equivalents		(60,071,042)	1,459,040
Cash and cash equivalents at beginning of year		152,237,249	149,770,127
Effect of exchange rate changes on cash and cash equivalents		(288,034)	1,008,082
Cash and cash equivalents at end of year	19	91,878,173	152,237,249

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of cash flows

for the financial year ended 30 June 2024

* Disposal/de-registration of investments in joint ventures

The Company holds equity interest from year 2020 to 2022 in four joint ventures (Note 9).

The Group disposed the entire equity interests in four joint ventures and de-registered one joint venture on 1 August 2022, respectively as disclosed in Note 9. These transactions resulted in a gain on disposal as set out below:

	2023 RMB
Cash consideration received for disposal of investment in joint ventures	200,000
Cash consideration receivable for disposal of investment in joint ventures	710,000
Less: Carrying amount of investment at date of disposal	(320,926)
Gain on disposal of investment	589,074

Note:

A. Major non-cash transactions

During the financial years ended 30 June 2024 and 30 June 2023, the Group has no significant non-cash arrangement.

B. Reconciliation of liabilities arising from financing activities

The following is the disclosures of the reconciliation of items for which cash flows have been, or would be, classified as financing activities, excluding equity items:

		Cash flows				Non-cash changes					30 June 2024
		1 July 2023	Repayment	Interest	Additions	De-recognition	Accretion of interests	Interest payable	Unwinding on discounts of bond	Currency translation	
	Note	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
Amount due to related parties	18	22,432,756	(17,961,824)	-	-	-	-	-	-	-	4,470,932
Lease liabilities	6(b)	298,522,469	(59,746,494)	(9,926,120)	198,983,126	(61,193,464)	20,164,678	(9,302,429)	-	101	377,501,867
Bank loans	24	138,581,587	(140,566,948)	(5,346,728)	177,688,000	-	5,346,728	-	-	10,004	175,712,643
Non-convertible bonds	24	41,563,412	-	-	-	-	2,045,864	(2,045,864)	467,740	14,564	42,045,716
Restricted cash at bank and bank deposit pledged	20	(40,100,000)	-	-	(60,000,000)	-	-	-	-	-	(100,100,000)

		Cash flows				Non-cash changes					30 June 2023
		1 July 2022	Repayment	Interest	Additions	De-recognition	Accretion of interests	Interest payable	Unwinding on discounts of bond	Currency translation	
	Note	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
Amount due to related parties	18	22,819,899	(387,143)	-	-	-	-	-	-	-	22,432,756
Lease liabilities	6(b)	394,455,570	(57,503,259)	(12,112,816)	499,348	(37,201,801)	15,048,520	(4,716,154)	-	53,061	298,522,469
Bank loans	24	131,061,323	(118,840,791)	(3,706,510)	124,300,000	-	3,706,510	-	-	2,061,055	138,581,587
Non-convertible bonds	24	38,503,584	(42,494,400)	(2,948,217)	42,494,400	-	3,363,039	(414,822)	117,755	2,942,073	41,563,412
Restricted cash at bank and bank deposit pledged	20	(40,000,000)	-	-	(100,000)	-	-	-	-	-	(40,100,000)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the Financial Statements

for the financial year ended 30 June 2024

1 General information

The consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 30 June 2024 were authorised for issue by the Board of Directors on the date of the directors' statement.

Zhongmin Baihui Retail Group Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is at 80 Marine Parade Road, #13-07 Parkway Parade, Singapore 449269.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

2 Material accounting policy information

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS (I)).

As at 30 June 2024, the Group's current liabilities exceeded its current assets by RMB 7,369,932 (2023 - RMB 10,097,495), which included current borrowings of RMB 175,122,972 (2023 - RMB 131,060,871) from financial institutions.

The financial statements have been prepared on a going concern basis as the Group is able to meet its current liabilities obligation for the next twelve months through dividends from associates and raising funds through bank borrowings. As of reporting date, the Group has unutilised bank credit facilities of RMB 76.2 million (2023 - RMB 59 million), all (2023 - RMB 49.5 million) of which remain unutilised as of the date of this auditor's report.

The financial statements are presented in Chinese Renminbi (RMB).

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year ended 30 June 2024, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 July 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group, except as follows:

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.2 Adoption of new and amended standards and interpretations (Cont'd)

Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, a reporting entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

The Group has adopted the amendments from 1 January 2023. The amendments are applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, deferred tax asset and deferred tax liability shall be recognised for all deductible and taxable temporary differences associated with leases.

The Group previously accounted for deferred tax on leases by recognising the deferred tax asset or liability on a net basis. As of 30 June 2022, the taxable temporary differences in relation to right-of-use assets and the deductible temporary differences in relation to lease liabilities amount to RMB 82,198 and RMB 5,973,238 respectively. On adoption of the amendments, the Group has re-grossed and recognised a deferred tax liability of RMB 82,198 in relation to its right-of-use assets, and a deferred tax asset of RMB 5,973,238 in relation to its lease liabilities, separately as disclosed in Note 11. There was no impact on the opening retained earnings as at 1 July 2022 as a result of the change.

2.3 New and revised SFRS(I) in issue but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not adopted the new and revised SFRS(I), SFRS(I) INT and amendments to SFRS(I) that have been issued but are not yet effective to them. Management anticipates that the adoption of these new and revised SFRS(I) pronouncements in future periods will not have a material impact on the Group's and the Company's accounting policies in the period of their initial application, except as follows:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 1-1	<i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 1-1	<i>Non-current Liabilities with Covenants</i>	1 January 2024
SFRS(I) 16	<i>Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7	<i>Supplier Finance Arrangements</i>	1 January 2024
SFRS(I) 1-21	<i>Amendments to SFRS(I) 1-21: Lack of Exchangeability</i>	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Yet to be determined

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the financial year ended 30 June 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it de-recognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.4 Basis of consolidation and business combinations (Cont'd)

(b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after re-assessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at financial year end. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.4 Basis of consolidation and business combinations (Cont'd)

(b) Business combinations and goodwill (Cont'd)

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.5 Functional and foreign currency

(a) Functional currency

The management has determined the currency of the primary economic environment in which the Company operates ie. functional currency, to be Singapore dollars (SGD). Cost of investment in subsidiary and major operating expenses are primarily influenced by fluctuation in SGD.

(b) Presentation currency

The financial statements have been presented in Renminbi (RMB) as it is the currency that the Directors of the Group use when controlling and monitoring the performance and financial position of the Group. The Group's main operational subsidiary's sales, purchases, receipts, payments are traded primarily in RMB, the Directors are of the opinion that choosing RMB as the presentation currency best reflects the primary economic environment in which the Group operates.

(c) Consolidated financial statements

For consolidation purposes, the assets and liabilities of the Company's operations are translated into RMB at the rate of exchange ruling at the end of the reporting period and its profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(d) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.6 Property, plant and equipment

All items of property, plant and equipment are initially measured at cost. Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to allocate the depreciable amount of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Electronics	–	3-5 years
Furniture and fittings	–	3-10 years
Computer software	–	3-10 years
Motor vehicles	–	4 years
Leasehold improvements	–	3-20 years (i.e. lease period)
Buildings	–	20 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is de-recognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings and plant and machinery under construction, which are stated at cost less any accumulated impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.7 Government grant

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs for, which it is intended to compensate, are expensed.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.8 Impairment of non-financial assets

As at each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. If any such indication exists, the asset's recoverable amount is estimated.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses.

2.10 Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.11 Associates and joint ventures

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group re-assesses whether the type of joint arrangement in which it is involved has changed when facts and circumstances change. The Group does not have any joint arrangement classified as joint operation.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

When the Group's share of losses in an associate and a joint venture equals or exceeds its interest in the associate and joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate and joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.12 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SFRS (I) 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Debt instruments

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is de-recognised, modified or impaired.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.12 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, trade and other payables are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the effective interest rate amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms or substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

2.13 Impairment of financial assets

The Group assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.13 Impairment of financial assets (Cont'd)

Financial assets carried at amortised cost (Cont'd)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other receivables and cash and bank deposits, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations, namely retail.

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Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.13 Impairment of financial assets (Cont'd)

Financial assets carried at amortised cost (Cont'd)

(i) Significant increase in credit risk (Cont'd)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument (e.g. significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost);
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if

- the financial instrument has a low risk of default,
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.13 Impairment of financial assets (Cont'd)

Financial assets carried at amortised cost (Cont'd)

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the receivables which meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery (e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings), or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and short-term deposits (with a period of 3 months or less from the placement date) that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These exclude pledged deposits with financial institutions.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of finished goods is determined on a weighted average basis and includes all costs of bringing the inventories to their present location and condition.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Employee benefits

(a) Defined contribution plans

Singapore

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

People's Republic of China ("PRC")

The subsidiaries incorporated and operating in the PRC are required to provide certain staff pension benefits to their employees under existing PRC regulations. Pension contributions are provided at rates stipulated by PRC regulations and are contributed to a pension fund managed by government agencies, which are responsible for administering these amounts for the subsidiaries' employees. The above contributions are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain managerial personnel are considered key management personnel.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.18 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

The Group recognises right-of-use assets upon the adoption of SFRS (I) 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Right-of-use assets are measured at cost less accumulated depreciation, accumulated impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold building	–	over the remaining lease period
Prepaid land lease payments	–	50 years

The right-of-use assets are also subject to impairment as disclosed in policies in Note 2.8 “Impairment of non-financial assets”.

(b) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.18 Leases (Cont'd)

Group as a lessee (Cont'd)

(b) *Lease liabilities (Cont'd)*

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability shall be re-measured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Company's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term. In this case, the lease liability is re-measured by discounting the revised lease payments using a revised discount rate at the effective date of the lease modification.

Lease liability is re-measured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.20(d). Contingent rents are recognised as revenue in the period in which they are earned.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.20 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Direct sales*

Revenue from direct sale of goods is recognised when the performance obligation is satisfied upon the transfer of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) *Managed rental*

Revenue from managed rental is recognised on a fixed sum on a straight-line basis over the contracted period.

(c) *Concessionaire sales*

Revenue from concessionaire sales is recognised on a net basis based on either a fixed sum or a commission amounting to a certain agreed percentage of tenants' revenue from the sale of their products. Concessionaire sales inclusive of maintenance fees charges to tenants.

(d) *Rental income*

Rental income from operating leases (net of any incentives given to the lessee) from the letting of premises is recognised on a straight-line basis over the lease terms. Rental income are also received from temporary and seasonal leases of spaces in the department store where suppliers lease them for conducting promotional activities. Rental income includes maintenance fees charges to lessees.

(e) *Dividend income*

Dividend income is recognised when the Group's right to receive payment is established.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.21 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised on transactions that, on initial recognition, give rise to equal amounts of deductible and taxable temporary differences, arising from leases and decommissioning liabilities.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences at the date of transaction; and
- In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.21 Taxes (Cont'd)

(b) *Deferred tax (Cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are recognised on transactions that, on initial recognition, give rise to equal amounts of deductible and taxable temporary differences, arising from leases.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

2.22 *Share capital*

Proceeds from issuance of ordinary shares are recognised as share capital in equity.

2.23 *Treasury shares*

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.24 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.25 Segment reporting

A business segment is a distinguishable component of the Group that is engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

The Group is substantially in one business segment, namely ownership, operation and management of a chain of department stores in China, accordingly, no segment reporting is presented.

2.26 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.26 Related parties (cont'd)

A related party is defined as follows: (cont'd)

- (b) An entity is related to the Group and the Company if any of the following conditions applies:
- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) the entity, or any member of a group which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2.27 Current and non-current classification

The Group presents assets and liabilities in the statements of financial position based on current or non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.27 Current and non-current classification (Cont'd)

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.28 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its 'highest-and-best use' or by selling it to another market participant that would use the asset in its 'highest-and-best use'.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value-in-use in SFRS(I) 1-36 *Impairment of Assets*.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2 Material accounting policy information (Cont'd)

2.29 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares.

