JAPAN FOODS HOLDING LTD.

ANNUAL REPORT 2024

BUILDING MOMENTUM CREATING VALUE

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CORPORATE PROFILE

Established in Singapore in 1997 and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited in February 2009, Japan Foods Holding Ltd ("**Japan Foods**") is one of the leading Japanese restaurant chains in Singapore.

Constantly evolving with changing consumer tastes, Japan Foods operates a growing network of restaurants under an expanding portfolio of Japanese-concept brands that are either franchised from Japan or self-developed by its in-house culinary team. To widen its customer reach, Japan Foods launched its first self-developed Japanese Halal-concept restaurant called "Tokyo Shokudo" in 2020. Today, Halal-concept brands make up a substantial portion of the Group's portfolio as it continues to make inroads in this segment.

Regionally, the Group's network extends beyond Singapore to include a restaurant in Malaysia under a sub-franchise agreement and restaurants in Hong Kong, China and Indonesia operated by associated companies.

Besides its franchised and self-developed brands, Japan Foods operates restaurants in Singapore through a joint venture company with Minor Food Group (Singapore) Pte Ltd. Brands operated by the joint venture company include "Extra Virgin Pizza" and "Pizzakaya".

Over the years, Japan Foods has consistently been recognised for its efforts in corporate governance. The Group has won SIAS Investors' Choice Awards five times, including Winner in the "Most Transparent Company (Catalist)" in 2016; Winner in the "Transparency Award – SMEs" in 2017; Runner-Up in the "Most Transparent Company – Hotel / Restaurant" award category in 2018; Runner-Up in the "Most Transparent Company Award (Consumer Discretionary)" in 2022; and, Winner in the "Most Transparent Company Award (Consumer Discretionary)" in 2023. It has also received awards at the Singapore Corporate Awards twice, including "Best Managed Board Award (Gold)" in 2018 and "Best Annual Report (Silver)" in 2019.

SELF-DEVELOPED BRANDS:

- **Tokyo Shokudo**
- **Yakiniku Shokudo**
- **Fruit Paradise**
- **Milan Shokudo**
- **Godaime**
- **Edo Shokudo**
- **Yakiniku Taro**
- **Yakiniku Kai**
- **Romana Pizza & Pasta**
- **Kyoto Shokudo**
- **Milan Tei**
- **BBQ Seoul Shokudo**

FRANCHISED BRANDS:

- **Ajisen Ramen**
- **Konjiki Hototogisu**
- **Shitamachi Tendon Akimitsu**
- **Menya Musashi**
- **Tori Sanwa**
- **Osaka Ohsho**
- **Kageyama**
- **Afuri Ramen**
- **Yonehachi**
- **Menzo Butao**
- **New ManLee Bak Kut Teh**

AT A GLANCE

OUR NETWORK AND OPERATIONS

(AS AT 31 MARCH 2024)

79

SELF-OPERATED RESTAURANTS IN SINGAPORE

17

RESTAURANTS OPERATED BY ASSOCIATED COMPANIES IN CHINA, HONG KONG AND INDONESIA

1

RESTAURANT OPERATED BY SUB-FRANCHISEE IN MALAYSIA

3

RESTAURANTS OPERATED BY JOINT VENTURE COMPANY IN SINGAPORE

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IMPROVE PROFITABILITY THROUGH TARGETED MARKETING ACTIVITIES TO INCREASE SAME-STORE SALES, WHILE MANAGING COSTS

02

ONGOING EFFORTS TO REFRESH AND REJUVENATE BRAND AND RESTAURANT PORTFOLIO TO SOLIDIFY MARKET POSITION

03

EMBRACE TECHNOLOGY TO IMPROVE OPERATIONAL EFFICIENCY TO REDUCE RELIANCE ON LABOUR

04

SEEK SUITABLE PARTNERS TO EXECUTE OVERSEAS EXPANSION PLANS AT THE OPPORTUNE TIME

AT A GLANCE

OUR FOCUS ON SHAREHOLDERS' VALUE

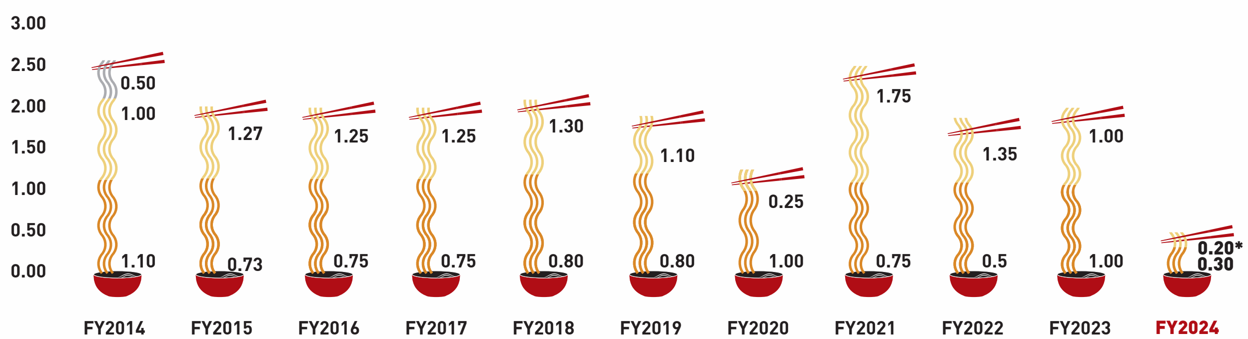
We are focused on growing long-term shareholders' value and we have been consistently rewarding shareholders with cash dividends since FY2009.

Our total dividend payment in respect of FY2024 will be 0.50 Singapore cents per share, comprising the interim dividend of 0.3 Singapore cent per share already paid in December 2023 and the proposed final dividend of 0.2 Singapore cents per share.

For financial resilience and prudence, amidst challenging and uncertain market conditions, the Board has adjusted the Company's dividend policy[1]. From the current financial year ending 31 March 2025 onwards, the Company will target to distribute at least 50% of the audited consolidated net profit attributable to shareholders.

DIVIDEND HISTORY

STRONG TRACK RECORD OF PAYING DIVIDENDS (SINGAPORE CENTS)



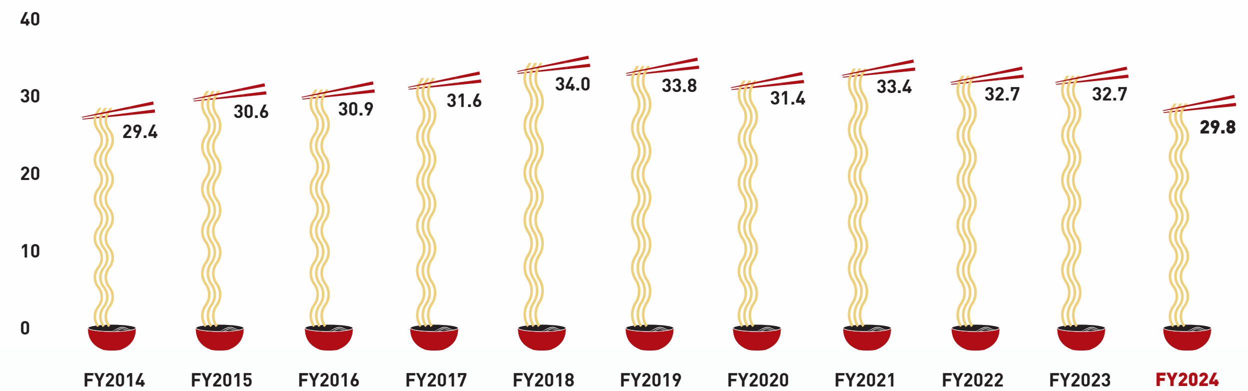
DIVIDEND PAYOUT RATIO (%)

FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
53.2	73.5	92.2	74.6	63.1	98.9	214.0	120.1	99.8	84.5	(178.5)#

* Proposed final dividend, subject to shareholders' approval at the upcoming AGM in July 2024.
# Negative ratio due to dividend payout despite net attributable loss in FY2024.

SHAREHOLDERS' EQUITY

S$' MILLION



1 The targeted dividend payout ratio is subject to the Group's business requirements and other relevant considerations and barring unforeseen circumstances. The amount of dividends will depend on the Group's operating results, financial conditions such as cash position and retained earnings, other cash requirements including capital expenditure, restrictions on payment of dividends imposed on the Group by financing arrangements (if any) and other factors deemed relevant by the Directors. The abovementioned statements are merely statements of the Board's present intention and do not constitute legally binding obligations on the Company in respect of payment of dividend.

OUR FRANCHISED BRANDS

As at 31 March 2024

AJISEN RAMEN

"Ajisen Ramen" is the Group's flagship brand and was first introduced to the Singapore market in 1997. The word "ajisen" means a thousand tastes in Japanese. "Ajisen Ramen" originated from Kumamoto, Japan, in 1968. Known for its rich and aromatic tonkatsu soup base which is derived from hours of boiling pork bones, the brand features a wide selection of ramen to satisfy all customers. It is an internationally recognised brand with presence in Singapore, Malaysia, China, Hong Kong, and the United States.

"Ajisen Tanjiro" is an extension of the "Ajisen Ramen" brand and carries the signature favourites of the latter as well as rice set meals, maze soba (or dry ramen) and an exciting line-up of side dishes.

AFURI RAMEN

Established in Kanagawa, Japan over 10 years ago, "Afuri Ramen" is known for its signature chicken and dashi-based broth that is flavoured with a splash of citrusy yuzu. This gives it a light, refreshing and more delicate taste that is favoured by those who are health conscious. The menu also offers other ramen varieties such as vegan ramen, cold ramen and tsukemen.

KAGEYAMA

"Kageyama" is an award-winning franchised brand from Tokyo, Japan that is known for its tori-paitan ramen, which literally translates to mean "ramen in white soup". Kageyama's ramen is served with a chicken broth that is thick, rich, and creamy with collagen after hours of simmering. Kageyama made it to Tokyo's Ramen of the Year list, which features the city's best ramen offerings, between 2021 and 2023. It was awarded the Gold Medal for all three years.

KONJIKI HOTOTOGISU

"Konjiki Hototogisu" is a collaboration with Chef Atsuyuki Yamamoto who is behind Tokyo's "Sobahouse Konjiki Hototogisu", which was featured in the Michelin Guide Tokyo Bib Gourmand from 2015 until 2017. The restaurant was awarded One Michelin Star in 2018, an honour it held until 2022. While Chef Yamamoto's Tokyo restaurant is known for its full-bodied clam, chicken and pork-based broth, he has also created oyster and crab-based broths that are unique to the brand in Singapore.