2.30 Financial instruments

Financial instruments carried on the statements of financial position include cash and cash equivalents, financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. These instruments are recognised when contracted for.

Disclosures on financial risk management objectives and policies are provided in Note 32.

3 Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of the revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period except as follows:

Joint ventures [Note 9]

The Group holds 20% to 50% ownership interest of its joint ventures recognised in the consolidated accounts using the equity method in accordance with the percentage owned. Management has assessed that the holdings are joint arrangements as there are contractual arrangements with the parties resulting in the Group having joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. As the joint arrangements provide the Group with rights to the net assets of the arrangements, the arrangements are joint ventures to the Group. Further details are disclosed in Note 9 to the financial statements.

Notes to the Financial Statements

for the financial year ended 30 June 2024

3 Significant accounting estimates and judgements (Cont'd)

3.1 Judgements made in applying accounting policies (Cont'd)

Associates [Note 10]

The Group assesses that it has significant influence over an investee when the Group has the power to participate in the financial and operating policy decisions of the investee. The Group owns 20% to 49% of the ownership interest and voting rights in the associates as disclosed in Note 10. The management is of the view that the Group has significant influence over these associates as Group has the right to appoint its representatives for one fourth of the investee's board of directors.

Income tax [Note 28]

The Group has exposures to income taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is re-assessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of leasehold properties and plant and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Notes to the Financial Statements

for the financial year ended 30 June 2024

3 Significant accounting estimates and judgements (Cont'd)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets [Notes 5,6(a),8,9 and 10]

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal ("FVLCD") and its value-in-use ("VIU"). The FVLCD calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The VIU calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next three or five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash-generating unit being tested. The key assumptions in deriving the recoverable amount include discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The FVLCD estimation is affected by the uncertainty caused by more volatile asset prices and currency exchange rates in countries in which the Group operates in. The VIU estimation is based on forecasted cash flows of the underlying business.

The carrying amounts of the Group's and the Company's non-financial assets are disclosed in Notes 5,6(a),8,9 and 10 to the consolidated financial statements. In 2024 and 2023, a decrease of 2% in each of the Group's and the Company's non-financial assets' recoverable amounts will increase the impairment losses by RMB 10,950,658 (2023 - RMB 9,295,597) and RMB 1,183,357 (2023 - RMB 1,185,579) on non-financial assets at the Group's and Company's level.

Depreciation of property, plant and equipment [Note 5]

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The carrying amounts of the Group's property, plant and equipment as at 30 June 2024 are RMB 114,896,106 (2023 - RMB 126,326,512). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If the actual useful lives of property, plant and equipment differ by 5% from management's estimates, the carrying amounts of the property, plant and equipment of the Group will be approximately RMB 5,744,805 (2023 - RMB 6,316,326) higher/lower.

Notes to the Financial Statements

for the financial year ended 30 June 2024

3 Significant accounting estimates and judgements (Cont'd)

3.2 Key sources of estimation uncertainty (Cont'd)

Depreciation of right-of-use assets [Note 6(a)]

Right-of-use assets are depreciated on a straight-line basis over their estimated useful lives. The carrying amounts of the Group's right-of-use assets as at 30 June 2024 are RMB 350,368,224 (2023 - RMB 259,752,303). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If the actual useful lives of right-of-use assets differ by 5% from management's estimates, the carrying amounts of the right-of-use assets of the Group will be approximately RMB 17,518,411 (2023 - RMB 12,987,615) higher/lower.

Deferred tax assets [Note 11]

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised. This involves judgement regarding future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. Management has assessed that it is reasonable to recognise deferred tax assets based on probable future taxable income. The carrying amount of the Group's deferred tax assets is disclosed in Note 11.

In the financial year ended 30 June 2024, a decrease of 10% in the probable future taxable income will not affect the amount of deferred tax assets recognised.

Net realisable value of inventories [Note 12]

A review is made on inventory for excess inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. The review requires management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value.

The usual considerations for determining the amount of allowance or write-down include a technical assessment of inventories concerned, considering future demand, future selling prices, rework cost and fluctuation of gold market prices and ageing analysis of inventories. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting period is disclosed in Note 12.

Notes to the Financial Statements

for the financial year ended 30 June 2024

3 Significant accounting estimates and judgements (Cont'd)

3.2 Key sources of estimation uncertainty (Cont'd)

Impairment of financial assets [Notes 14 to 20]

The Group assesses on a forward-looking basis the expected credit losses (“ECL”) associated with its debt instrument assets carried at amortised cost. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For non-trade receivables, the Group and the Company apply the general approach to determine ECL. ECL is measured as an allowance equal to 12-month ECL for stage-1 (low credit risk) assets, or lifetime ECL for stage-2 (deterioration in credit risk) or stage-3 (credit impaired) assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider qualitative and quantitative, reasonable and supportable forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within 12 months after the reporting date.

The ECL assessment involves estimation uncertainty, such as a slowdown in payment collections from the customers.

If the expected credit losses increase by 1% from management estimates, this will lead an increase in impairment on financial assets by RMB 5,114,582 (2023- RMB 5,268,060).

Notes to the Financial Statements

for the financial year ended 30 June 2024

4 Revenue

The Group is substantially in one business segment, namely ownership, operation and management of a chain of department stores in China, accordingly, no segment reporting is presented.

The Group	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB
Direct sales	859,554,077	846,939,452
Commission from concessionaire sales	81,157,711	82,183,565
Revenue from contracts with customers	940,711,788	929,123,017
Rental income	33,339,570	29,603,154
Managed rental	9,685,907	8,838,560
Total revenue	983,737,265	967,564,731

Revenue from direct sales and commission from concessionaire sales (presented as net) are recognised at a point in time while revenue from rental and managed rental are recognised over time.

For information purpose only, gross sales proceeds are as follows:

The Group	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB
Direct sales	859,554,077	846,939,452
Commission from concessionaire sales	445,405,454	466,565,921
Rental income	33,339,570	29,603,154
Managed rental	9,685,907	8,838,560
Gross sales proceeds*	1,347,985,008	1,351,947,087

* Gross sales proceeds represent the aggregate sum of revenue received and receivable for goods sold under direct sales, gross proceeds from concessionaire sales, rental income and income from managed rental.

Judgement and methods used in estimating revenue

In estimating the variable consideration relating to the breakage that arise from the sale of prepaid cards and customer loyalty program, management relies on historical experience from the utilisation of the prepaid cards and the redemption of the loyalty points respectively for last year. Management has exercised judgement in applying the constraint on the estimated variable consideration that can be included in the transaction price.

A portion of the estimated variable consideration is subjected to the constraint based on past experience with the customer as it is highly probable that a significant reversal in the cumulative amount of revenue recognised will occur. Hence, it would not be recognised as revenue.

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for the financial year ended 30 June 2024

5 Property, plant and equipment

The Group	Electronics RMB	Furniture and fittings RMB	Computer software RMB	Motor vehicles RMB	Leasehold improvements RMB	Buildings RMB	Total RMB
<u>Cost</u>							
At 1 July 2022	6,458,623	23,025,151	1,431,010	4,242,677	98,871,189	119,968,939	253,997,589
Additions	13,160	37,223	28,079	961,088	631,557	-	1,671,107
Disposals	(946,957)	(2,074,989)	-	(433,971)	(1,170,896)	-	(4,626,813)
Written off	-	-	-	-	(10,524,377)	-	(10,524,377)
Currency translation	6,766	2,491	-	-	7,616	-	16,873
At 30 June 2023	5,531,592	20,989,876	1,459,089	4,769,794	87,815,089	119,968,939	240,534,379
Additions	110,107	336,869	-	1,090,071	5,099,840	-	6,636,887
Disposals	(44,163)	(1,381,243)	-	(430,063)	-	-	(1,855,469)
Written off	-	-	-	-	(3,655,877)	-	(3,655,877)
Currency translation	-	8	10	-	27	-	45
At 30 June 2024	5,597,536	19,945,510	1,459,099	5,429,802	89,259,079	119,968,939	241,659,965
<u>Accumulated depreciation and impairment loss</u> ⁽¹⁾							
At 1 July 2022	6,102,773	20,361,658	1,431,010	3,333,454	43,405,601	29,430,256	104,064,752
Depreciation for the year	108,603	1,115,883	8,510	391,595	6,200,807	5,758,509	13,583,907
Disposals	(897,343)	(1,944,687)	-	(412,272)	-	-	(3,254,302)
Write-back	(49,613)	(130,302)	-	(21,699)	-	-	(201,614)
Currency translation	5,246	2,262	-	-	7,616	-	15,124
At 30 June 2023	5,269,666	19,404,814	1,439,520	3,291,078	49,614,024	35,188,765	114,207,867
Depreciation for the year	114,376	794,681	9,370	551,809	7,366,346	5,758,509	14,595,091
Disposals	(41,691)	(1,086,628)	-	(408,560)	-	-	(1,536,879)
Written off	-	-	-	-	(480,760)	-	(480,760)
Write-back ⁽²⁾	-	-	-	(21,503)	-	-	(21,503)
Currency translation	(78)	28	66	-	27	-	43
At 30 June 2024	5,342,273	19,112,895	1,448,956	3,412,824	56,499,637	40,947,274	126,763,859
<u>Net carrying amount</u>							
At 30 June 2024	255,263	832,615	10,143	2,016,978	32,759,442	79,021,665	114,896,106
At 30 June 2023	261,926	1,585,062	19,569	1,478,716	38,201,065	84,780,174	126,326,512

⁽¹⁾ Included in accumulated depreciation and impairment loss is RMB 8,845,108 (2023 - RMB 8,866,611) of accumulated impairment losses.⁽²⁾ For the financial year, a reversal of impairment on disposal amounting to RMB 21,503 (2023 - RMB 201,614) arose due to proceeds received from the sales of certain plant and equipment, which were fully impaired in the previous financial years.

Notes to the Financial Statements

for the financial year ended 30 June 2024

5 Property, plant and equipment (Cont'd)

	<u>Electronics</u> RMB	<u>Furniture and fittings</u> RMB	<u>Computer software</u> RMB	<u>Leasehold improvements</u> RMB	<u>Total</u> RMB
The Company					
<u>Cost</u>					
At 1 July 2022	57,564	22,091	–	67,566	147,221
Additions	5,811	–	28,079	–	33,890
Disposal	(2,887)	–	–	–	(2,887)
Currency translation	6,766	2,491	–	7,616	16,873
At 30 June 2023	67,254	24,582	28,079	75,182	195,097
Additions	34,533	–	–	–	34,533
Currency translation	–	8	10	27	45
At 30 June 2024	101,787	24,590	28,089	75,209	229,675
<u>Accumulated depreciation</u>					
At 1 July 2022	45,353	20,083	–	67,566	133,002
Depreciation for the year	5,643	2,069	8,510	–	16,222
Disposal	(2,887)	–	–	–	(2,887)
Currency translation	5,246	2,262	–	7,616	15,124
At 30 June 2023	53,355	24,414	8,510	75,182	161,461
Depreciation for the year	11,638	148	9,370	–	21,156
Currency translation	(78)	28	66	27	43
At 30 June 2024	64,915	24,590	17,946	75,209	182,660
<u>Net carrying amount</u>					
At 30 June 2024	36,872	–	10,143	–	47,015
At 30 June 2023	13,899	168	19,569	–	33,636

Impairment of non-financial assets

For the financial years ended 30 June 2024 and 2023, the Group undertook a comprehensive review to assess the viability of underperforming stores. Based on the result of the review, no impairment is required for the financial years ended 30 June 2024 and 2023.