"Maze Soba Hototogisu" is a brand extension of "Konjiki Hototogisu". Contrary to the latter, which is known for its noodles in broth, "Maze Soba Hototogisu" features a variety of maze soba, or "dry ramen" that is eaten by dipping the noodles into a separate bowl of richly flavoured broth before slurping it up quickly to catch some of the liquid. Supervised by Chef Yamamoto himself, the soba is served with different topping and sauce options to create a unique blend of flavours.

MENYA MUSASHI

Named after the legendary samurai, Miyamoto Musashi, who was famed for his distinctive "double-sword style", the award winning "Menya Musashi" has gained quite a cult following among ramen fans in Japan and abroad since making its debut in Tokyo in 1996. With "originality" as its motto, "Menya Musashi" has turned the preparation of ramen into a fine and revolutionary art-form. It was recognised as one of the first ramen brands to combine meat and fish-based broths and offers multiple concepts and tastes that can be adapted to suit the locality of the store.

OUR FRANCHISED BRANDS

MENZO BUTAO

Established in 1936, "Menzo Butao" specialises in Hakata Tonkatsu Ramen and offers more than 20 varieties of the dish. There are three delicious soup bases to choose from – Butao (White), Kuroo (Black) and Akao (Red). The Butao base is pork broth made from boiling pork bones and sinews for over 14 hours to extract all the natural flavour from the bones. This soup base is flown in from Japan and it is mixed with more pork bones in Singapore and simmered for several more hours to obtain the right consistency and flavour. The Kuroo broth is an emulsion of fried shallots and vegetable oil and the Akao broth is slightly spicy as it contains chilli oil but gets its red colour from the Gochujang (Korean Miso) and Doubanjiang (Chinese Miso).

OSAKA OHSHO

Established in 1969, "Osaka Ohsho" specialises in gyoza (or Japanese style dumplings), which is a popular street food in Osaka that is also often offered as a side dish in Japan. At "Osaka Ohsho", gyozas are the main event. Customers can choose to have the minced pork filling with cabbage, chives, ginger or garlic. Each tasty morsel is pan-grilled to perfection.

SHITAMACHI TENDON AKIMITSU

Originally from Asakusa in Tokyo, Japan, "Shitamachi Tendon Akimitsu" specialises in traditional Tendon (or rice bowls topped with a selection of freshly deep-fried tempura). It was started by Chef Akimitsu Tanihara, a 5th generation successor, whose family founded and has been operating the Dote No Iseya tempura restaurant in Asakusa since 1889. The chef's secret recipe for the batter and his unique frying technique creates a light, airy and crispy coating. Drizzled with a special sauce, every bite of the dish is a delight.

NEW MANLEE BAK KUT TEH

"New ManLee Bak Kut Teh" was the Group's first non-Japanese concept franchised from a business that was established over 40 years ago in Kuala Lumpur, Malaysia. "New ManLee Bak Kut Teh" offers two versions of bak kut teh (or pork rib soup) – Singapore-style white peppery soup and Malaysia-style black herbal soup. In keeping with the Group's Japanese roots, "New ManLee Bak Kut Teh" offers Japanese udon noodles with its bak kut teh, in addition to the usual rice, and side dishes that is traditionally eaten with this dish.

TORI SANWA

With over 120 years of history, "Tori Sanwa" was established in Nagoya in 1900 and became Japan's first oyako don specialty restaurant. Its signature rice bowl is topped with chunks of torched chicken blanketed by a layer of creamy egg that is simmered with the family's secret "kaeshi" flavouring sauce. Other highlights on the menu is its award-winning fried kaarage which won the first prize in the Kaarage Grand Prix in 2019.

YONEHACHI

Established in 1976, "Yonehachi" has more than 90 shops across Japan serving okowa (or glutinous rice mixed with different ingredients). "Yonehachi" uses only top quality rice from northern Japan such as Iwate and Akita, and makes the dish the traditional way. This draws out the flavours of each ingredient, while bringing out the fragrance of the rice.

OUR SELF-DEVELOPED BRANDS

As at 31 March 2024

GODAIME

"Godaime" is the Group's first self-developed halal Maze Soba restaurant that specialises in maze soba (or dry ramen). The bouncy noodles come drenched in a meat sauce that diners toss with additional condiments such as Japanese chilli oil and vinegar. To take their experience to the next level, diners can order add-ons such as chashu and fried chicken.

BBQ SEOUL SHOKUDO

"BBQ Seoul Shokudo" is the Group's first Korean concept restaurant. It serves Korean-style BBQ, offering well marinated beef and chicken together with the quintessential side dishes, or kimchi, that always accompany a Korean meal. Other dishes include jjigae, or stews, and bibimbap, which are rice bowls topped with meat, lots of lightly blanched vegetables, a sunny-side up egg and a generous dollop of gochujang, which is a spicy paste made of fermented soy beans.

EDO SHOKUDO

"Edo Shokudo" is the Group's first twin concept restaurant featuring both ramen and teppanyaki. Its ramen come with a choice of three soup bases – original, spicy and curry, which are rich in collagen from hours of boiling the chicken and keeping it at a constant simmer to give the broth a rich consistency. The menu also features teppanyaki rice sets, yakisoba and authentic Hiroshima-style okonomiyaki, which is a savoury Japanese pancake with a selection of ingredients such as vegetables, meat and seafood. A drizzle of okonomiyaki sauce and aonori (dried seaweed) completes the culinary experience.

FRUIT PARADISE

"Fruit Paradise" is one of the Group's self-developed brands. It offers tarts topped with Chantilly cream and a variety of fresh fruits, which are carefully selected daily. Crowd favourites include the Chocolate-Banana Tart, Mixed Berries Chocolate Tart and the Mango-Strawberry Tart.

KYOTO SHOKUDO

"Kyoto Shokudo" offers a taste of Kyoto with its wide array of matcha dessert options, such as the Matcha Parfait, Matcha Panna Cotta and Matcha Anmitzu. In addition to these delectable desserts, the café also serves a variety of Japanese cuisine options such as udon and donburi dishes to satiate customers' cravings for a hearty meal.

OUR SELF-DEVELOPED BRANDS

MILAN SHOKUDO

"Milan Shokudo" is the Group's first halal Japanese-Italian fusion concept featuring hand-made pasta, pizza, doria and grilled items, a wide selection of side dishes and drinks on free flow. The menu has a fine selection of desserts for diners to end their meal on a sweet note.

ROMANA PIZZA & PASTA

"Romana Pizza & Pasta" combines traditional Italian flavours with Japanese flair for a unique culinary experience for all diners. The menu features a delectable selection of handmade pizza and pasta, and creamy doria topped with hearty meat sauces.

YAKINIKU KAI

"Yakiniku Kai" is a Japanese-style barbeque restaurant that caters to all meat lovers. The menu features premium cuts such as Wagyu, Angus Sirloin Steak and Kurobuta (premium pork) served with various rice and noodle options. The restaurant also offers a variety of tasty side dishes and small bites that are perfectly paired with its carefully curated selection of sake and beer.

YAKINIKU TARO

The Group's self-developed "Yakiniku Taro" brand is a Japanese-style grill restaurant that features different cuts of beef, including premium wagyu. With some guidance from the staff, customers grill their own meats at their tables according to their preferred done-ness. Chicken is also available for those who do not consume beef. The meats are served with the brand's signature dipping sauces to elevate the taste.

MILAN TEI

"Milan Tei" is a brand extension of "Milan Shokudo". All its pizzas and pastas are freshly handmade to order. The restaurant also features pasta soups, doria and grilled items.

TOKYO SHOKUDO

"Tokyo Shokudo" is the Group's flagship halal-certified brand. It features both ramen and tsukemen topped with chicken or seafood and served with chicken, yuzu or tom yum flavoured broths. The brand also offers tendon from the Group's "Shitamachi Tendon Akimitsu" brand.

YAKINIKU SHOKUDO

"Yakiniku Shokudo" is the halal equivalent of the Group's "Yakiniku Taro" Japanese-style barbeque restaurant. Featuring a variety of meats such as wagyu beef and chicken, the restaurant also offers a selection of side dishes and specially concocted dipping sauces to complement the meal.

Halal-concepts

CORPORATE STRUCTURE

JAPAN FOODS HOLDING LTD.

100%	BACHMANN ENTERPRISES PTE. LTD.
100%	BACHMANN JAPANESE RESTAURANT PTE. LTD.
100%	JAPAN FOODS ENTERPRISES PTE. LTD.
100%	JAPAN FOODS BRIDGE PTE. LTD.
25%	ACJF HOLDING LIMITED
20%	HIGHLY YIELD LIMITED
30%	FIRST HARMONY HOLDINGS LIMITED
30%	PT MENYA MUSASHI INDONESIA
50%	DINING COLLECTIVE PTE. LTD.
30%	WAKAYAMA INTERNATIONAL LIMITED
30%	GOLDEN BIRD GROUP LIMITED

CHAIRMAN'S MESSAGE

AS A RESULT OF THE HIGHER NUMBER OF RESTAURANTS, GROUP REVENUE ROSE 10.0% TO S$86.4 MILLION IN FY2024 SURPASSING FY2023'S RECORD. THIS WAS DRIVEN MAINLY BY OUR HALAL-CONCEPT SEGMENT.

DEAR SHAREHOLDERS

The financial year ended 31 March 2024 ("**FY2024**") was another year of network expansion for Japan Foods as the number of restaurants directly operated by the Group in Singapore rose to 79 from 65 in the previous corresponding year ("**FY2023**").

The network growth was partly due to the Group's forward planning as some good locations had become available during the year under review. We had secured these after taking into consideration the upcoming expiration of some leases that we do not intend to renew because of low customer traffic.

As a result of the higher number of restaurants, Group revenue rose 10.0% to S$86.4 million in FY2024 surpassing FY2023's record. This was driven mainly by our Halal-concept segment, which expanded from 26 restaurants across eight brands in FY2023 to 39 restaurants across nine brands in FY2024, with sales rising correspondingly from S$26.3 million to S$40.8 million.

Meanwhile, revenue from our non-Halal segment declined 12.7% from S$52.2 million in FY2023 to S$45.6 million in FY2024 partly due to the conversion of stores to Halal concepts and also lower same-store sales from some outlets. As at 31 March 2024, the number of non-Halal restaurants was 40 across 14 brands as compared to 39 restaurants across 12 brands as at 31 March 2023.