Notes to the Financial Statements

for the financial year ended 30 June 2024

6(a) Right-of-use assets

The Group leases of properties for its operations. As of reporting date, the Group's property leases have terms ranging from 3 to 20 years.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	The Group		The Company	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RMB	RMB	RMB	RMB
As at beginning of year	259,752,303	352,096,156	257,060	483,515
Additions	–	499,348	–	–
Lease modifications	198,983,126	–	162,164	–
Depreciation	(55,124,650)	(61,941,476)	(286,972)	(278,667)
Impairment loss	–	(4,032,172)	–	–
De-recognition	(53,242,854)	(26,921,765)	–	–
Currency translation	299	52,212	299	52,212
As at end of year	350,368,224	259,752,303	132,551	257,060

For the financial years ended 30 June 2024 and 30 June 2023, the Group undertook a comprehensive review to assess the viability of underperforming stores. As a result of the review, the Group recorded impairment charges of RMB Nil (2023 – RMB 4,032,172).

6(b) Lease Liabilities

Set out below are the carrying liabilities and the movements during the year:

	The Group		The Company	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RMB	RMB	RMB	RMB
As at beginning of year	298,522,469	394,455,570	266,755	490,945
Additions	198,983,126	499,348	160,590	–
Accretion of interest	20,164,678	15,048,520	7,369	19,161
Interest payable	(9,302,429)	(4,716,154)	–	–
Payments	(69,672,614)	(69,616,075)	(301,392)	(296,412)
De-recognition	(61,193,464)	(37,201,801)	–	–
Currency translation	101	53,061	101	53,061
As at end of year	377,501,867	298,522,469	133,423	266,755

Notes to the Financial Statements

for the financial year ended 30 June 2024

6(b) Lease Liabilities (Cont'd)

	The Group		The Company	
	30 June 2024 RMB	30 June 2023 RMB	30 June 2024 RMB	30 June 2023 RMB
Undiscounted lease payments due:				
- Financial Year 1	66,958,133	66,166,878	135,654	271,711
- Financial Year 2	64,049,742	65,471,314	-	-
- Financial Year 3	62,531,743	38,720,634	-	-
- Financial Year 4	61,915,700	29,901,985	-	-
- Financial Year 5	62,283,661	29,322,798	-	-
- Financial Year 6 and onwards	146,384,504	141,613,389	-	-
	464,123,483	371,196,998	135,654	271,711
Less: Future interest cost	(86,621,616)	(72,674,529)	(2,231)	(4,956)
Lease liabilities	377,501,867	298,522,469	133,423	266,755
- Current	58,510,728	64,798,668	133,423	266,755
- Non-current	318,991,139	233,723,801	-	-
	377,501,867	298,522,469	133,423	266,755

Total cash outflows for all leases in the year amount to RMB 69,672,614 (2023 - RMB 69,616,075).

The Group does not have short term leases and lease of low-value asset in the current and previous financial periods.

Information about the Group's leasing activities is disclosed in Note 6(c).

Further information about the financial risk management is disclosed in Note 32.

The Group's lease liabilities are secured by the lessors' title to the leased assets.

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Notes to the Financial Statements

for the financial year ended 30 June 2024

6(c) Lease arrangements

(i) The Group as lessee

(a) Leasehold properties

The Group makes monthly lease payments for the use of several leasehold properties for operation purposes [Note 6(b)]. These leasehold properties are recognised within the Group's right-of-use assets [Note 6(a)]. There are no externally imposed covenants on these property lease arrangements.

(ii) The Group as lessor

Right-of-use assets

Operating leases, in which the Group is the lessor, relate to right-of-use assets by the Group. The lease terms range from 3 to 6 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

These leases are classified as operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred. The unguaranteed residual values do not represent a significant risk for the Group, as they relate to properties which are located in locations with constant increase in value over the last 5 years. The Group has not identified any indications that this situation will change.

The Group's revenue from rental income received on the right-of-use assets are disclosed in Note 4.

The revenue is recognised based on agreed rates of tenants' monthly turnover and fixed rental per month.

7 Intangible assets

The Group	Goodwill RMB
Cost:	
At 1 July 2022, 30 June 2023 and 30 June 2024	3,809,553
Net carrying amount:	
At 30 June 2024	3,809,553
At 30 June 2023	3,809,553

On 1 May 2013 (the "acquisition date"), the Group acquired two stores from a related party.

Notes to the Financial Statements

for the financial year ended 30 June 2024

7 Intangible assets (Cont'd)

Goodwill arising from the acquisition

The goodwill of RMB 3,809,553 relates to the acquisition of the two stores located within the long established vicinity of Tumen and Quanxiu store in China. None of the goodwill recognised is expected to be deductible for income tax purposes.

Impairment testing of goodwill

The recoverable amounts of the two stores have been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering their remaining lease period. The discount rate applied to the cash flow projections is 9.2% (2023 - 6.0%) and the forecasted growth rates used to extrapolate the cash flows projections is at 6.0% for the year ended 30 June 2025 and over the remaining lease periods ending between March 2030 to April 2030 (2023 - 6% for the year ended 30 June 2024 and over the remaining lease period up to 30 June 2027).

Management determined budgeted gross margin based on past performance and its expectations of the market development. The discount rate reflects specific risks relating to the relevant retail industry and derived from its weighted average cost of capital (WACC). The forecasted growth rates are based on published industry research and do not exceed the long-term average growth rates for the relevant retail industry in China.

Sensitivity to changes in assumptions

With regards to the assessment of value-in-use for the goodwill, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the goodwill to materiality exceed its recoverable amount.

8 Investment in subsidiaries

	2024	2023
The Company	RMB	RMB
Shares, at cost	104,994,336	104,994,336
Provision for impairment	(46,006,067)	(46,006,067)
	58,988,269	58,988,269

Notes to the Financial Statements

for the financial year ended 30 June 2024

8 Investment in subsidiaries (Cont'd)

Details of the subsidiaries at the end of the reporting period are as follows:

Name	Country of incorporation/ principal place of business	Proportion of ownership interests		Principal activities
		2024 %	2023 %	
Xiamen Shi Zhongmin Baihui Commercial Co., Ltd. ⁽¹⁾	(People's Republic of China ("PRC"))	100	100	Ownership, operation and management of a chain of department stores
Zhongmin Baihui (China) Retail Group Co., Ltd. ⁽¹⁾	PRC	100	100	Ownership, operation and management of a chain of department stores
Zhongmin Baihui (Fujian) Shopping Centre Co., Ltd.	PRC	100	100	Ownership, operation and management of retail stores
Zhangzhou Zhongmin Baihui Business Service Co., Ltd. ⁽²⁾	PRC	100	100	Ownership and operation of department stores
Zhangzhou Zhongmin Baihui Supermarket Co., Ltd. ⁽²⁾	PRC	100	100	Ownership and operation of department stores
<u>Held by Zhongmin Baihui (Fujian) Shopping Centre Co., Ltd</u>				
Xiamen Haicang Zhongmin Baihui Supermarket Co., Ltd ⁽³⁾	PRC	100	–	Ownership and operation of department stores

⁽¹⁾ Audited by Foo Kon Tan LLP for consolidation purposes.

⁽²⁾ The Company was incorporated during financial year 2019. As at date of the report, it has commenced operation and no capital has been injected.

⁽³⁾ The Company was incorporated during the financial year.

During the financial years ended 30 June 2024 and 30 June 2023, the Company assessed the carrying amounts of its investments in subsidiaries for indicators of impairment. Based on assessment, provision for impairment of RMB 46,006,067 (2023 - RMB 46,006,067) was recognised.

Notes to the Financial Statements

for the financial year ended 30 June 2024

9 Investment in joint ventures

The Group	2024 RMB	2023 RMB
Shares, at cost	21,900,000	22,810,000
Disposal of investments	–	(910,000)
Share of accumulated losses in joint ventures	(20,415,870)	(20,418,562)
At end of year	1,484,130	1,481,438
	2024	2023
	RMB	RMB
<u>Share of accumulated losses in joint ventures</u>		
Opening balance	(20,418,562)	(19,832,247)
Profit/(loss) for the year	2,692	(1,175,387)
Disposal of investments	–	589,072
Closing balance	(20,415,870)	(20,418,562)

Details of the joint ventures at the end of the reporting period are as follows:

Name	Country of incorporation/ principal place of business	Proportion of ownership interests		Principal activities
		2024 %	2023 %	
Held through subsidiaries:				
Wuxi Shi Yueshang Outlets Co., Ltd. ⁽¹⁾	(People's Republic of China ("PRC"))	50	50	Operation and management of retail malls
Zhangzhou Shi Yueshang Outlets Co., Ltd. ⁽²⁾	PRC	50	50	Operation and management of retail malls
Quanzhou Shi Yueshang Outlet Commercial Co. Ltd ⁽³⁾	PRC	–	50	Operation and management of retail malls

⁽¹⁾ Audited by Foo Kon Tan LLP for consolidation purposes.

⁽²⁾ The company has not commenced operations during the year.

⁽³⁾ On 26 June 2023, joint venture parties entered into termination agreement and the JV ceased to operate.

In February 2019, Wuxi Shi Yueshang Outlets Co., Ltd. (50% owned by the Group's wholly-owned subsidiary, Zhongmin Baihui (Fujian) Shopping Centre Co., Ltd.), was incorporated. The Group jointly controls the joint venture with other partner under the contractual agreement that requires unanimous consent for all major decisions over the relevant activities. The Group injected RMB 4,530,000 in 2019 and RMB 9,000,000 in 2020 into the joint venture, while the other shareholder who holds 50% interest in Wuxi Shi Yueshang Outlets Co., Ltd contributed RMB 1,500,000.

Notes to the Financial Statements

for the financial year ended 30 June 2024

9 Investment in joint ventures (Cont'd)

In 2022, the Group further injected RMB 6,870,000 into Wuxi Shi Yueshang Outlets Co., Ltd., making a total capital contribution of RMB 20,400,000. In the previous financial year, the other shareholder contributed another RMB 18,900,000, and together with RMB 1,500,000 contributed in prior year, to bring its total contribution to RMB 20,400,000.

In 2022, Zhangzhou Shi Yushang Outlets Co., Ltd., and Quanzhou Shi Yueshang Outlet Commercial Co. Ltd [owned by the Group's wholly-owned subsidiary, Zhongmin Baihui (China) Retail Group Co., Ltd. holding interests of 50% each, respectively], were incorporated. The Group jointly controls the joint ventures with other partners under contractual agreements that require unanimous consent for all major decisions over the relevant activities.

The summarised financial information of the joint ventures, not adjusted for the proportion of ownership interest held by the Group at 30 June 2024 and 30 June 2023, is as follows:

	Wuxi Shi Yueshang Outlets Co., Ltd.		Zhangzhou Shi Yueshang Outlets Co., Ltd.	
	30 June 2024 RMB	30 June 2023 RMB	30 June 2024 RMB	30 June 2023 RMB
Summarised statement of financial position				
Non-current assets	261,725,578	285,969,756	-	-
Current assets	165,578,124	161,521,957	2,966,712	2,961,327
Total assets	427,303,702	447,491,713	2,966,712	2,961,327
Non-current liabilities	97,500,000	135,000,000	-	-
Current liabilities	332,604,218	328,318,924	-	-
Total liabilities	430,104,218	463,318,924	-	-
Net (liabilities)/assets	(2,800,516)	(15,827,211)	2,966,712	2,961,327
- Includes cash and cash equivalents	18,279,559	18,774,281	2,966,712	2,961,327
- Includes non-current financial liabilities (excluding trade and other payables and provisions)	97,500,000	135,000,000	-	-
- includes current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-
Proportion of the Group's ownership	50%	50%	50%	50%
Group's share of net (liabilities)/assets	(1,400,258)	(7,913,606)	1,483,356	1,480,664

Notes to the Financial Statements

for the financial year ended 30 June 2024

9 Investment in joint ventures (Cont'd)

Summarised statement of comprehensive income

	Wuxi Shi Yueshang Outlets Co., Ltd.		Zhangzhou Shi Yueshang Outlets Co., Ltd.	
	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB
Revenue	375,741,751	344,362,639	–	–
Profit/(loss) after tax, representing total comprehensive income/(loss) for the year	13,026,695 ⁽¹⁾	(24,300,385) ⁽¹⁾	5,385 ⁽¹⁾	1,333 ⁽¹⁾
Includes:				
- Depreciation and amortisation	29,453,485	28,985,594	–	–
- Interest expense	7,636,036	8,970,518	–	–
- Income tax expense	535,724	676,399	–	–

⁽¹⁾ There is no dividend received from the joint ventures during the current and previous financial years.

The unrecognised share of losses of joint venture for the year is RMB Nil (2023 - RMB 10,996,098) and the cumulative unrecognised share of losses of joint venture is RMB 4,482,751 (2023 - RMB 10,996,098).

10 Investment in associates

	2024 RMB	2023 RMB
The Group		
Shares, at cost	71,900,000	71,900,000
Share of accumulated profits	71,214,259	46,840,404
Dividends received	(57,579,822)	(41,520,828)
At end of year	85,534,437	77,219,576

Notes to the Financial Statements

for the financial year ended 30 June 2024

10 Investment in associates (Cont'd)

Details of the associates at the end of the reporting period are as follows:

Name	Country of incorporation/ principal place of business	Proportion of ownership interests		Principal activities
		2024 %	2023 %	
Held through subsidiaries:				
Citi-Base Commerce Logistics (Xiamen) Co., Ltd. ⁽¹⁾	PRC	30.0	30.0	Property leasing
Changsha City Shamin Enterprise Management Co., Ltd. ("CSSM") ⁽¹⁾	PRC	47.5	47.5	Operation and management of retail malls
Held by Citi-Base Commerce Logistics (Xiamen) Co., Ltd.:				
Xiamen Citi-Base Commerce Co., Ltd. ^{(1),(3)}	PRC	30.0	30.0	Property operation and management
Held by Changsha City Shamin Enterprise Management Co., Ltd.:				
Changsha Sasseur Zhongmin Baihui Outlets Commercial Management Co., Ltd. ^{(1),(2)}	PRC	24.2	24.2	Operation and management of retail malls

⁽¹⁾ Management accounts have been used for the preparation of the consolidated financial statements of the Group.

⁽²⁾ Audited by Zhongrong Consulting Group, China for Group reporting purposes.

⁽³⁾ Audited by Xiamen Chengzhirui Certified Public Accountants (General Partnership), China for Group reporting purposes.

In accordance with Rule 716 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its associate companies would not compromise the standard and effectiveness of the audit of the Group and of the Company.

Changsha Sasseur Zhongmin Baihui Outlets Commercial Management Co., Ltd is a strategic partner in the operation and management of retail malls in Changsha City, China for the Group and Citi-Base Commerce Logistics (Xiamen) Co., Ltd. acts as a strategic partner in the property leasing and retail businesses in HaiChang City, China.

Notes to the Financial Statements

for the financial year ended 30 June 2024

10 Investment in associates (Cont'd)

The summarised financial information in respect of Citi-Base Commerce Logistics (Xiamen) Co., Ltd. and Changsha City Shamin Enterprise Management Co., Ltd. not adjusted for the proportion of ownership interest held by the Group, are as follows:

Summarised statement of financial position

	Citi-Base Commerce Logistics (Xiamen) Co., Ltd. and its subsidiary		Changsha City Shamin Enterprise Management Co., Ltd. and its subsidiary	
	30 June 2024 RMB	30 June 2023 RMB	30 June 2024 RMB	30 June 2023 RMB
Non-current assets	350,783,841	318,432,526	39,065,039	41,502,316
Current assets	17,328,643	19,475,875	42,784,589	20,347,663
Total assets	368,112,484	337,908,401	81,849,628	61,849,979
Non-current liabilities	18,000,000	24,000,000	–	–
Current liabilities	168,306,579	117,066,820	1,945	1,545
Total liabilities	186,306,579	141,066,820	1,945	1,545
Net assets	181,805,905	196,841,581	81,847,683	61,848,434
Less: Merger reserve arising from acquisition under common control	(7,421,727)	(7,421,727)	–	–
Proportion of the Group's ownership	30%	30%	47.5%	47.5%
Group's share of net assets	52,315,253	56,825,956	38,877,649	29,378,006

Summarised statement of comprehensive income

	Citi-Base Commerce Logistics (Xiamen) Co., Ltd. and its subsidiary		Changsha City Shamin Enterprise Management Co., Ltd. and its subsidiary	
	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB
Revenue	4,448,905	7,306,212	–	–
(Loss)/profit after tax, representing total comprehensive (loss)/income for the year	(15,035,003)	(14,230,887)	60,809,170	45,778,528
Dividend received from associate	–	–	16,058,994	16,951,668

Notes to the Financial Statements

for the financial year ended 30 June 2024

11 Deferred tax assets/(liabilities)

	The Group			The Company		
	Consolidated statement of financial position		Consolidated statement of profit or loss	Statement of financial position		
	30 June 2024	30 June 2023		30 June 2024	30 June 2023	
	RMB	RMB	RMB	RMB	RMB	RMB
Deferred tax assets:						
Differences due to recognition of lease liabilities (1 July 2022-right-of-use assets and the corresponding lease liabilities)	11,027,496	7,468,811	5,973,238	3,558,685	1,495,433	1,023
Accumulated impairment loss on property, plant and equipment	1,190,183	1,190,183	1,190,183	-	-	-
Accrued loyalty points	3,272,299	2,482,565	859,764	789,734	1,622,801	-
Others	8,037	(28,841)	-	36,878	(28,841)	-
	15,498,015	11,112,718	8,023,185	4,385,297	3,089,393	1,023
Deferred tax liabilities:						
Withholding tax from the expected remittance of dividend from subsidiaries	(10,005,229)	(12,974,930)	(9,987,176)	1,237,452	(1,817,941)	(10,005,229)
Differences due to recognition of right-of-use assets (1 July 2022-right-of-use assets and the corresponding lease liabilities)	(4,509,555)	-	(82,198)	(4,509,555)	82,198	-
Differences in step rental income	(600,721)	(598,276)	(600,721)	2,445	2,445	-
Accrued breakage gain from sale of prepaid cards	(3,433,012)	(3,322,900)	(2,580,434)	(110,112)	(742,466)	-
Accrued interest income from fixed deposits	(892,200)	(1,012,365)	(1,576,747)	120,164	564,382	-
	(19,440,717)	(17,908,471)	(14,827,276)	(3,264,496)	(1,911,382)	(10,005,831)
				1,120,801	1,178,011	
Deferred income tax credit						
Deferred tax assets				15,498,015	11,112,718	1,023
To be recovered - After one year						
Deferred tax liabilities				(19,440,717)	(17,908,471)	(10,005,831)
To be settled - After one year						

Notes to the Financial Statements

for the financial year ended 30 June 2024

11 Deferred tax assets/(liabilities) (Cont'd)

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group is of the view that the related deferred tax asset is recoverable based on the estimated future taxable income.

Deferred taxation

According to the Applicable Enterprise Income Tax ("EIT") laws and regulations, income such as rental, royalty and profits from the PRC derived by a foreign enterprise which has no establishment in the PRC or has establishment but the income has no relationship with such establishment is subject to a 10% withholding tax, subject to reduction as provided by any applicable double taxation treaty, unless the relevant income is specifically exempted from tax under the Applicable EIT Laws and regulations.

Pursuant to a tax treaty between the PRC and the Republic of Singapore, which became effective on 1 January 2008, a company incorporated in Singapore will be subject to a withholding tax at the rate of 5% on dividends it receives from a company incorporated in the PRC if it holds 25% or more interest in the PRC company, or 10% if it holds less than 25% interests in the PRC company.

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, there are no unrecognised temporary differences relating to investments in subsidiaries on the undistributed earnings of certain Group's subsidiaries.

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately RMB 111,750,495 (2023 - RMB 105,304,524) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Tax consequences of proposed dividends

There are no income tax consequences (2023 - RMB Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in Note 33 of the financial statements.

12 Inventories

	2024	2023
The Group	RMB	RMB
<i>Statement of financial position:</i>		
Finished goods (at lower of cost or net realisable value)	194,603,713	161,549,261
<i>Statement of profit or loss:</i>		
Inventories recognised as an expense in cost of sales	751,906,493	751,517,770

Included in the inventories is RMB 82,734,678 (2023 - RMB 68,630,536), which relates mainly to gold jewellery.

Inventories of RMB 194,603,713 (2023 - RMB 161,549,261) are expected to be recovered within 12 months from the reporting date.

Notes to the Financial Statements

for the financial year ended 30 June 2024

13 Prepayments

	The Group		The Company	
	2024 RMB	2023 RMB	2024 RMB	2023 RMB
Current				
Advance payments to suppliers	7,038,581	6,579,991	–	–
Other prepayments	74,804	1,727,045	62,305	55,236
	7,113,385	8,307,036	62,305	55,236

14 Trade and other receivables

	The Group		The Company	
	2024 RMB	2023 RMB	2024 RMB	2023 RMB
Current:				
Trade receivables	4,521,398	3,928,527	–	–
Other deposits	2,231,684	175,375	252,545	375
Other receivables ⁽¹⁾	24,184,696	20,798,728	26,743	–
	30,937,778	24,902,630	279,288	375
Non-current:				
Other receivables ⁽²⁾	5,889,586	5,829,959	–	6,712
Rental deposits	3,933,012	4,992,151	–	70,641
	9,822,598	10,822,110	–	77,353
Add:				
Amount due from a subsidiary (Note 15)	–	–	28,147,548	27,322,306
Amount due from associates (Note 16)	51,900,000	38,400,000	–	–
Amount due from a joint venture (Note 17)	216,522,724	207,522,724	–	–
Amount due from related parties (Note 18)	3,183,508	4,468,764	–	–
Cash on hand, bank balances and fixed deposits (Note 19)	91,878,173	192,237,249	13,410,498	6,509,053
Restricted cash at bank and fixed deposits (Note 20)	100,100,000	40,100,000	–	–
Total financial assets held at amortised cost	504,344,781	518,453,477	41,837,334	33,909,087

Trade receivables are non-interest bearing and are generally on 30 to 60 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Notes to the Financial Statements

for the financial year ended 30 June 2024

14 Trade and other receivables (Cont'd)

The movement in allowance for rental deposits and other receivables are as follow:

The Group	Other receivables	
	2024	2023
	RMB	RMB
Movement in allowance accounts:		
At beginning and at end of year	4,523,900	4,523,900

⁽¹⁾ Other receivables mainly relate to (i) interest receivables from banks, (ii) recoverable from staff and suppliers.

⁽²⁾ Other receivables mainly relate to imputed interest from the unwinding of the deposit paid to landlord.

15 Amount due from a subsidiary

The Company	2024	2023
	RMB	RMB
Amount due from a subsidiary (non-trade)	28,147,548	27,322,306

Amount due from a subsidiary, representing loan and accrued interest receivables, is unsecured, interest bearing at 3.8% (2023 - 4.97%) per annum and is repayable on demand.

16 Amount due from associates

	The Group		The Company	
	2024	2023	2024	2023
	RMB	RMB	RMB	RMB
Non-trade	51,900,000	38,400,000	-	-

Non-trade amount due from associates, representing advances and payments on behalf is unsecured, non-interest bearing and repayable on demand.