CHAIRMAN'S MESSAGE

Since the launch of our first Halal-concept restaurant in November 2020, the contribution from this segment has grown exponentially to 47.2% of total revenue in FY2024 (FY2023: 33.5%; FY2022: 25.5%; FY2021: 3.1%). It affirms our growth strategy to invest more resources into this segment, which can cater to a wider audience. Moving forward, we expect 50-50 revenue contribution from both segments.

Despite the topline performance, the Group recorded a net loss of S$0.5 million in FY2024 as compared to a net profit of S$4.1 million in FY2023. This was mainly because of a 17.7% year on year increase in selling and distribution expenses due to higher manpower costs, utilities expenses, and depreciation charges of plant and equipment and right-of-use assets. In addition, the Group also incurred write-off of renovation costs due to the rebranding of outlets, impairment loss relating to certain non-performing stores and impairment loss on a loan provided to a joint venture company due to the cessation of the "Siam Smith" brand restaurant in Tokyo.

Looking ahead, we expect our larger restaurant network, the increase in the number of Halal-concept restaurants that can serve a larger community, and our robust brand portfolio to drive future revenue growth and solidify Japan Food's position in Singapore's F&B industry.

Elsewhere in the region, Japan Foods' overseas network operated by its associated companies remained unchanged at 17 restaurants as at 31 March 2024. They comprised six restaurants in Hong Kong, four restaurants in China and two restaurants in Indonesia under the "Menya Musashi" brand, as well as four restaurants in Hong Kong and one restaurant in Shanghai under the "Konjiki Hototogisu" brand. Overall performance from associated companies improved and the Group's share of results rose to S$254,000 in FY2024 from S$205,000 in FY2023.

Outlook

Looking ahead, we expect the operating environment to remain challenging. The protracted conflicts in the Middle East and in Eastern Europe as well as souring trade relations between certain nations have led to economic volatility that continues to affect interest rates, inflation and supply chains. The ensuing impact on costs and overall business and consumer sentiment mean that market conditions will remain challenging until the situation improves.

As for the F&B industry, we continue to grapple with the rising cost of raw materials and lease expenses and the perennial manpower crunch, which has led to a higher wage expense in a bid to attract and retain talent. Compounding these challenges is the highly competitive landscape with low barriers to entry that continues to attract waves of new entrants every year.

While it may all seem rather daunting, shareholders should note that Japan Foods is no stranger to tough market conditions. After all, we had started our business in 1997 during the height of the Asian Financial Crisis that crippled some economies in ASEAN. Yet we survived that event and went on to overcome many more periods of difficulty over the next 27 years, including SARS, COVID-19 and countless geopolitical spats that threatened to rock global markets.

Our resilience is forged from years of honing our business strategy and ensuring that we run a tight ship that is focused on efficient resource utilisation. I believe our proven strategy of active restaurant portfolio management, continuous rejuvenation and diversification of our brand portfolio, our understanding of F&B trends and our commitment to serve affordable meals of good quality has endeared us to customers and landlords alike.

Having gone through two years of quite aggressive restaurant network expansion, we intend to slow down the pace of new store openings and shift our focus to improving the profitability of individual stores within our current network in FY2025. We will be refreshing our brand portfolio with brand extensions, and new brand launches to replace under-performing brands. We also intend to renovate some of our stores to give them a face lift.

We will be tweaking our menus to keep up with the latest dining trends. Pre-pandemic, the trend was for brands and restaurants that specialise in only one dish or slight variations of the same dish. After the pandemic, we've noticed a shift back toward diverse menus, featuring numerous variations of different items. In keeping with this, we have started some brand extensions that cater to this new trend.

For example, "Ajisen Tanjiro", which is a brand extension of "Ajisen Ramen", offers the latter's signature tonkatsu ramen, but also serves up rice bowls or "donburi", rice sets, maze soba and an extensive dessert menu. Since its launch, Ajisen Tanjiro has breathed new life into the converted stores, and we are seeing higher footfalls.

CHAIRMAN'S MESSAGE

We will continue to roll out initiatives that are in line with rising trends and keep up our R&D efforts for new self-developed brands. We will also continue to explore new franchised brands from Japan. At the same time, we will consider ways to reduce controllable costs and increase the use of technology. We are progressively implementing self-ordering and payment systems across all our restaurants using QR codes. We believe this will enable us to reduce the headcount required at each store.

In response to challenging and uncertain market conditions, the Board has modified the Company's dividend policy to enhance financial resilience and exercise greater prudence[1]. From the current financial year ending 31 March 2025 onwards, the Company will target to distribute at least 50% of its audited consolidated net profit attributable to shareholders. We believe that this is in the best interest of the Group given the current circumstances and humbly ask shareholders to continue to stand by us as we navigate these challenging times.

Board Changes in FY2024

I would like to formally welcome Mr Lee Soon Sin Jason, who joined our Board as an Independent Director in August 2023. Mr Lee has a strong background in accounting and finance and decades of experience gleaned from helming business operations. He replaced Ms Sylvia Chia, who had retired after our last Annual General Meeting in July 2023 to focus on her work commitments.

Japan Foods has been consistently recognised for its corporate governance efforts over the years. In November 2023, we were named Winner of the "Most Transparent Company Award (Consumer Discretionary)" at the SIAS Investor Choice Awards. It was our fifth award in this category, having previously been recognised in 2016, 2017, 2018 and 2022. In 2018, we received "Best Managed Board Award (Gold)" at the Singapore Corporate Awards.

I am grateful to all our Directors past and present, who have contributed to these achievements by inspiring us to uphold high standards in corporate governance and a strong foundation that we continue to build upon.

Sustainability Matters

As a leading Japanese restaurant chain, we are committed to maintain a robust sustainability reporting framework to disclose our sustainability efforts and how we engage and fulfil our responsibility towards our Group's stakeholders.

Global warming and extreme weather events have increased global awareness of the risks posed by climate change and accelerated the call for global urgent action to embark on a decarbonisation journey. To step up our efforts on this front, we developed and disclosed our inaugural climate change transition plan to steer us on our decarbonisation journey. We also conducted a qualitative scenario analysis to assess the impacts of key climate related risks identified during the Group's climate-related risk assessment.

Acknowledgement

In closing, I would like to thank our shareholders for your unwavering support and confidence in the future growth of our Group. I would also like to acknowledge all the staff and management at Japan Foods for your hard work as we overcome the challenges that come with a larger network and more brands.

Sincere appreciation to my fellow directors on the Board for your wise counsel and setting high standards in corporate governance, which led to our Group winning our fifth SIAS Investors' Choice Award for our transparency and disclosure efforts in November 2023.

Lastly, I want to thank our customers and our JF Rewards members for your enthusiastic support of our new concepts and brands. Your valuable feedback has also helped us to make improvements to our food and our service so we can do better.

TAKAHASHI KENICHI

EXECUTIVE CHAIRMAN AND CEO

[1] The targeted dividend payout ratio is subject to the Group's business requirements and other relevant considerations and barring unforeseen circumstances. The amount of dividends will depend on the Group's operating results, financial conditions such as cash position and retained earnings, other cash requirements including capital expenditure, restrictions on payment of dividends imposed on the Group by financing arrangements (if any) and other factors deemed relevant by the Directors. The abovementioned statements are merely statements of the Board's present intention and do not constitute legally binding obligations on the Company in respect of payment of dividend.

FINANCIAL HIGHLIGHTS

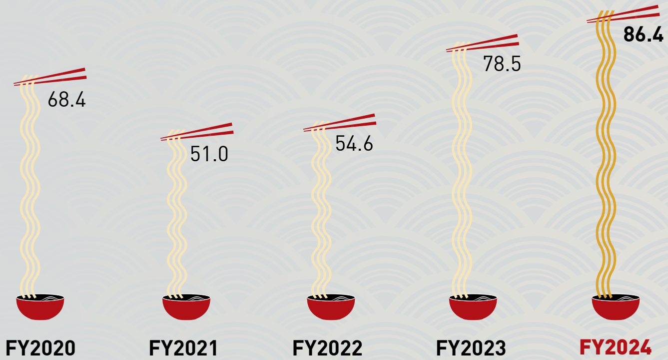
S$' MILLION	FY2020	FY2021	FY2022	FY2023	FY2024
Financial Results					
Revenue	68.4	51.0	54.6	78.5	**86.4**
Gross profit	57.8	43.2	46.2	66.4	**73.1**
Profit/(Loss) before tax	1.4	4.2	3.2	4.9	**(0.6)**
Net profit/(loss)	1.0	3.6	3.2	4.1	**(0.5)**
Cash Flow Statement					
Net cash provided by operating activities	23.2	19.5	25.4	29.5	**30.7**
Net cash used in investing activities	(4.6)	(2.2)	(3.5)	(8.5)	**(9.6)**
Net cash used in financing activities	(20.4)	(14.2)	(22.6)	(25.9)	**(28.4)**
Cash and cash equivalents at end of financial year[1]	17.6	20.6	19.9	15.0	**7.9**
Balance Sheet					
Current assets	25.5	26.9	27.6	24.1	**17.9**
Non-current assets	52.6	41.2	50.2	66.5	**75.2**
Total assets	78.1	68.1	77.8	90.6	**93.1**
Current liabilities	27.1	22.7	26.1	32.4	**34.0**
Non-current liabilities	19.6	12.0	19.0	25.5	**29.4**
Total liabilities	46.7	34.7	45.1	57.9	**63.4**
Share capital	9.4	9.5	9.5	9.5	**9.5**
Reserves	22.0	23.9	23.2	23.2	**20.2**
Total shareholders' equity	31.4	33.4	32.7	32.7	**29.7**
Financial Ratios Analysis					
Gross profit margin (%)	84.4	84.7	84.6	84.6	**84.7**
Earning/(Loss) per share (Singapore cents)	0.58	2.08	1.85	2.37	**(0.28)**
Net asset value per share (Singapore cents)	18.03	19.14	18.75	18.76	**17.12**
Return on assets (%)	1.3	5.3	4.1	4.6	**(0.5)**
Return on equity (%)	3.2	10.8	9.8	12.6	**(1.7)**
Net debt to equity ratio	Net Cash	Net Cash	Net Cash	Net Cash	**Net Cash**
Asset turnover (times)	0.9	0.7	0.7	0.9	**0.9**

Note:

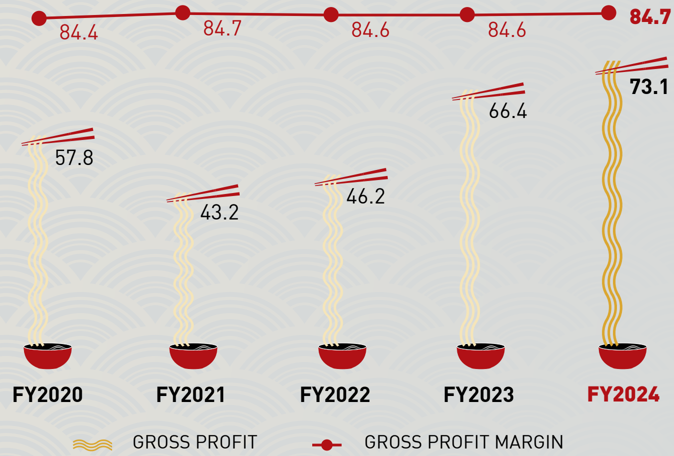
[1] This excludes bank deposit pledged as security for bank facilities

FINANCIAL HIGHLIGHTS

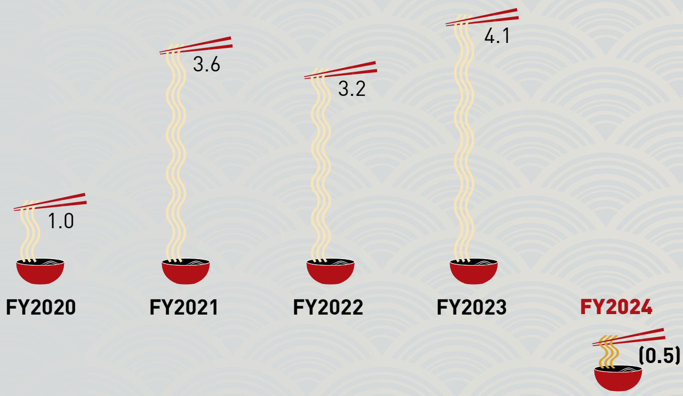
REVENUE (S$M)



GROSS PROFIT (S$M) & GROSS PROFIT MARGIN (%)

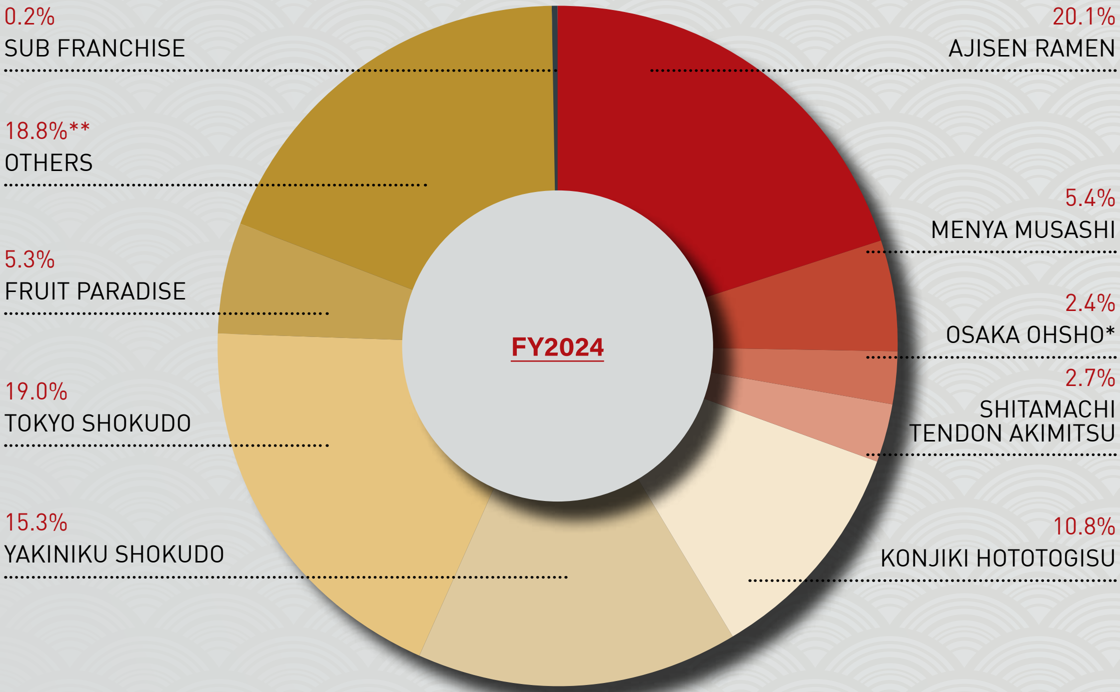


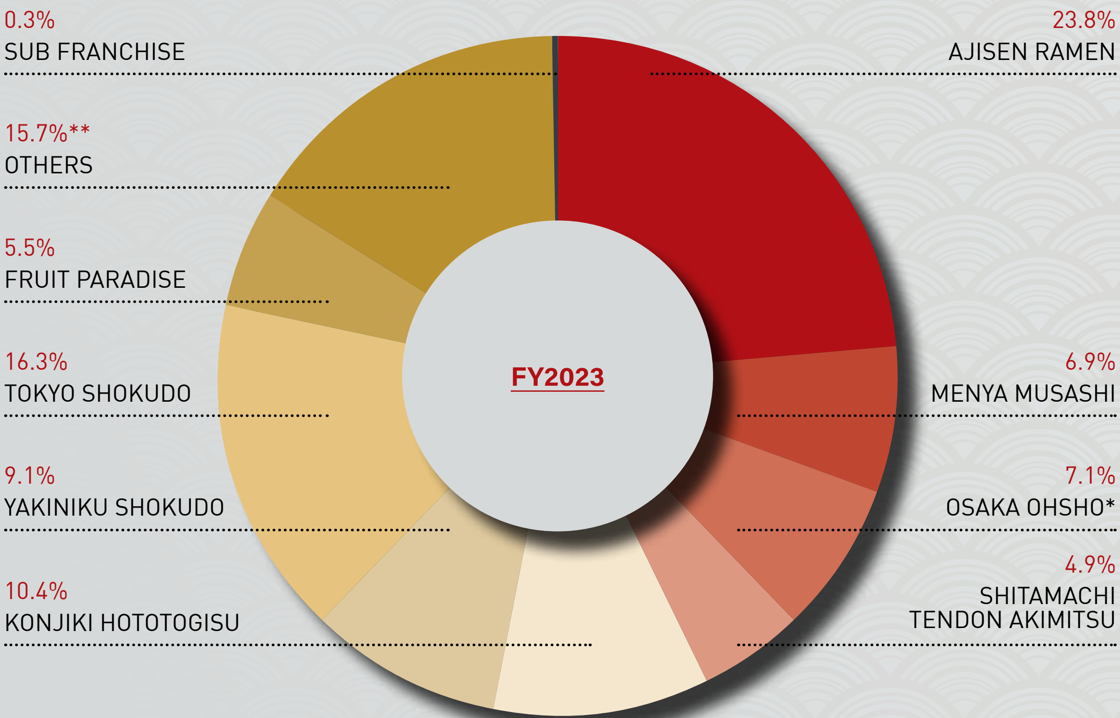
NET PROFIT/(LOSS) (S$M)



FINANCIAL HIGHLIGHTS

REVENUE CONTRIBUTION BY BRANDS





* Includes one "Kotsujiru Nabe" brand restaurant, which is a brand extension of the "Osaka Ohsho" brand. It was converted into a "Torisanwa" brand restaurant in November 2023

** Includes the impact of JFH Rewards where reward points known as J$ earned by members (net of expired points of approximately S$0.1 million) amounting to S$1.3 million was deducted from the corresponding revenue recognised in FY2024 in accordance with relevant accounting standard (as compared to S$1.2 million in FY2023)

FINANCIAL HIGHLIGHTS

VALUE ADDED STATEMENT

S$' 000	FY2020	FY2021	FY2022	FY2023	FY2024
Value added from:					
Revenue	68,413	51,002	54,614	78,532	**86,357**
Less: Purchases of materials & services	(25,772)	(17,428)	(19,210)	(26,002)	**(28,269)**
	42,641	33,574	35,404	52,530	**58,088**
Add/(less):					
Other income	762	10,999	7,285	2,040	**1,893**
Share of profits of associated companies / JV	(342)	(58)	83	205	**254**
Gain/(Loss) on disposal of plant and equipment / ROU	–	18	40	–	**49**
Plant & equipment W/O	(189)	(309)	(28)	(42)	**(268)**
Inventories W/O	(3)	–	–	–	**-**
Impairment of plant and equipment / ROU / Intangible assets	(665)	(389)	(107)	(748)	**(1,860)**
Currency translation gain/(loss)	5	(25)	(14)	(35)	**5**
Total value added	42,209	43,810	42,663	53,950	**58,161**
Distribution of total value added:					
To employees					
Salaries and other staff costs	19,755	16,477	18,024	24,361	**27,497**
To government					
Corporate tax	381	613	(1)	730	**(130)**
To providers of capital					
Dividend	3,651	1,739	3,925	4,099	**2,265**
Finance costs[1]	984	1,008	813	1,024	**1,801**
Retained for future capital requirements					
Depreciation and amortisation[2]	20,072	22,087	20,595	23,708	**29,488**
Retained profit	(2,634)	1,886	(693)	28	**(2,760)**
Total distribution	42,209	43,810	42,663	53,950	**58,161**
Productivity analysis					
Value added per $ employment cost	2.1	2.7	2.4	2.2	**2.1**
Value added per $ investment in fixed assets	1.1	1.2	1.1	1.3	**1.1**
Value added per $ sales (S$)	0.6	0.9	0.8	0.7	**0.7**
Fixed assets (Cost)	39,577	35,845	39,395	42,824	**51,063**

Notes:

(1) Include Lease Interest Expenses per SFRS(I) 16.
(2) Include Depreciation of ROU Assets per SFRS(I) 16.