17 Amount due from a joint venture

	The Group		The Company	
	2024	2023	2024	2023
	RMB	RMB	RMB	RMB
Non-trade	216,522,724	207,522,724	-	-

Amount due from a joint venture, representing advances is unsecured, non-interest bearing and repayable on demand.

Notes to the Financial Statements

for the financial year ended 30 June 2024

18 Amount due from/due to related parties

The Group	2024	2023
	RMB	RMB
Amount due from related parties (trade) ⁽¹⁾	102,003	299,530
Amount due from related parties (non-trade) ⁽³⁾	3,081,505	4,169,234
	3,183,508	4,468,764
Amount due to related parties (trade) ⁽¹⁾	83,132	413,416
Amount due to related parties (non-trade) ^{(2),(3)}	9,220,933	22,432,756
	9,304,065	22,846,172

⁽¹⁾ Trade amounts due from/(to) related parties are unsecured, non-interest bearing and has 30 days credit terms.

⁽²⁾ Amounts due to related parties (non-trade) arose when customers made purchases using the Group's prepaid cards at the managed stores owned by the related parties. The amount is unsecured, interest free and repayable on demand.

⁽³⁾ Non-trade amounts due from/(to) related parties are unsecured, interest free and repayable on demand.

19 Cash on hand, bank balances and fixed deposits

	The Group		The Company	
	2024	2023	2024	2023
	RMB	RMB	RMB	RMB
Cash on hand and bank balances	80,002,769	151,937,325	1,535,094	6,209,129
Fixed deposits maturing within 3 months from the placement date	11,875,404	299,924	11,875,404	299,924
Cash and cash equivalents as shown in the statement of cash flows	91,878,173	152,237,249	13,410,498	6,509,053
Fixed deposits maturing more than 3 months from the placement date	–	40,000,000	–	–
Total cash on hand, bank balances and fixed deposits	91,878,173	192,237,249	13,410,498	6,509,053

The fixed deposits carry an effective interest rate of 2.97% to 3.10% (2023 – 1% to 3.10%) per annum and mature between 7 July 2024 to 10 July 2026 (2023 - 7 July 2023 to 17 February 2026).

Cash on hand and bank balances denominated in foreign currency as at 30 June is as follows:

	The Group		The Company	
	2024	2023	2024	2023
	RMB	RMB	RMB	RMB
United States Dollars	13	13	–	–

RMB is not freely convertible to other currencies. However, under China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The remittance of funds out of China is subject to exchange restrictions imposed by the PRC government.

Notes to the Financial Statements

for the financial year ended 30 June 2024

20 Restricted cash at bank and fixed deposits

Restricted cash at bank and fixed deposits comprise of (i) a guarantee deposit of RMB 100,000 (2023 - RMB 100,000) placed with a supplier, (ii) fixed deposits of RMB 100,000,000 (2023 - RMB 40,000,000) pledged to a bank for the loans (Note 24). The fixed deposits mature between 10 February 2026 to 10 July 2026 (2023 - 10 February 2026 to 17 February 2026). The weighted average effective interest rates as at 30 June 2024 for the restricted fixed deposits were 2.97% (2023 - 3.87%).

21 Share capital

The Group and The Company	← Number of ordinary shares →		← Amount →	
	2024	2023	2024 RMB	2023 RMB
Issued and fully paid with no par value:				
Balance at beginning and end of year	196,320,000	196,320,000	67,147,926	67,147,926

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

22 Treasury shares

The Group and The Company	← Number of ordinary shares →		← Amount →	
	2024	2023	2024 RMB	2023 RMB
Balance at beginning of year	4,572,300	4,572,300	25,092,662	25,092,662
Additions	84,000	–	301,930	–
Balance at end of year	4,656,300	4,572,300	25,394,592	25,092,662

Treasury shares relate to ordinary shares of the Company that is held by the Company.

During the financial year, the Company acquired 84,000 shares with a consideration of RMB 301,930.

23 Reserves

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) Revenue reserve

The revenue reserve represents the accumulated profit and losses for the Group and Company as at reporting date.

(c) Statutory reserve fund

In accordance with the Foreign Enterprise Law applicable to subsidiaries in the People's Republic of China ("PRC"), the subsidiaries are required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiaries' registered capital. Subject to the approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiaries. The SRF is not available for dividend distribution to shareholders.

Notes to the Financial Statements

for the financial year ended 30 June 2024

24 Loans and borrowings

The Group	Interest rate	Maturity	2024 RMB	2023 RMB
Current interest-bearing loans and borrowings				
Lease liabilities [Note 6(b)]	3.5% - 5%	June 2039	58,510,728	64,798,668
Bank loan ^{(2), (3)}	2.5% -3.55%	July 2024 to June 2025	175,122,972	131,060,871
Total current interest-bearing loans and borrowings			233,633,700	195,859,539
Non-current interest-bearing loans and borrowings				
Lease liabilities [Note 6(b)]	3.5% - 5%	June 2039	318,991,139	233,723,801
S\$8,000,000 non-convertible bonds ⁽¹⁾	3.8%	March 2026	42,045,716	41,563,412
Bank loan ^{(2), (3)}	2.5%	July 2025	589,671	7,520,716
Total non-current interest-bearing loans and borrowings			361,626,526	282,807,929
Total interest-bearing loans and borrowings			595,260,226	478,667,468
<hr/>				
The Company	Interest rate	Maturity	2024 RMB	2023 RMB
Current interest-bearing loans and borrowings				
Lease liabilities [Note 6(b)]	5%	November 2024	133,423	266,755
S\$5,000,000 bank loan ⁽²⁾	2.5%	July 2025	6,934,972	6,760,871
Total current interest-bearing loans and borrowings			7,068,395	7,027,626
Non-current interest-bearing loans and borrowings				
S\$8,000,000 non-convertible bonds ⁽¹⁾	3.8%	March 2026	42,045,716	41,563,412
S\$5,000,000 bank loan ⁽²⁾	2.5%	July 2025	589,671	7,520,716
Total non-current interest-bearing loans and borrowings			42,635,387	49,084,128
Total interest-bearing loans and borrowings			49,703,782	56,111,754

Notes to the Financial Statements

for the financial year ended 30 June 2024

24 Loans and borrowings (Cont'd)

⁽¹⁾ S\$8,000,000 non-convertible bonds

On 30 March 2023, the Company issued a S\$8,000,000 non-convertible bond to new bond subscriber with a coupon rate of 3.8% per annum over 3 years. The interest is payable with the principal on the maturity date. The proceeds from the new bond were used to repay the bond issued on 28 May 2020, which was fully redeemed on 28 May 2023.

⁽²⁾ Bank loan - S\$5,000,000

On 15 May 2020, the Company obtained and drew down a S\$5,000,000 banking facility for 5 years from UOB bank, with an interest rate of 2.5% per annum. The loan is unsecured and is repayable in monthly instalment over 48 months commencing from August 2021 to July 2025. As at 30 June 2024, the outstanding principal is about S\$ 1.4 million (2023 - S\$ 2.7 million).

⁽³⁾ Bank loan - RMB168,188,000

The loan comprises RMB9,888,000 which is unsecured and RMB 158,300,000 which is secured over a building value approximately RMB 79,000,000 (2023 - RMB 84,000,000) as disclosed in Note 5, and the restricted cash at bank and deposits (Note 20) and a personal guarantee by a director for credit facilities totalling RMB 82,300,000 (2023 - RMB Nil) granted to certain subsidiaries. The interest rate ranges from 2.5% to 3.55% per annum and is repayable over several repayment dates, commencing with the first repayment in July 2024 and ending with the last repayment in July 2025.

25 Trade and other payables

	The Group		The Company	
	2024	2023	2024	2023
	RMB	RMB	RMB	RMB
Trade payables - External parties	219,145,505	242,606,966	-	-
Other payables	206,458,275	191,797,532	2,307,830	382,913
	425,603,780	434,404,498	2,307,830	382,913
Add:				
Accrued operating expenses (Note 26)	32,305,306	28,054,257	2,856,228	3,001,546
Amount due to related parties (Note 18)	9,304,065	22,846,172	-	-
Interest-bearing loans and borrowings (Note 24)	595,260,226	478,667,468	49,703,782	56,111,754
Less:				
Advances from customers	(184,455,937)	(175,143,879)	-	-
Total financial liabilities carried at amortised cost	878,017,440	788,828,516	54,867,840	59,496,213

Trade and other payables are non-interest bearing and are generally on 30 to 60 days' terms.

Notes to the Financial Statements

for the financial year ended 30 June 2024

26 Other assets/(liabilities)

	The Group		The Company	
	2024 RMB	2023 RMB	2024 RMB	2023 RMB
Non-current assets:				
Rent-free incentives and step rental income				
Provision	–	45,496	–	–
Non-current liabilities:				
Rent-free incentives and step rental income				
Provision	(507,984)	(507,984)	–	–
Current liabilities:				
Accrued operating expenses (Note 25)	(32,305,306)	(28,054,257)	(2,856,228)	(3,001,546)

27(a) Other income

The Group	Note	Year ended	Year ended
		30 June 2024 RMB	30 June 2023 RMB (Restated)
Other income:			
Advertisement and promotional income		66,012,904	69,024,970
Income earned from the early termination of leases by lessee		369,734	8,052,673
Leisure facilities fees		1,103,211	933,683
Management fees	31(a)	4,924,528	4,924,528
Net gain on disposal of property, plant and equipment		–	1,859
Net gain on de-recognition of right-of-use assets		2,190,662	10,530,588
Net gain on lease modification		5,759,949	–
Net gain on disposal of investment in joint ventures		–	589,074
Gain on discounts on bond		–	1,269,984
Government grants		1,266,970	1,633,155
Income from the sale of recycled products		1,028,584	1,384,572
Others		8,653,788	8,489,794
		91,310,330	106,834,880

Notes to the Financial Statements

for the financial year ended 30 June 2024

27(b) Interest income

The Group	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB
Interest income:		
Fixed deposits	3,870,547	5,311,903
Imputed interest from deposit paid to landlords	140,078	1,246,490
Bank accounts and others	382,592	504,271
	4,393,217	7,062,664

27(c) Selling and distribution expenses

The Group	Note	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB
Selling and distribution expenses:			
Employee benefit expense			
- Defined contribution plans		12,000,467	5,547,363
- Salaries, wages, bonuses and other costs		67,250,007	72,689,835
Advertisement and promotion fees		9,460,038	6,807,215
Business and surcharges		7,026,558	7,352,502
Consulting fee		1,361,212	996,217
Depreciation of right-of-use assets	6(a)	55,124,650	61,941,476
Utilities		25,349,931	25,420,031
Upkeep and maintenance of properties		3,924,167	3,871,854
Freight charges		5,029,280	4,511,190
Office supplies		5,918,979	4,678,714
Others		5,184,824	4,393,477
		197,630,113	198,209,874

Others relate mainly to printing and other miscellaneous expenses.

Notes to the Financial Statements

for the financial year ended 30 June 2024

27(d) Administrative expenses

The Group	Note	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB
Administrative expenses:			
Employee benefit expenses			
- Defined contribution plans		7,913,227	1,660,917
- Salaries, wages, bonuses and other costs		65,450,134	66,554,233
Audit fees	27(f)	2,465,809	1,988,419
Amortisation of step rental income		45,496	2,865,373
Bank charges		1,481,394	2,647,775
Directors' fees		755,939	751,586
Depreciation of property, plant and equipment	5	14,595,091	13,583,907
Exchange loss		-	4,013,542
Net loss on disposal of property, plant and equipment		278,767	-
Write-back of impairment loss on property, plant and equipment	5	(21,503)	(201,614)
Property, plant and equipment written off	5	3,175,117	10,524,377
Impairment loss on right-of-use assets	6	-	4,032,172
Reversal of provision for termination of lease		-	(10,370,623)
Property tax		750,989	848,224
Tax fee		137,806	26,389
Telephone		1,461,794	1,343,899
Travelling		1,437,245	1,504,001
Entertainment		691,023	391,686
Repairs and maintenance		1,639,482	1,780,044
Others		8,063,259	3,519,203
		110,321,069	107,463,510

Others related mainly to printing, transport, entertainment and other miscellaneous expenses.