OPERATING AND FINANCIAL REVIEW

REVIEW OF THE GROUP'S FINANCIAL PERFORMANCE FOR FY2024

Revenue

The Group's revenue increased by S$7.8 million or 10.0% from S$78.5 million for the financial year ended 31 March 2023 ("**FY2023**") to S$86.4 million for the financial year ended 31 March 2024 ("**FY2024**"). The increase in the Group's revenue was a result of the following:

(i) net increase in revenue of S$6.0 million from the restaurants operating under the "Yakiniku Shokudo" brand, which expanded from 8 restaurants in FY2023 to 11 restaurants in FY2024. In line with the increase in the number of outlets, revenue from restaurants operating under this brand increased from S$7.1 million in FY2023 to S$13.1 million in FY2024;

(ii) net increase in revenue of S$3.7 million from the restaurants operating under the "Tokyo Shokudo" brand, which increased from 8 restaurants in FY2023 to 12 restaurants in FY2024. Revenue rose in tandem with the higher number of restaurants to S$16.4 million in FY2024 from S$12.7 million in FY2023. This was mainly due to contribution from new restaurants and partially offset by lower revenue generated from certain existing restaurants;

(iii) net increase in revenue of S$1.1 million from the restaurants operating under "Konjiki Hototogisu" brand, which increased from 7 restaurants in FY2023 to 11 restaurants in FY2024. In line with the higher number of outlets, revenue increased from S$8.2 million in FY2023 to S$9.3 million in FY2024. The increase in revenue was partially offset by lower revenue generated from certain existing restaurants including the ones located at Chijmes and Paragon;

(iv) net decrease in revenue of S$1.4 million from the restaurants operating under the "Ajisen Ramen" brand from S$18.7 million in FY2023 to S$17.3 million in FY2024 due to conversion of a restaurant at Bukit Panjang to "Tokyo Shokudo" brand restaurant in May 2023;

(v) net decrease in revenue of S$0.7 million from the restaurants operating under the "Menya Musashi" brand from S$5.4 million in FY2023 to S$4.7 million in FY2024 due to conversion of a restaurant at Westgate to "Milan Shokudo" brand restaurant in October 2023 and lower revenue generated from certain existing restaurants;

(vi) net decrease in revenue of S$1.5 million from the restaurants operating under the "Shitamachi Tendon Akimitsu" brand from S$3.9 million in FY2023 to S$2.4 million in FY2024 due to conversion of a restaurant at Nex to "Tokyo Shokudo" brand restaurant in May 2023 and lower revenue generated from certain existing restaurants;

(vii) net decrease in revenue of S$3.5 million from the restaurants operating under the "Osaka Ohsho" brand from S$5.6 million in FY2023 to S$2.1 million in FY2024 due to (i) conversion of 2 restaurants located at Junction 8 and Bugis Junction to "Milan Shokudo" and "Tori Sanwa" respectively; and (ii) lower revenue generated by the remaining "Osaka Ohsho" restaurant;

(viii) net increase in revenue of S$4.2 million from the restaurants operating under other brands. The Group recorded an increase in revenue from restaurants operating under other brands in FY2024 as compared to FY2023, which was mainly contributed by the opening of new restaurants under the "Godaime", "Tori Sanwa", "Milan Shokudo", "Yakiniku Kai", "Romana Pizza & Pasta", "BBQ Seoul Shokudo" and "Edo Shokudo" brands. In addition, the increase in revenue was also contributed by existing restaurants under the "New ManLee Bak Kut Teh" and "Kyoto Shokudo" brands. The increase in revenue was however partially offset with the closure of the restaurant under the "Nakiryu" brand; and

(ix) impact of JFH Rewards. The reward points known as $J earned by members (net of expired points of approximately S$0.1 million) under JFH Rewards amounted to S$1.3 million in FY2024 compared to S$1.2 million in FY2023. In accordance with the relevant accounting standard, such amount was deducted from the corresponding revenue recognised during the respective financial periods.

OPERATING AND FINANCIAL REVIEW

Table 1: Restaurant portfolio in Singapore

Franchised Brands	As at 31 March 2024	As at 31 March 2023
Ajisen Ramen	**11**	12
Afuri Ramen	**1**	2
Kageyama	**1**	-
Konjiki Hototogisu	**11**	7
Menya Musashi	**3**	4
Menzo Butao	**1**	1
Nakiryu	**-**	1
New ManLee Bak Kut Teh	**1**	1
Osaka Ohsho	**1**	3
Shitamachi Tendon Akimitsu	**3**	4
Tori Sanwa	**3**	-
Yonehachi	**1**	2
Self-Developed Restaurant Brands		
Ajisen Shokudo*	**-**	1
BBQ Seoul Shokudo*	**1**	-
BBQ Tori Shokudo*	**-**	1
Edo Shokudo*	**2**	1
Fruit Paradise*	**5**	6#
Godaime*	**2**	-
Ramen Ichiro	**-**	1
Kyoto Shokudo*	**1**	1
Milan Shokudo*	**4**	-
Milan Tei*	**1**	-
Romana Pizza & Pasta	**1**	-
Tokyo Shokudo*	**12**	8
Yakiniku Kai	**1**	-
Yakiniku Shokudo*	**11**	8
Yakiniku Taro	**1**	1
TOTAL RESTAURANTS	**79**	**65**

* Halal-concepts
\# Includes one restaurant operated under the franchised brand "Kagurazaka Saryo", which had since ceased in January 2024.

Table 2: Restaurants operated by associated and joint venture companies

Restaurant Brands	As at 31 March 2024	As at 31 March 2023
Menya Musashi		
(interests via associated companies)		
• Indonesia	**2**	1
• Hong Kong	**6**	7
• China	**4**	4
Konjiki Hototogisu		
(interests via associated companies)		
• Hong Kong	**4**	4
• China	**1**	1
Pizzakaya		
(operated by a joint venture company with Minor Singapore)		
• Singapore	**1**	3
Extra Virgin Pizza		
(operated by a joint venture company with Minor Singapore)		
• Singapore	**2**	-
TOTAL RESTAURANTS	**20**	**20**

OPERATING AND FINANCIAL REVIEW

Gross profit

The Group's gross profit increased by S$6.7 million or 10.1% from S$66.4 million in FY2023 to S$73.1 million in FY2024, which was generally in line with the increase in revenue. Gross profit margin increased 0.1 percentage point from 84.6% in FY2023 to 84.7% in FY2024 due to price adjustments of certain menu items to reflect the higher cost of raw materials.

Other Income

The Group's other income decreased by S$0.7 million or 34.7% from S$1.9 million in FY2023 to S$1.2 million in FY2024 mainly due to the absence of rental concessions and lower government grants in FY2024.

Other gains/(losses)

The Group recorded other gains of S$0.5 million compared to other losses of $56,000 mainly due to the gain from disposal of club membership in FY2024.

Expenses

Selling and distribution expenses: The Group's selling and distribution expenses increased by S$10.1 million or 17.7% from S$57.1 million in FY2023 to S$67.2 million in FY2024. The higher selling and distribution expenses were mainly due to higher manpower cost, utilities expenses and depreciation charges of plant and equipment and right-of-use assets.

Administrative expenses: The Group's administrative expenses increased by S$0.1 million or 3.0% from S$3.7 million in FY2023 to S$3.8 million in FY2024 mainly due to higher manpower cost with the Group's expanded business operations.

Other operating expenses: The Group's other operating expenses increased by S$1.2 million or 64.3% from S$1.9 million in FY2023 to S$3.1 million in FY2024 mainly due to (i) write-off of renovation costs upon rebranding of outlets, and (ii) higher impairment loss due to impairment loss on the loan provided to a joint venture company upon cessation of operation of the "Siam Smith" brand restaurant in Tokyo in FY2024 and impairment loss for certain non-performing stores.

Interest on lease liabilities for the Group increased by S$0.8 million or 75.9% from S$1.0 million in FY2023 to S$1.8 million in FY2024. The Group on average had more leases accounted for under SFRS(I) 16 during FY2024 as compared to FY2023 in line with the increase in the number of outlets.

Share of results of associated companies and joint venture

Share of profit of the Group's associated companies increased by S$49,000 or 23.9% from S$205,000 in FY2023 to S$254,000 in FY2024. The increase was due to higher profit generated by "Konjiki Hototogisu" brand restaurants in Hong Kong and partially offset by the loss incurred by associated companies operating the "Menya Musashi" brand restaurants in Hong Kong and Indonesia.

The joint venture company, Dining Collective Pte Ltd, operated three restaurants in Singapore during the year. These restaurants incurred losses in FY2024. However, no share of loss was captured in FY2024 as the accumulated loss had exceeded the capital contribution of S$100,000.

Income tax credit/expenses

The Group recorded income tax credit of S$0.1 million in FY2024 as compared to a tax expense of S$0.7 million in FY2023. This is due to net deferred tax assets arising from lease liabilities and partially offset by current tax provision.

Net loss/profit

As a result of the aforementioned reasons, the Group recorded a net loss attributable to equity holders of the Company of S$0.5 million in FY2024 as compared to a net profit of S$4.1 million in FY2023.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Current assets

The Group's total current assets decreased by S$6.2 million, from S$24.1 million as at 31 March 2023 to S$17.9 million as at 31 March 2024. This was mainly due to decrease in cash and bank balances of S$7.0 million mainly due to capital expenditure incurred for the Group's new outlets and decrease of inventory by S$0.1 million. The decrease was partially offset by the increase in trade and other receivables of S$0.8 million and other current assets of S$0.1 million.

Non-current assets

The Group's total non-current assets increased by S$8.7 million, from S$66.5 million as at 31 March 2023 to S$75.2 million as at 31 March 2024. This was mainly due to the increase in net book value of plant and equipment of S$4.4 million arising from capital expenditure for the Group's new outlets, investment in associated companies of S$0.1 million and share of profits of associated companies of S$0.3 million, acquisition of franchise rights of S$0.1 million and deferred income tax assets arising from lease liabilities of S$8.0 million. The increase was partially offset by the decrease in net book value of right-of-use assets of S$3.0 million, the decrease in loan to joint venture of S$0.5 million due to provision of impairment on loan, the decrease in long term security deposits of S$0.4 million and the disposal of club membership of S$0.3 million.

Current liabilities

The Group's total current liabilities increased by S$1.6 million, from S$32.4 million as at 31 March 2023 to S$34.0 million as at 31 March 2024, mainly due to the increase in current portion of lease liabilities of S$1.5 million and provision of S$0.7 million. The increase was partially offset by lower current income tax liabilities of S$0.2 million and trade and other payables of S$0.4 million.

The Group had net current liabilities of S$16.1 million as at 31 March 2024 mainly due to recognition of lease liabilities of S$23.5 million in compliance with SFRS(I) 16. Based on the Group's internal resources and projected operational cashflows, the Board is of the view that the Group will have sufficient funds to meet its financial obligations as and when they fall due.

Non-current liabilities

The Group's total non-current liabilities increased by S$3.9 million, from S$25.5 million as at 31 March 2023 to S$29.4 million as at 31 March 2024 due to increase in the provision of deferred income tax liabilities of S$7.5 million arising from ROU assets. The increase was offset with the decrease in long-term portion of lease liabilities of S$3.6 million. The decrease was due to repayment of leases outpacing the renewal and inception of new leases in FY2024.