27(e) Finance costs

The Group		Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB
Interest expenses:			
Bond		1,632,071	2,916,280
Lease liabilities		12,910,872	15,097,568
Loans		5,026,497	4,259,273
		19,569,440	22,273,121
Unwinding on discount on bond		467,740	117,755
		20,037,180	22,390,876

Notes to the Financial Statements

for the financial year ended 30 June 2024

27(f) Profit before taxation

Profit before taxation is stated after (charging)/crediting:

The Group	Note	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB (Restated)
Other income:			
Net gain on disposal of property, plant and equipment		–	1,859
Net gain on de-recognition of right-of-use assets		2,190,662	10,530,588
Net gain on lease modification		5,759,949	–
Net gain on disposal of investment in joint ventures		–	589,074
Gain on discounts on bond		–	1,269,984
Government grants		1,266,970	1,633,155
Selling and distribution expenses:			
Employee benefit expense			
- Defined contribution plans		(12,000,467)	(5,547,363)
- Salaries, wages, bonuses and other costs		(67,250,007)	(72,689,835)
Advertisement and promotion fees		(9,460,038)	(6,807,215)
Business and surcharges		(7,026,558)	(7,352,502)
Depreciation of right-of-use assets	6(a)	(55,124,650)	(61,941,476)
Administrative expenses:			
Audit fee:			
- Auditors of the Company		(1,986,887)	(1,489,429)
- Under provision in respect of prior years		(344,515)	(238,712)
Non-audit fees, audit-related services (“ARS”)			
- Auditors of the Company		(134,407)	(260,278)
Non-audit fees, non audit-related services (“Non ARS”)			
- Auditors of the Company		(137,806)	(26,389)
Employee benefit expenses			
- Defined contribution plans		(7,913,227)	(1,660,917)
- Salaries, wages, bonuses and other costs		(65,450,134)	(66,554,233)
Amortisation of step rental income		(45,496)	(2,865,373)
Directors’ fees		(755,939)	(751,586)
Depreciation of property, plant and equipment	5	(14,595,091)	(13,583,907)
Exchange loss		–	(4,013,542)
Net loss on disposal of property, plant and equipment		(278,767)	–
Write-back of impairment loss on property, plant and equipment	5	21,503	201,614
Property, plant and equipment written off	5	(3,175,117)	(10,524,377)
Impairment loss on right-of-use assets	6(a)	–	(4,032,172)
Reversal of provision for termination of lease	26	–	10,370,623

Notes to the Financial Statements

for the financial year ended 30 June 2024

28 Income tax expense

(a) Major components of income tax expense

The major components of taxation for the financial years ended 30 June 2024 and 30 June 2023 are:

The Group	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB
Consolidated income statement:		
Current income tax		
- Current income taxation	1,155,788	4,634,210
- Under/(over) provision in respect of prior years	82,726	(6,524,400)
	<u>1,238,514</u>	<u>(1,890,190)</u>
Deferred tax expense (Note 11)		
- Origination and reversal of temporary differences	(1,120,801)	(1,178,011)
Income tax expense/(credit) recognised in profit or loss	<u>117,713</u>	<u>(3,068,201)</u>

(b) Relationship between tax expense and accounting profit/(loss)

A reconciliation between tax and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial years ended 30 June 2024 and 30 June 2023 are as follows:

The Group	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB (Restated)
Profit before taxation	23,922,504	18,180,393
Share of results of associates and joint ventures, net of tax	(24,376,547)	(16,300,148)
	<u>(454,043)</u>	<u>1,880,245</u>
Tax at the domestic rates applicable to profits in the countries where the Group operates	684,682	528,235
Adjustments:		
Non-taxable income ⁽¹⁾	(3,539,144)	(1,679,480)
Non-deductible expenses ⁽²⁾	(864,746)	412,582
Deferred tax assets not recognised	3,754,195	4,194,861
Under/(over) provision of current taxation in respect of prior years	82,726	(6,524,399)
Tax expense/(credit) recognised in profit or loss	<u>117,713</u>	<u>(3,068,201)</u>

The corporate income tax rates applicable to Singapore and China companies of the Group are 17% and 25%, respectively.

⁽¹⁾ This relates mainly to non-taxable income occurred in the ordinary course of business which includes income earned from the early termination of leases by lessees, gain on disposal of property, plant and equipment, gain on de-recognition of right-of-use assets, gain on disposal of investment in joint ventures and gain on discounts on bond.

⁽²⁾ This relates mainly to disallowed expenditures incurred in the ordinary course of business which includes foreign exchange losses and impairment of right-of-use assets.

Notes to the Financial Statements

for the financial year ended 30 June 2024

29 Earnings per share

Basic and diluted earnings per share are calculated by dividing the profit for the year, net of tax, attributable to owners of the Company for the period by the weighted average number of ordinary shares outstanding of 191,671,662 (2023 - 191,747,700).

30 Commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

The Group	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB
Contracted but not provided for:		
Capital contribution - investment in subsidiaries, associates and joint ventures	35,800,000	44,400,000

31 Related party transactions

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

The Group	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB
Concessionaire income from companies in which Directors have an interest	1,312,325	1,366,224
Revenue from usage of sold prepaid cards from company in which Directors have an interest	12,619,767	1,740,441
Advertisement income received from companies in which Directors have an interest	20,250	328,396
Management fees from a company in which Directors have an interest	4,924,528	4,924,528
Sales commission charged by a company in which Directors have an interest	491,971	417,009
Depreciation of right to use lease properties owned by a company in which Directors have an interest	4,617,529	4,804,325
Interest on payment of lease liabilities for use of lease properties owned by a company in which Directors have an interest	327,245	466,583

Notes to the Financial Statements

for the financial year ended 30 June 2024

31 Related party transactions (Cont'd)

(b) Compensation of key management personnel

	The Group		The Company	
	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB
Short-term employee benefits	6,866,502	6,451,162	4,307,888	4,270,759
Defined contribution plans	266,961	243,682	206,940	215,404
	7,133,463	6,694,844	4,514,828	4,486,163

Comprise amounts paid to:

	The Group		The Company	
	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB
Directors of the Company	3,736,219	3,605,810	2,702,788	2,679,025
Other key management personnel	3,397,244	3,089,034	1,812,040	1,807,138
	7,133,463	6,694,844	4,514,828	4,486,163

32 Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The board of directors reviews and agrees on policies and procedures for the management of these risks, which are executed by the management. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been, throughout the current financial year and previous financial period, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy to monitor receivable balances on an ongoing basis with the result that the Group's exposure to bad debts is not unduly significant.

Notes to the Financial Statements

for the financial year ended 30 June 2024

32 Financial risk management objectives and policies (Cont'd)

(a) Credit risk (Cont'd)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group and the Company's historical information.

The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.
- Significant increases in credit risk on other financial instruments of the same borrower.
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Notes to the Financial Statements

for the financial year ended 30 June 2024

32 Financial risk management objectives and policies (Cont'd)

(a) Credit risk (Cont'd)

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The Group measured the impairment loss allowance using provision matrix and determined that the ECL is insignificant.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

The Group's credit risk framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

Notes to the Financial Statements

for the financial year ended 30 June 2024

32 Financial risk management objectives and policies (Cont'd)

(a) Credit risk (Cont'd)

Exposure to credit risk (Cont'd)

The tables below detail the credit quality of the Group's and the Company's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

The Group	Internal credit rating	12-month or Lifetime ECL	Gross carrying amount RMB	Loss allowance RMB	Net carrying amount RMB
2024					
Trade receivables	(a)	Lifetime	4,521,398	–	4,521,398
Other receivables	Performing	12-month	36,238,978	–	36,238,978
Amount due from associates	(b)	12-month	51,900,000	–	51,900,000
Amount due from a joint venture	(b)	12-month	216,522,724	–	216,522,724
Amount due from related parties	(b)	12-month	3,183,508	–	3,183,508

2023

Trade receivables	(a)	Lifetime	3,928,527	–	3,928,527
Other receivables	Performing	12-month	31,796,213	–	31,796,213
Amount due from associates	(b)	12-month	38,400,000	–	38,400,000
Amount due from a joint venture	(b)	12-month	207,522,724	–	207,522,724
Amount due from related parties	(b)	12-month	4,468,764	–	4,468,764

Cash and cash equivalents, fixed deposits and other receivables are subject to immaterial credit loss.

The Company	Internal credit rating	12-month or Lifetime ECL	Gross carrying amount RMB	Loss allowance RMB	Net carrying amount RMB
2024					
Other receivables	Performing	12-month	279,288	–	279,288
Amount due from a subsidiary	Performing	12-month	28,147,548	–	28,147,548
2023					
Other receivables	Performing	12-month	77,728	–	77,728
Amount due from a subsidiary	Performing	12-month	27,322,306	–	27,322,306

Notes to the Financial Statements

for the financial year ended 30 June 2024

32 Financial risk management objectives and policies (Cont'd)

(a) Credit risk (cont'd)

Exposure to credit risk (Cont'd)

(a) Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The management has also been performing more frequent reviews of sales limits for retail tenants. The recovery from these receivables is assessed individually after consideration of any collateral.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due and writes off the financial asset when a debtor fails to make contractual payments greater than 120 days past due.

(b) Amount due from associates, joint venture and related parties

Non-trade amounts due from associates, a joint venture and related parties relate to advances and payments made on behalf of the Group. These balances are considered to have low credit risk as the Group has control or significant influence over the operating, investing and financing activities of the associates and joint ventures.

There has been no significant increase in the credit risk of the amount due from associates, joint ventures and related parties since initial recognition. In determining the ECL, management has taken into account the finances and business performance of the associates, joint venture and related parties, and a forward-looking analysis of the financial performance of the associates, joint venture and related parties.

Management has assessed that the Group is not exposed to significant credit loss in respect of the non-trade amounts due from associates, joint venture and related parties.

Notes to the Financial Statements

for the financial year ended 30 June 2024

32 Financial risk management objectives and policies (Cont'd)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposures to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's cash and operating cash flows, availability of banking facilities and debt maturity profile are actively managed to ensure adequate working capital requirements and that repayment and funding needs are met.

The Group is currently dependent on its cash flow generated from operations, dividends received from associates and bank borrowings to support its working capital.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

The Group	Less than 1 year RMB	More than 1 year RMB	Total RMB
At 30 June 2024			
Financial assets:			
Trade and other receivables ⁽¹⁾	28,706,094	–	28,706,094
Deposits	3,431,684	12,899,478	16,331,162
Amount due from associates	51,900,000	–	51,900,000
Amount due from a joint venture	216,522,724	–	216,522,724
Amount due from related parties	3,183,508	–	3,183,508
Restricted cash and bank deposits	100,100,000	–	100,100,000
Cash on hand, bank balances and fixed deposits	91,878,173	–	91,878,173
Total undiscounted financial assets	495,722,183	12,899,478	508,621,661
Financial liabilities:			
Trade and other payables	241,147,842	–	241,147,842
Accrued operating expenses	32,305,306	–	32,305,306
Amount due to related parties	9,304,065	–	9,304,065
Lease liabilities	66,958,133	397,165,350	464,123,483
Bank loan	177,055,706	592,758	177,648,464
Non-convertible bonds	–	46,931,665	46,931,665
Total undiscounted financial liabilities	526,771,052	444,689,773	971,460,825
Total net undiscounted financial liabilities	(31,048,869)	(431,790,295)	(462,839,164)

⁽¹⁾ Excludes other deposits.