Shareholders' equity

The Group's shareholders' equity decreased by S$3.0 million from S$32.7 million as at 31 March 2023 to S$29.7 million as at 31 March 2024. The decrease was mainly due to the distribution of dividends of S$2.3 million, purchase of treasury shares of S$0.4 million and loss incurred of S$0.5 million. The decrease was partially offset by the issuance of performance shares of S$0.2 million in FY2024.

REVIEW OF STATEMENT OF CASH FLOW

The Group's net cash generated from operating activities in FY2024 was S$30.7 million. This was mainly due to net loss less non-cash items after working capital changes of S$31.2 million plus interest income received from financial assets of S$0.1 million and payment of income tax of S$0.6 million.

The Group's net cash used in investing activities in FY2024 was S$9.5 million arising from (i) renovation cost and purchase of plant and equipment for the Group's restaurants of S$9.8 million; (ii) investment in an associated company in Indonesia of S$0.1 million; (iii) acquisition of franchise rights of S$0.1 million; and (iv) additional loan of S$0.3 million to a joint venture company for working capital. These were offset by the disposal of club membership of S$0.8 million.

The Group's net cash used in financing activities in FY2024 was S$28.4 million due to dividend payment of S$2.3 million, repayment of lease liabilities of S$23.7 million, interest on leases of S$1.8 million, increase of short-term deposit pledged of S$0.2 million and purchase of treasury shares of S$0.4 million.

BOARD OF DIRECTORS

TAKAHASHI KENICHI
EXECUTIVE CHAIRMAN AND CEO

Date of Appointment
18 February 2008

Date of Last Re-Appointment
20 July 2022

Present and Past Directorships in other Listed Companies and Major Appointments
Nil

Skills & Experience
- Founded the Group in 1997
- More than 26 years in the F&B industry
- Professional engineer in research and development of Pioneer Asia Singapore from April 1978 to March 1997
- Graduated from Sophia University with a Certificate of Mechanical and Engineering

WONG HIN SUN EUGENE
NON-EXECUTIVE VICE CHAIRMAN

Date of Appointment
24 November 2008

Date of Last Re-Appointment
20 July 2023

Length of Service
16 years (Non-executive Director since November 2008)

Present Directorships in other Listed Companies and Major Appointments
- Founder and Managing Director of Sirius Venture Capital Pte Ltd
- Non-Executive Director, Sirius SME Growth Partners I Limited
- Lead Independent Director, Alliance Healthcare Group Limited
- Lead Independent Director, APAC Realty Limited
- Deputy Non-Executive Chairman, Jason Marine Group Limited
- Board member, Gardens by the Bay
- Non-Executive Director, Singapore Cruise Centre Pte Ltd
- Non-Executive Chairman, Tangram Asia Capital LLP
- Deputy Non-Executive Chairman, NTUC Learninghub Pte Ltd
- Member, Investment Advisory Committee, People's Association
- Non-Executive Director of Aerospring Gardens Pte. Ltd.

Past Directorships in other Listed Companies Held Over the Preceding Three Years
Nil

Skills & Experience
- Graduated with a Bachelor of Business Administration (First Class Honours) from the National University of Singapore in 1992
- Obtained Master of Business Administration from the Imperial College of Science, Technology and Medicine from the University of London in 1998
- Completed the Owner President Management Program from Harvard Business School in 2011
- A Chartered Director (CDir) since 2014
- A Chartered Financial Analyst (CFA) since 2001
- A Fellow of the Australian Institute of Company Directors and UK Institute of Directors
- A Fellow of the Singapore Institute of Directors

BOARD OF DIRECTORS

LEE SOK KOON CONSTANCE
LEAD INDEPENDENT DIRECTOR

Date of Appointment
1 September 2011

Date of Last Re-Appointment
20 July 2023

Length of Service
13 years

Present Directorships in other Listed Companies and Major Appointments
- Independent Director of SBS Transit Ltd since 1 May 2017
- Independent Director of Lum Chang Holdings Ltd since 27 August 2021
- Independent Director of Mooreast Holdings Ltd since 28 October 2021
- Independent Director of NUS America Foundation, Inc. since 27 August 2013
- Honorary Member of Fundraising Committee of Singapore Arts School Ltd

Past Directorships In Other Listed Companies Held Over The Preceding Three Years
Nil

Skills & Experience
- Bachelor of Accountancy (Second Class Honours) from the National University of Singapore
- A Fellow of the Institute of Singapore Chartered Accountants
- A member of the Singapore Institute of Directors

LEE SOON SIN JASON
INDEPENDENT DIRECTOR

Date of Appointment
1 August 2023

Date of Last Re-Appointment
NA

Length of Service
Approximately 11 months since 1 August 2023

Present Directorships in other Listed Companies and Major Appointments
- Managing Director of CA.sg PAC
- Director of My Business Advisory Sdn. Bhd.

Past Directorships In Other Listed Companies Held Over The Preceding Three Years
Nil

Skills & Experience
- A Fellow of the Association of Chartered Certified Accountants (ACCA)
- A Fellow of the Institute of Singapore Chartered Accountants (ISCA)
- An Accredited Tax Advisor of the Singapore Chartered Tax Professionals (SCTP)
- An ASEAN Chartered Professional Accountant of the ASEAN Chartered Professional Accountants Coordinating Committee (ACPACC)
- A member of the Singapore Institute of Directors

TAN CHER TING
INDEPENDENT DIRECTOR

Date of Appointment
3 March 2023

Date of Last Re-Appointment
20 July 2023

Length of Service
Approximately 1 year and four months

Present Directorships in other Listed Companies and Major Appointments
- Director of CIMB Bank Berhad, Singapore Branch (2002 – Present)

Past Directorships In Other Listed Companies Held Over The Preceding Three Years
Nil

Skills & Experience
- Bachelor of Business (Honours), Nanyang Technological University
- CFA Charterholder, CFA Institute
- Senior Accredited Director, the Singapore Institute of Directors

KEY MANAGEMENT

LIEW KIAN ER KENNETH

CHIEF FINANCIAL OFFICER

Kenneth Liew Kian Er is our Chief Financial Officer. He is primarily responsible for overseeing all financial, accounting and corporate secretarial matters of our Group. Mr Liew has more than 25 years of experience in accounting, audit and finance. Prior to joining our Group as Financial Controller in July 2008, Mr Liew was with Abterra Ltd, a company listed on the Main Board of the SGX-ST, serving as its finance manager from January 2007 to March 2007 before becoming its financial controller from March 2007 to July 2008. Mr Liew was an associate at Bensyl Consultancy Services Pte Ltd from May 2004 to December 2006. He was with Sunstar Logistic Singapore Pte Ltd serving as its accounting manager from July 1997 to March 2002 and as deputy general manager from April 2002 to April 2004. Mr Liew is a member of the Institute of Singapore Chartered Accountants and a fellow of the Chartered Association of Certified Accountants (UK).

FONG SIEW GEEN

HEAD OF OPERATIONS

Fong Siew Geen is our Head of Operations. She is primarily responsible for the operation of our Group's restaurants and for overseeing all operational aspects from quality assurance to menu layout. Ms Fong joined our Group as a service crew in October 2003 and was promoted to Floor Manager in April 2008. She rose through the ranks to become our Senior Operations Manager in May 2009 and was appointed our Head of Operations since April 2015.

KEY MANAGEMENT

CHAN FUANG CHIANG

CHIEF CHEF

Chan Fuang Chiang is our Chief Chef. He is primarily responsible for ensuring high food quality standards in all our restaurants and for creating new menu items to meet the changing demands of our customers. Mr Chan has more than 20 years of experience as a chef. Prior to joining our Group in 2001, he was a chef in Restaurant Parkway, 锦龙中华料理 and Restaurant Sia Si Wan from 1991 to 2001.

ICHIRO OTSUKA

CENTRAL KITCHEN,
OPERATIONS MANAGER

Ichiro Otsuka is our Central Kitchen Operations Manager. He is primarily responsible for the day-to-day operations of our central kitchen facility. Mr Ichiro joined our Group in November 2011 and was then in charge of spearheading the expansion of our central kitchen. Under his leadership, our Group successfully established a noodle production facility at our central kitchen in April 2012 and subsequently our Halal central kitchen in 2021. Mr Ichiro has more than 15 years of experience in managing central kitchens through his various work engagements in Japan.

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAKAHASHI KENICHI
Executive Chairman and CEO

WONG HIN SUN EUGENE
Non-Executive Vice Chairman

LEE SOK KOON CONSTANCE
Lead Independent Director

LEE SOON SIN JASON
Independent Director

TAN CHER TING
Independent Director

AUDIT AND RISK COMMITTEE

LEE SOK KOON CONSTANCE
Chairperson

WONG HIN SUN EUGENE

LEE SOON SIN JASON

TAN CHER TING

NOMINATING COMMITTEE

TAN CHER TING
Chairperson

WONG HIN SUN EUGENE

LEE SOK KOON CONSTANCE

LEE SOON SIN JASON

REMUNERATION COMMITTEE

TAN CHER TING
Chairperson

WONG HIN SUN EUGENE

LEE SOK KOON CONSTANCE

LEE SOON SIN JASON

COMPANY SECRETARY

CHEW PEI TSING
ACS, ACG

REGISTERED OFFICE

420 North Bridge Road
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Singapore 188727
Tel: (65) 6333 9781
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SHARE REGISTRAR

B.A.C.S. PRIVATE LIMITED
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

SPONSOR

UOB KAY HIAN PRIVATE LIMITED
8 Anthony Road #01-01
Singapore 229957

INDEPENDENT AUDITOR

CLA GLOBAL TS
PUBLIC ACCOUNTING CORPORATION
80 Robinson Road
#25-00 Singapore 068898

Director-in-charge: **LIM WEI CHEN SAMUEL**
Appointed since financial year ended
31 March 2024

PRINCIPAL BANKER

UNITED OVERSEAS BANK LIMITED
80 Raffles Place
UOB Plaza 1
Singapore 049513

INVESTOR RELATIONS

AUGUST CONSULTING PTE. LTD.
101 Thomson Road
#29-05 United Square Singapore 307591
Email: ir@jfh.com.sg

1. BOARD STATEMENT

Japan Foods Holding Ltd. ("**Japan Foods**", the "**Company**"), together with its subsidiaries (collectively known as the "**Group**" or "**We**"), reaffirm our commitment to sustainability with the publication of this sustainability report ("**Report**"). For this Report, we provide insights into the way we do business, while highlighting our material sustainability factors under the economic, environmental, social and governance pillars (collectively as "**Sustainability Factors**").