Notes to the Financial Statements

for the financial year ended 30 June 2024

32 Financial risk management objectives and policies (Cont'd)

(b) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

The Group	Less than 1 year RMB	More than 1 year RMB	Total RMB
At 30 June 2023			
Financial assets:			
Trade and other receivables ⁽¹⁾	24,727,255	–	24,727,255
Deposits	260,750	14,179,810	14,440,560
Amount due from associates	38,400,000	–	38,400,000
Amount due from a joint venture	207,522,724	–	207,522,724
Amount due from related parties	4,468,764	–	4,468,764
Restricted cash and bank deposits	100,000	40,000,000	40,100,000
Cash on hand, bank balances and fixed deposits	152,237,249	40,000,000	192,237,249
Total undiscounted financial assets	427,716,742	94,179,810	521,896,552
Financial liabilities:			
Trade and other payables	259,260,619	–	259,260,619
Accrued operating expenses	28,054,257	–	28,054,257
Amount due to related parties	22,846,172	–	22,846,172
Lease liabilities	66,166,878	305,030,120	371,196,998
Bank loan	133,154,450	7,630,839	140,785,289
Non-convertible bonds	–	47,728,037	47,728,037
Total undiscounted financial liabilities	509,482,376	360,388,996	869,871,372
Total net undiscounted financial liabilities	(81,765,634)	(266,209,186)	(347,974,820)
At 30 June 2024			
Financial assets:			
Other receivables	26,743	–	26,743
Deposits	252,545	–	252,545
Amount due from a subsidiary	28,147,548	–	28,147,548
Cash at banks and fixed deposits	13,410,498	–	13,410,498
Total undiscounted financial assets	41,837,334	–	41,837,334
Financial liabilities:			
Trade and other payables	2,307,830	–	2,307,830
Accrued operating expenses	2,856,228	–	2,856,228
Lease liabilities	135,654	–	135,654
Bank loan	7,043,069	592,758	7,635,827
Non-convertible bonds	–	46,931,665	46,931,665
Total undiscounted financial liabilities	12,342,781	47,524,423	59,867,204
Total net undiscounted financial liabilities	29,494,553	(47,524,423)	(18,029,870)

⁽¹⁾ Excludes other deposit.

Notes to the Financial Statements

for the financial year ended 30 June 2024

32 Financial risk management objectives and policies (Cont'd)

(b) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

The Company	Less than 1 year RMB	More than 1 year RMB	Total RMB
At 30 June 2023			
Financial assets:			
Other receivables	–	6,712	6,712
Deposits	375	77,353	77,728
Amount due from a subsidiary	27,322,306	–	27,322,306
Cash at banks and fixed deposits	6,509,053	–	6,509,053
Total undiscounted financial assets	33,831,734	84,065	33,915,799
Financial liabilities:			
Trade and other payables	382,913	–	382,913
Accrued operating expenses	3,001,546	–	3,001,546
Lease liabilities	271,711	–	271,711
Bank loan	7,041,599	7,630,839	14,672,438
Non-convertible bonds	–	47,728,037	47,728,037
Total undiscounted financial liabilities	10,697,769	55,358,876	66,056,645
Total net undiscounted financial liabilities	23,133,965	(55,274,811)	(32,140,846)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from bank borrowings and cash placed with financial institutions.

The interest rates of cash and fixed deposits placed with financial institutions, lease liabilities, and loans and borrowings are disclosed in Notes 6(b), 19, 20, and 24 to the financial statements, respectively.

The Group and Company are not exposed to variable rate interest rates and the interest rates are fixed at the inception of loans and borrowings.

Notes to the Financial Statements

for the financial year ended 30 June 2024

32 Financial risk management objectives and policies (Cont'd)

(d) Commodity price risk

Commodities traded by the Group are subject to fluctuations due to a number of factors that result in price risk.

The Group purchases and sells various gold inventories and is exposed to adverse price movements in these commodities. The Group has established policies and exposure limits that restrict the amount of gold inventories in place.

The Group's market risk appetite is determined by the Chief Executive Officer, with detailed exposure limits recommended by the Board of Directors.

At reporting date, if the commodities price index increased by 2% with all other variables held constant, the Group's profit net of tax would have increased by RMB 1,654,694 (2023 - RMB 1,372,610), arising from the inventory held at reporting date.

33 Dividends

The Group and The Company	Year ended 30 June 2024 RMB	Year ended 30 June 2023 RMB
<i>Declared and paid during the financial year:</i>		
<i>Dividends on ordinary shares:</i>		
- Final exempt (one-tier) dividend for 30 June 2023 – SGD 1.0 cent (30 June 2022 - Nil) per share	10,263,591	–
<i>Proposed but not recognised as a liability as at 30 June:</i>		
<i>Dividends on ordinary shares, subject to shareholders' approval at the AGM</i>		
- Final exempt (one-tier) dividend for 2024 - SGD 1.0 cent (2023 - SGD 1.0 cent) per share	10,275,608	10,185,254

The difference between the dividend declared at the end of the financial year 2023 and the actual dividend paid in the financial year 2024 was due to translation differences.

Notes to the Financial Statements

for the financial year ended 30 June 2024

34 Fair values of assets and liabilities

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group and the Company have no financial assets and liabilities measured at fair value at 30 June 2024 and 30 June 2023.

Financial instruments that are not carried at fair value and whose carrying amount are reasonable approximation of fair value

The carrying amounts of cash on hand, bank balances and fixed deposits, current trade and other receivables, amount due from a subsidiary, associates, a joint venture and related parties, current trade and other payables, amount due to related parties and current bank loans and borrowings and current lease liabilities based on their notional amounts, reasonably approximate their fair values due to their short-term nature.

The carrying amounts of non-current bank loans and current lease liabilities approximate fair values as their interest rates approximate the market lending rate and they are repriced frequently. For non-current payables and receivables, their fair values are not significantly different from their carrying amount.

Notes to the Financial Statements

for the financial year ended 30 June 2024

35 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2024 and 30 June 2023.

As disclosed in Note 23(c), subsidiaries in PRC are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiaries for the financial years ended 30 June 2024 and 30 June 2023.

Apart from the above, the Group is not subjected to any externally imposed capital requirements.

36 Events occurring after the reporting period

Below is the list of events occurring after the reporting period as follows:

- (i) The Group has acquired an office unit in Singapore at purchase consideration of S\$838,000. 1% of purchase consideration of S\$8,380 was made on 3 May 2024, followed by a 4% of option fee S\$33,520 paid on 1 June 2024. The transaction was completed in August 2024.
- (ii) In July 2024, the Company repurchased a total of 20,300 number of shares at total consideration of S\$13,189.
- (iii) At end August 2024, the Group has signed an agreement with the landlord to terminate the remaining lease of an underperforming store, Jinfeng store.

Notes to the Financial Statements

for the financial year ended 30 June 2024

37 Comparative figures

In the previous financial year, part of gain of \$567,114 on disposal of joint ventures had been wrongly presented under other comprehensive income instead of profit or loss. This included the foreign exchange translation reserve, which had been incorrectly transferred to retained earnings. Adjustments had been made to restate the prior year figures.

As a result of the above, certain line items have been reclassified in the consolidated statement of profit or loss and other comprehensive income, earnings per share, consolidated statement of cash flows, and consolidated statements of changes in equity as follows:

Consolidated statement of profit or loss and other comprehensive income	As previously reported, 30 June 2023 RMB	Reclassifications RMB	As restated, 30 June 2023 RMB
Other income	106,267,766	567,114	106,834,880
(Loss)/profit before taxation and share of results of joint ventures and associates	1,313,131	567,114	1,880,245
Profit before taxation	17,613,279	567,114	18,180,393
Profit for the year	20,681,480	567,114	21,248,594
<u>Other comprehensive loss after tax:</u>			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Loss on foreign currency translation	(2,311,970)	(567,114)	(2,879,084)
Other comprehensive loss for the year, net of tax	(2,311,970)	(567,114)	(2,879,084)
Earnings per share	10.79	0.29	11.08
	As previously reported, 30 June 2023 RMB	Reclassifications RMB	As restated, 30 June 2023 RMB
Consolidated statement of cash flows			
Profit before taxation	17,613,279	567,114	18,180,393
Net gain on disposal of investment in joint ventures	(21,960)	(567,114)	(589,074)
	As previously reported, 30 June 2023 RMB	Reclassifications RMB	As restated, 30 June 2023 RMB
Consolidated statement of changes in equity			
Profit for the year	20,681,480	567,114	21,248,594
Exchange differences on translating foreign operations	(2,311,970)	(567,114)	(2,879,084)
Statutory reserves	40,416,520	567,114	40,983,634

Statistics of Shareholdings

As at 18 September 2024

Issue and fully paid-up capital	:	SGD 13,620,000
Number of shares (excluding treasury shares)	:	191,643,400
Number of treasury shares held	:	4,676,600
Class of shares	:	Ordinary
Voting rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS		NO. OF SHARES	
		%		%
1 - 99	-	-	-	-
100 - 1,000	33	13.04	25,900	0.01
1,001 - 10,000	88	34.78	491,200	0.26
10,001 - 1,000,000	112	44.27	14,897,600	7.77
1,000,001 AND ABOVE	20	7.91	176,228,700	91.96
TOTAL	253	100.00	191,643,400	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LEE SWEE KENG	43,790,700	22.85
2	CHEN KAITONG	41,400,680	21.60
3	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	27,911,100	14.56
4	SU CAIYE	20,690,700	10.80
5	SU JIANLI	5,309,932	2.77
6	LIM CHIN HIAN	5,000,000	2.61
7	RAFFLES NOMINEES (PTE.) LIMITED	4,686,800	2.45
8	DBS NOMINEES (PRIVATE) LIMITED	3,899,700	2.03
9	LIM KOK TONG	3,536,088	1.85
10	LIM CHIN KEONG JASON	3,300,000	1.72
11	LINGCO HOLDINGS PTE LTD	2,500,000	1.30
12	CITIBANK NOMINEES SINGAPORE PTE LTD	2,090,400	1.09
13	WEE CHOO CHUAN	2,020,000	1.05
14	SEAH CONSTRUCTION PTE LTD	2,000,000	1.04
15	SONG XIBIN	1,943,100	1.01
16	LINGCO MARINE PTE LTD	1,500,000	0.78
17	LIM ENG HOCK	1,273,000	0.66
18	SIA LING SING	1,213,000	0.63
19	CHUA KIAN LIN	1,160,000	0.61
20	POH HENG	1,003,500	0.52
	TOTAL	176,228,700	91.93

Statistics of Shareholdings

As at 18 September 2024

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 18 September 2024)

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Lee Swee Keng	43,790,700	22.85	–	–
Chen Kaitong	41,400,680	21.60	–	–
Su Caiye	20,690,700	10.80	–	–
Qingshui Energy Pte Ltd	17,500,000	9.13	–	–

FREE FLOAT

Based on the information available to the Company as at 18 September 2024, approximately 35.55% of the issued ordinary shares of the Company was held by the public. Accordingly, Rule 723 of the Rules of Mainboard has been complied with.

Notice of Annual General Meeting

年度股东大会通告

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Zhongmin Baihui Retail Group Ltd. (the “**Company**”) will be convened and held at Grand Mercure Roxy Hotel on Tuesday, 29 October 2024, at 10:00 a.m., for the purpose of transacting the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the audited financial statements for the financial year ended 30 June 2024 together with the Directors’ Statement and Auditor’s Report thereon. **(Resolution 1)**
2. To declare a final one-tier tax exempt dividend of 1.0 Singapore cent per ordinary share for the financial year ended 30 June 2024. **(Resolution 2)**
3. To pre-approve the payment of up to S\$141,000 as Directors’ fees for the financial year ended 30 June 2025 to be paid in arrears. **(Resolution 3)**
4. To re-elect the following Directors retiring pursuant to Regulation 104 of the Company’s Constitution¹:
 - (a) Mr. Chen Kaitong; and **(Resolution 4)**
 - (b) Mr. Kho Kewee. **(Resolution 5)****[See Explanatory Notes 1 and 2]**
5. To re-appoint Messrs Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. General authority to issue and allot shares

“That pursuant to Section 161 of the Companies Act 1967 (the “**Act**”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:

- (A) (i) allot and issue shares in the capital of the Company (the “**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require new Shares to be issued and allotted, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

¹ Pursuant to the amendments of the Companies Act 1967, the Memorandum and Articles of Association of the Company are deemed by law to be merged to form the Constitution of the Company.

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at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company shall in their absolute discretion deem fit; and

(B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) allot and issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force, provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) and convertible securities to be allotted and issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to the existing shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as at the time of passing of this Resolution);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and convertible securities that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company shall be based on the total number of issued Shares (excluding treasury shares) at the time this authority is given, after adjusting for: -

(i) new Shares arising from the conversion or exercise of convertible securities;

(ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of passing of the Resolution approving the mandate, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue, consolidation or sub-division of Shares.

Any adjustments made in accordance with sub-paragraphs (2)(i) and (2)(ii) above shall only be made in respect of new Shares arising from convertible securities and Instruments which were issued and outstanding and/or subsisting at the time of the passing of this Resolution.

(3) in exercising the authority conferred by this Resolution, the Directors shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

(Resolution 7)
[See Explanatory Note 3]

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8. Proposed Share Buyback Mandate

“That:

(A) For the purposes of the Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the issued ordinary shares fully paid in the capital of the Company (“**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) on-market purchases, transacted on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) through the SGX-ST’s Central Limit Order Book (CLOB) trading system or through one or more duly licensed stockbrokers appointed by the Company for the purpose (“**Market Purchase**”); and/or
- (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the rules of the SGX-ST Listing Manual (“**Off-Market Purchases**”),

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the SGX-ST Listing Manual as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (“**Share Buyback Mandate**”);

(B) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on:

- (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Shareholders in a general meeting,

whichever is the earlier;

(C) in this Resolution:

“**Prescribed Limit**” means 10% of the total number of Shares in the Company as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which even the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

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“**Relevant Period**” means the period commencing from the date on which the resolution authorising the Share Buyback Mandate is passed and expiring on the date the next Annual General Meeting is held or required by law to be held, whichever is the earlier, after the date of this Resolution;

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding applicable brokerage, stamp duties, goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase: 105% of the Average Closing Price;
- (ii) in the case of an Off-Market Purchase: 120% of the Highest Last Dealt Price,

where:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five market days on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant five market days;

“**Highest Last Dealt Price**” means the higher price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (D) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient, incidental, necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”

(Resolution 8)

By Order of the Board

Chia Foon Yeow
Company Secretary
14 October 2024

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Explanatory Notes:

1. Mr. Chen Kaitong will, upon re-election as a director, remain as Chief Executive Officer and Executive Director of the Company.
2. Mr. Kho Kewee will, upon re-election as a director, remain as Chairman of the Remuneration Committee and Nominating Committee and a member of the Audit Committee. The Board considers Mr. Kho Kewee to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
3. Under the Listing Manual of the SGX-ST, a share issue mandate approved by shareholders as an ordinary resolution will enable directors of an issuer to issue an aggregate number of new shares and convertible securities of the issuer of up to fifty per cent (50%) of the issued share capital of the issuer (excluding treasury shares) as at the time of passing of the resolution approving the share issue mandate, of which the aggregate number of new shares and convertibles securities issued other than on a pro-rata basis to existing shareholders must be not more than twenty per cent (20%) of the issued share capital of the issuer (excluding treasury shares).

The Directors are of the opinion that the proposed share issue mandate will enable the Company to respond faster to business opportunities and to have greater flexibility and scope in negotiating with third parties in potential fundraising exercises or other arrangements or transactions involving the capital of the Company.

Ordinary Resolution 7, if passed, will empower the Directors from the date of the above Annual General Meeting until the date of the next annual general meeting, to issue and allot Shares and/or Instruments. The aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may issue and allot under this Resolution, shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares). For issues of Shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares). This authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue Shares pursuant to any convertible securities issued under this authority.

Notes:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote instead of him/her.
2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.
4. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.
5. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be (i) sent by email to AGM@zhongminbaihui.com.sg in Portable Document Format (PDF) or (ii) deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632, not less than 48 hours before the time appointed for holding the Meeting.

Submission of Questions prior to the Annual General Meeting

1. A member of the Company may submit questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations no later than 5.30 p.m. on 21 October 2024 by email to AGM@zhongminbaihui.com.sg or by post to the Company's office at 80 Marine Parade Road #13-07 Parkway Parade Singapore 449269.
2. The Company will upload the responses to the substantial and relevant questions from shareholders on the SGXNET and Company's website by 25 October 2024, 10:00 am.

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3. The Company endeavours to address (i) subsequent clarifications sought (ii) follow-up questions or (iii) subsequent substantial and relevant questions which are received after its responses referred to at (b) above, at the Meeting itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Additional Information on Director Proposed to be Appointed as a Director for the First Time and Existing Directors Seeking Re-Election to the Board

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), we set out below the additional information on Mr. Chen Kaitong and Mr. Kho Kewee, who are seeking re-election as Directors at the forthcoming Annual General Meeting. The information shall be read in conjunction with their respective biographies on page 32 of the Annual Report.

	Mr. Chen Kaitong	Mr. Kho Kewee
Date of Appointment	9 December 2008	29 July 2021
Date of last re-appointment	25 November 2022	NA
Age	58	54
Country of Principal Residence	China	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The re-election of Mr. Chen as a Chief Executive Officer and Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.</p> <p>Mr. Chen has abstained from the deliberation of the Board pertaining to his re-election.</p>	<p>The re-election of Mr. Kho as an Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.</p> <p>Mr. Kho has abstained from the deliberation of the Board pertaining to his re-election.</p>
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chief Executive Officer and Executive Director	Independent Non-executive Director, Chairman of the Remuneration and Nominating Committees, and a Member of the Audit Committee
Professional qualifications	Nil	<ol style="list-style-type: none"> 1. Bachelor of Science, Business (Finance and International Business) from Indiana University 2. Graduate Certificate in International Arbitration from National University of Singapore, Law

	Mr. Chen Kaitong	Mr. Kho Kewee
Working experience and occupation(s) during the past 10 years	Please refer to Mr. Chen's biography set out under the section "Board of Directors" of the Annual Report.	Please refer to Mr. Kho's biography set out under the section "Board of Directors" of the Annual Report.
Shareholding interest in the Company and its subsidiaries	Please refer to the information disclosed in the Directors' Statement which can also be found in the Annual Report.	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries	Mr. Chen is a distant relative of Mr. Lee Swee Keng ("Mr. Lee"). Mr. Lee's grandmother's brother is the Mr. Chen's father.	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes
OTHER PRINCIPAL COMMITMENTS INCLUDING DIRECTORSHIPS		
Past (for the last 5 years)	Nil	<ol style="list-style-type: none"> 1. Courts Asia Limited 2. MS Holdings Limited 3. Castell Logistics Pte Ltd
Present	Nil	<ol style="list-style-type: none"> 1. Pillars & Woggs LLP 2. Nautilus Maritime Pte Ltd 3. The Private Museum Limited
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

	Mr. Chen Kaitong	Mr. Kho Kewee
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

	Mr. Chen Kaitong	Mr. Kho Kewee
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

	Mr. Chen Kaitong	Mr. Kho Kewee
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>

ZHONGMIN BAIHUI RETAIL GROUP LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200411929C)

Important:

- 1 For investors who have used their SRS monies to buy the Shares, this report is forwarded to them at the request of their SRS Approved Nominees and is sent solely FOR INFORMATION ONLY.
- 2 This Proxy Form is not valid for use by SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM**ANNUAL GENERAL MEETING**

I/We, _____ (Name)

_____ (NRIC/Passport No.)

of _____ (Address)

being a member/members of ZHONGMIN BAIHUI RETAIL GROUP LTD. (the "Company") hereby appoint the Chairman of the Meeting or:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

as my/our proxy/proxies to vote for me/us on my/our behalf, at the Annual General Meeting ("AGM") of the Company, to be held at Grand Mercure Roxy Hotel located at 50 East Coast Road, Roxy Square, Singapore 428769 on Tuesday, 29 October 2024, at 10:00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM.

No.	Resolutions relating to:	For*	Against*
1.	Adoption of Audited Financial Statements, Directors' Statement and Auditor's Report		
2.	To declare a final one-tier tax exempt dividend of 1.0 Singapore cent per ordinary share for the financial year ended 30 June 2024		
3.	Pre-approval of payment of up to S\$141,000 as Directors' fees for the financial year ended 30 June 2025 to be paid in arrears.		
4.	(a) Re-election of Mr. Chen Kaitong as a Director (Regulation 104)		
5.	(b) Re-election of Mr. Kho Kewee as a Director (Regulation 104)		
6.	Re-appointment of Messrs Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix their remuneration		
7.	Authority to issue and allot shares pursuant to Section 161 of the Companies Act 1967		
8.	Approval of the proposed Share Buyback Mandate		

*Please indicate your vote "For" or "Against" with a tick (✓) within the box provided.

Dated this _____ day of _____, 2024.

TOTAL NUMBER OF SHARES IN :

(a) CDP Register

(b) Register of Members

Signature(s) of Member(s) or
Common Seal of Corporate Member(s) or
Duly Authorised Attorney/Officer of Member(s)

(Please see notes overleaf before completing this form)



Notes

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act 1967 of Singapore (the “Act”), a member entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his stead.
2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. Where a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company’s option to treat this proxy form as invalid.
4. A proxy need not be a member of the Company.
5. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by you.
6. This proxy form must be (i) sent by email to AGM@zhongminbaihui.com.sg in Portable Document Format (PDF) or (ii) deposited at the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632 in either case not less than 48 hours before the time set for the Meeting (i.e. no later than 10:00 am on 27 October 2024).
7. This proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
8. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form shall be treated as invalid.
9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

企业资讯

Board of Directors

Lee Swee Keng
Executive Chairman

Chen Kaitong
Chief Executive Officer

Yee Chia Hsing
Independent Director

Zou Qige
Independent Director

Kho Kewee
Independent Director

Company Secretary

Chia Foon Yeow

Registered Office

80 Marine Parade Road
#13-07 Parkway Parade
Singapore 449269

Share Registrar

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

Auditors

Foo Kon Tan LLP
1 Raffles Place #04-61/62
One Raffles Place, Tower 2
Singapore 048616

Partner In-charge:

Ong Soo Ann
(Appointed since financial year ended 30 June 2023)

Bankers

Bank of China
Bank of Communications
China Construction Bank Corporation
China Minsheng Bank
CIMB Bank Berhad, Shanghai Branch
Fujian Haixia Bank Co Ltd
Agricultural Bank of China
Industrial and Commercial Bank of China
Industrial Bank Co., Ltd.
Rural credit cooperative
United Overseas Bank Limited
Xiamen Bank Co., Ltd.



百汇购物 温馨倍至

中闽百汇零售集团有限公司
ZHONGMIN BAIHUI RETAIL GROUP LTD.

(Co.Registration No.:200411929C)

80 Marine Parade Road #13-07 Parkway Parade Singapore 449269