We are committed to strike a balance between growth, profit, governance, environment, the development of our people and well-being of our communities to secure the long-term future of the Group. In line with our commitment, the Board of Directors ("**Board**"), having considered sustainability issues as part of its strategic formulation, determined the material Sustainability Factors and overseen the management and monitoring of the material Sustainability Factors.

Our sustainability framework communicates our commitment towards supporting the United Nations' Sustainable Development Goals ("**SDGs**") and is supported by our key stakeholders. We work closely with key stakeholders in our value chain and their inputs drive our sustainability focus on our material Sustainability Factors and the SDGs as follows:

ECONOMIC

8 DECENT WORK AND ECONOMIC GROWTH
Total Customer Satisfaction
Customers
Suppliers

8 DECENT WORK AND ECONOMIC GROWTH
Sustainable Business Performance
Employees
Regulators
Shareholders
Suppliers

ENVIRONMENTAL

6 CLEAN WATER AND SANITATION
Water Conservation
Communities
Regulators
Shareholders

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Responsible Waste Management
Communities
Regulators
Shareholders

13 CLIMATE ACTION
Energy Conservation and GHG Emissions Reduction
Communities
Regulators
Shareholders

SOCIAL

3 GOOD HEALTH AND WELL-BEING
Employee Health, Safety and Wellness
Employees
Regulators

4 QUALITY EDUCATION
Employee Development and Retention
Employees

10 REDUCED INEQUALITIES
Equality and Diversity in the Workplace
Employees

11 SUSTAINABLE CITIES AND COMMUNITIES
Ongoing Community Engagement
Communities

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Commitment to Data Protection
Employees
Customers
Regulators

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Commitment to Consistent Quality and Food Safety
Customers
Suppliers

GOVERNANCE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Robust Corporate Governance Framework
Regulators
Shareholders

2. SUSTAINABILITY PERFORMANCE AT A GLANCE

A summary of our key sustainability performance in FY2024 is as follows:

Sustainability Pillar	Performance Indicator	Sustainability Performance FY2024	FY2023
Economic	Number of members	399,000	363,000
	Number of restaurant outlets	79	65
	Economic value generated[1] (S$' million)	88.1	79.5
	Operating costs[2] (S$' million)	28.3	25.6
	Employee benefit expenses (S$' million)	27.5	24.4
	Tax to/(refunded from) governments (S$' million)	(0.1)	0.7
	Payments to providers of capital[3] (S$' million)	4.1	5.1
Environmental	Water consumption intensity (m^3/revenue S$'000)	1.1	1.1
	Percentage of waste oil disposed through licensed oil collector (%)	100	100
	Total Greenhouse Gas ("**GHG**") emissions (tonnes CO_2e)	21,393	19,390
	GHG emissions intensity (tonnes CO_2e/ revenue S$'000)	0.248	0.247
Social	Number of work-related fatalities	–	–
	Number of high-consequence work-related injuries[4]	–	1
	Number of recordable work-related injuries	48	43
	Number of work-related ill health cases[5]	–	–
	Turnover rate (%)	18	60
	Number of reported incidents of unlawful discrimination against employees[6]	–	–
	Percentage of restaurant outlets graded A or B by the Singapore Food Agency ("**SFA**") (%)	100	100
	Number of major food safety incidents[7]	–	–
Governance	Number of incidents of serious offence[8]	–	–

Notes:

1 Economic value generated includes revenue, other income and interest income, net of government grants and any unrealised gains.
2 Operating costs include payments to suppliers and service providers.
3 Payments to providers of capital include dividends paid to shareholders (if any) and interest payments to providers of financing.
4 A high-consequence work-related injury refers to an injury from which the worker cannot recover or cannot recover fully to pre-injury health status within six months.
5 A work-related ill health case refers to a case with negative impacts on health arising from exposure to hazards at work.
6 An unlawful discrimination refers to an incident of discrimination whereby the relevant authority has commenced investigation and resulted in a penalty to a company.
7 A major food safety incident is defined as an incident whereby at least 5 unrelated customers (at the same venue or event) are affected from consuming food items produced.
8 A serious offence is defined as one that involves fraud or dishonesty involving an amount not less than SGD 100,000 and is punishable by imprisonment for a term of not less than two years, which is being or has been committed against a company by officers or employees of the company.

3. REPORTING FRAMEWORK

This Report is prepared in accordance with 711A and 711B of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Company reported in accordance with the Global Reporting Initiative ("**GRI**") Standards for the period from 1 April 2023 to 31 March 2024 ("**Reporting Period**"). We chose to report using the GRI framework as it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures.

Our climate-related disclosures are produced based on the 11 recommendations of the Taskforce on Climate-related Financial Disclosures ("**TCFD**").

As part of our continual efforts to align our sustainability reporting with relevant market standards, we mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 ("**UN Sustainability Agenda**"). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all developed and developing countries in a global partnership. We incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

We relied on internal data monitoring and verification to ensure accuracy for this Report. Internal review on the sustainability report was performed for the Reporting Period and incorporated as part of our internal audit review cycle. We will work towards external assurance for our future sustainability reports subject to market trends and regulatory requirements.

4. REPORTING SCOPE

This Report articulates our strategies and practices in key aspects of sustainability and provides a detailed account of our sustainability performance in our operations and is applicable for the Reporting Period. This Report covers the entities which contributed 100% of the Group's revenue for FY2024 (FY2023: 100%) as follows:

S/N	Entity
1	Japan Foods Holding Ltd.
2	Bachmann Enterprises Pte. Ltd.
3	Bachmann Japanese Restaurant Pte. Ltd.
4	Japan Foods Enterprises Pte. Ltd.
5	Japan Foods Bridge Pte. Ltd.

5. FEEDBACK

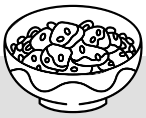
Your feedback on this Report is an important way of improving our sustainability practices. If you have any comments, suggestions or feedback on this matter, please send it to our investor relations email account at ir@jfh.com.sg.

6. OUR PHILOSOPHY

Our Vision
To enlarge our regional footprint by offering innovative dining concepts and serving top quality cuisine in multiple markets within Asia.

Our Mission
To endeavour to achieve annual growth in our restaurant outlets network and sales.

Our Core Values

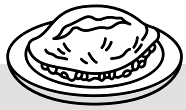


Focus on Sustainable Growth

We are focused on growing sustainable shareholders' value and environmental sustainability.

Quality and Freshness

We aim to serve good food at affordable prices. We will use only the freshest ingredients prepared daily at our central kitchen.

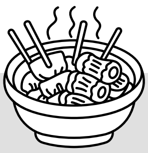


Customer Focused

We aim to be customer focused, providing good and friendly service at all our restaurants.

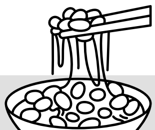
Performance

We tap on technology to increase productivity and efficiency throughout our operations.



People Development

We offer equal opportunities to all staff.



Stakeholder Accountability

We are committed to building long lasting relationships with our stakeholders based on mutual trust and respect.

Our sustainability journey is driven by the Group's vision, mission, core values and SDGs as they shape our business culture and strategies.

7. OUR BUSINESS

The Group is principally involved in the operations of a chain of restaurant outlets under franchised and self-developed brands. Our key ingredients are sourced from both overseas and local suppliers. Ingredients are processed in our central kitchens for economic and quality control reasons before they are supplied to our restaurant outlets in the form of processed food such as sauces, soup, noodles and meat for further handling before they are served to our customers.

Our Suppliers

We procure food ingredients and kitchen equipment such as boilers, fryers, pots and pans from reliable suppliers.

Our Operations

Central Kitchens
We process ingredients and deliver them to our restaurants across Singapore.

Restaurants
We cook a variety of dishes to serve our customers.

Our Customers

We serve both Halal and non-Halal cuisines to our customers, with a focus on Japanese cuisine.

8. STAKEHOLDER ENGAGEMENT

We recognise that constructive engagement with stakeholders, accurate interpretation of their needs and incorporating them in our corporate strategic planning are necessary. Through an internal stakeholder mapping exercise, we identified key stakeholder groups which we prioritise our engagements with. These include entities or individuals that have an interest that are affected or could be affected by our activities as follows:

S/N	Key Stakeholder	Key Engagement Channel	Frequency of Engagement	Key Concerns Raised
1	Communities	Community campaigns	Ongoing	● Social inclusion ● Environmental initiatives
2	Customers	● Customer questionnaires ● Online feedback forms ● JFH Rewards programme	Daily	● Customer service standards ● Food safety ● Food quality and consistency
3	Employees	Employee performance review	Annually	● Equal employment opportunities ● Career development and training opportunities ● Job security ● Remuneration ● Workplace health and safety
4	Regulators	Consultations and briefings organised by key regulatory bodies such as Singapore Stock Exchange, Ministry of Manpower and SFA	Ad hoc	● Corporate governance ● Environmental compliance ● Workplace health and safety ● Feedback and email communications
5	Shareholders	● Annual general meeting ("**AGM**") ● Issuance of annual report	Annually	● Sustainable business performance ● Market valuation ● Dividend payment ● Corporate governance
		Results announcements	Half-yearly	
		Investor relations communication	Ongoing	
6	Suppliers	● Suppliers' evaluations ● Feedback provided by procurement teams to suppliers	Ad hoc	● Order volatility ● Prompt payments ● Fair trading practices ● Long-term and sustainable business relations

Through the above channels, we seek to understand the views of key stakeholders, communicate effectively with them and respond to their concerns.

9. POLICY, PRACTICE AND PERFORMANCE REPORTING

Our sustainability reporting policy ("**SR Policy**") covers the sustainability processes in place to identify and monitor material Sustainability Factors and serves as a point of reference to how we conduct our sustainability reporting. Under this SR Policy, we review our material Sustainability Factors at least bi-annually, considering the feedback that we receive from our engagement with our stakeholders as well as considering relevant internal and external developments. A sustainability report is published annually in accordance with our SR Policy.

9.1 Sustainability Reporting Processes

Under our SR policy, our sustainability process begins with an understanding of the Group's context. This is followed by the ongoing identification and assessment of the Group's sustainability-related impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of material Sustainability Factors disclosed in this Report.

Processes involved are shown in the chart below:

CONTEXT
Understand the Group's context by considering its activities, business relationships, stakeholders, and sustainability context of all the entities it controls or has an interest in, including minority interests.

IDENTIFICATION
Identify actual and potential impacts on the economy, environment, people and their human rights.

RATING
Assess the pervasiveness of Sustainability Factors across the Group and cluster similar Sustainability Factors.

PRIORITISATION
Prioritise the impacts based on their significance to determine the material Sustainability Factors for reporting.

VALIDATE
Sustainability Factors will be internally validated by leadership.

REVIEW
In each reporting period, review the material Sustainability Factors from the previous reporting period to account for changes in impacts which can result from feedback received from engagement with stakeholders, organisational and external developments.

9.2 Sustainability Governance Structure

The Board is ultimately responsible for the oversight of the Group's sustainability matters including the determination of material Sustainability Factors, development of sustainability strategy, performance target setting and is primarily supported by an executive level Sustainability Committee ("**SC**") by virtue of delegation. As part of our continual efforts to upgrade the knowledge of our directors on sustainability reporting and to meet the requirement of Rule 720(6) of the SGX-ST, all our directors have attended one of the approved sustainability training courses.

The SC is led by the Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") while its members comprise selected representative members from the key business units and corporate functions. Beside the SC, the Board is supported by the Audit and Risk Committee ("**ARC**") on specific sustainability matters under its terms of reference. Our sustainability reporting structure and the responsibilities of component parties are detailed as follows:

Board

- Determines material Sustainability Factors of the Group
- Oversees the identification and evaluation of climate-related risks and opportunities
- Reviews and approves sustainability strategy and targets, policies and sustainability report (including materiality assessment process and outcome)
- Ensures the integration of sustainability and climate-related risks and opportunities within the Group's enterprise risk management ("**ERM**") framework
- Monitors implementation of sustainability strategies, policies and performance against targets

ARC

- Reviews the effectiveness and adequacy of the Group's sustainability reporting internal control system and process
- Oversees the conduct of assurance activities pertaining to the company's sustainability reporting process

SC (Executive Level)

- Develops sustainability strategy and policies and recommends revisions to the Board
- Ensures the implementation of sustainability strategy is aligned across business segments
- Evaluates overall sustainability risks and opportunities, including a focus on climate-related issues
- Performs materiality assessment and reviews sustainability reports prior to approval by the Board
- Aligns practices on the ground with the organisation-wide sustainability agenda and strategy
- Monitors sustainability activities and performance against targets

Business Units

Corporate Functions

As we are still refining our sustainability related performance indicator measuring and tracking mechanism, we will link key executives' remuneration to sustainability performance when the mechanism is more mature and stable.

9.3 Materiality Assessment

We consistently refine our management approach to effectively respond to the dynamic shifts within the business landscape. Aligned with the GRI standards, a cornerstone of our commitment is the undertaking of annual materiality assessment to ensure ongoing relevance and materiality of sustainability issues are addressed and disclosed within this Report.

The scope of materiality assessment encompasses both positive and negative as well as the actual and potential impacts of the sustainability issues. The assessment also considers: (i) the likelihood of occurrence of such impacts; and (ii) their significance on the economy, environment, social aspects and in terms of their contribution to sustainable development.

9.4 Performance Tracking and Reporting

We track the progress of our material factors by identifying, monitoring and measuring the relevant data points. In addition, we set performance targets that are aligned with our business strategies to ensure that we remain focused in our path to sustainability. We aim to consistently enhance our performance-monitoring and data collection processes.

10. MATERIAL SUSTAINABILITY FACTORS

In FY2024, a stakeholder engagement session and materiality assessment[9] were conducted to understand the concerns and expectations of our key stakeholders. Through this session and assessment, factors with significant impacts to the sustainability of our business were updated. In this Report, we also reported on our progress in managing these factors and set related targets to improve our performance.

Our material Sustainability Factors are presented in the table below:

S/N	Material Sustainability Factor	Core Value	SDGs	Key Stakeholder
Economic				
1	Total Customer Satisfaction	Customer focused	Decent work and economic growth	• Customers • Suppliers
2	Sustainable Business Performance	Focused on sustainable growth	Decent work and economic growth	• Employees • Regulators • Shareholders • Suppliers
Environmental				
3	Water Conservation	Focused on sustainable growth	Clean water and sanitation	• Communities • Regulators • Shareholders
4	Responsible Waste Management	Focused on sustainable growth	Responsible consumption and production	• Communities • Regulators • Shareholders
5	Energy Conservation and GHG Emissions Reduction	Focused on sustainable growth	Climate action	• Communities • Regulators • Shareholders
Social				
6	Employee Health, Safety and Wellness	People development	Good health and well-being	• Employees • Regulators
7	Employee Development and Retention	People development	Quality education	• Employees
8	Equality and Diversity in the Workplace	People development	Reduced inequalities	• Employees
9	Ongoing Community Engagement	Stakeholder accountability	Sustainable cities and communities	• Communities
10	Commitment to Data Protection	Stakeholder accountability	Peace, justice and strong institutions	• Employees • Customers • Regulators
11	Commitment to Consistent Quality and Food Safety	Quality and freshness	Peace, justice and strong institutions	• Customers • Suppliers
Governance				
12	Robust Corporate Governance Framework	Stakeholder accountability	Peace, justice and strong institutions	• Regulators • Shareholders

Please refer to section 12 'Supporting the SDGs' in this Report on our efforts in addressing these goals.

Note:

9 We engaged the stakeholders of employees and suppliers for our materiality assessment.

We update the material Sustainability Factors on an annual basis to reflect changes in business operations, environment, stakeholders' feedback and sustainability trends. The details of each material Sustainability Factor for the Reporting Period are presented as follows:

10.1 Total Customer Satisfaction

Our Commitment

As a leading Japanese restaurant chain in Singapore, we are committed to constantly evolve in tandem with the dynamic shifts in customer preferences and ensuring that our offerings remain attuned to their changing taste and preference. In pursuit of broadening our customer reach and presenting an assortment of food products that satisfy our customers' taste buds, we offer an extensive selection of brands and continuously develop new recipes to provide a fulfilling dining experience for our customers.

Our Approach

Diversified Brand Offerings

With an in-depth understanding of our market, we constantly review our brand portfolio to bring new tastes and experiences to satisfy the diverse needs of our customers. During the Reporting Period, we introduced the following new brands under our own and franchised brands:

Our Brand	Concept
Our Own Brands	
Yakiniku Kai	A Japanese barbecue restaurant concept that offers sake and beer pairings with a wide selection of grilled meat and side dishes.
Godaime	Maze Soba restaurant concept that specialises in Maze Soba, a type of dry ramen that focuses on its sauce and ingredients mixed with chewy noodles, for an overall satisfying mouthfeel.
BBQ Seoul Shokudo	BBQ Seoul Shokudo is our first Korean concept restaurant. It serves Korean-style BBQ, offering well marinated beef and chicken together with the quintessential side dishes, or kimchi, that always accompany a Korean meal.
Romana Pizza & Pasta	Romana Pizza & Pasta combines traditional Italian flavours with Japanese flair for a unique culinary experience, featuring a selection of hand-made pizzas, pasta and creamy doria.
Our Franchised Brands	
Tori Sanwa	A franchised brand from Nagoya, Japan with a 120-year history, serving chicken dishes such as Oyako Don and Chicken Nagoya Kochin.
Milan Shokudo	The first Japanese-Italian fusion concept featuring dishes ranging from hand-made pasta to pizza, doria and grill items.
Milan Tei	Halal restaurant concept featuring Italian favourites such as pizzas, pastas and dorias with a Japanese twist.
Kageyama	Kageyama is an award-winning brand from Tokyo, Japan that is known for its tori-paitan ramen. Kageyama made it to Tokyo's Ramen of the Year list and was awarded the Gold Medal for three years.

We maintain a balanced brand offering of renown franchised Japanese food-based brands and our own brands.

Enhance our Presence and Maintain Close Proximity to our Customers

We acknowledge that a convenient location is crucial to attract and retain customers. Over the years, we cultivated good relationships with major mall operators, enabling us to secure prime locations to build a network of restaurant outlets. We also operate Halal certified restaurant outlets to accommodate and expand our customer reach.

Quality Food at Reasonable Prices

Our food philosophy is to serve authentic Japanese cuisine and we take pride in serving quality and affordable meals to our customers. We ensure the standard and quality of our offerings through the following ways:

- Our research and development team constantly innovate new recipes that appeal to our customers;
- Our central kitchens prepare ingredients for our restaurant outlets, ensuring consistency in food standards and benefit from economies of scale through bulk purchases;
- Our ramen noodles are meticulously prepared in-house and overseen by our in-house Production Team;
- We source from reliable suppliers to ensure that they offer quality products with competitive pricing, allowing us to offer affordable prices for our customers. Strategic suppliers are regularly evaluated through measures such as annual assessments and visits to suppliers' facilities; and
- To retain authenticity in our food, certain key ingredients are sourced directly from Japan and further processed in our central kitchens and restaurant outlets.

Provide Quality and Safe Products

We adhere to market standards and implement best practices in our operations to ensure that we uphold the quality and standards of our products. We operate a central kitchen that is Halal certified and this certification allows us to serve Halal food items to our customers. For further details on how we maintain product safety and consistency in quality, refer to Section 10.11 'Commitment to Consistent Quality and Food Safety'.

Proactively Gather Customer Feedback

We harness the use of technology to remain nimble in addressing customer feedback which is gathered through various touchpoints such as Google Reviews, our website and social media platforms. We also implement a customer relationship management system that allows a comprehensive and more insightful analysis of customer preferences. Our dedicated customer service team consolidates the feedback obtained daily and forwards it to the relevant Brand Managers. Immediate actions are taken by our Brand Managers for adverse feedback and feedback that requires timely response. Insights gathered are discussed during our management meetings to drive product and service improvements, enhance operational efficiency and provide inputs for strategy development.

Enhance Loyalty through Membership Programme

Our JFH Rewards loyalty programme aims to build customer loyalty by providing instant cash rebates for food at over 70 participating JFH's restaurant outlets island wide. Members can earn rebates under the programme, which can be utilised to offset against their bill when they patronise one of the participating restaurant outlets.

Our Performance

Diversified Brands Offerings

During the Reporting Period, we offered a total of 23 brands which include 11 franchised brands[10] and 12 self-developed brands[11] and concepts.

Enhance our Presence and Maintain Close Proximity to our Customers

As at 31 March 2024, we operated 79 restaurant outlets in high-traffic and popular malls island-wide (as at 31 March 2023: 65 restaurant outlets).

Source: Based on the list of restaurant outlets provided by the HR Department

Of the above outlets as at 31 March 2024, 39 of them are Halal certified (as at 31 March 2023: 26 Halal certified restaurant outlets).

Refer to 'Our Franchised and Self-Developed Brands' sections for a comprehensive list of our restaurant brands.

Enhance Loyalty through Membership Programme

As of 31 March 2024, we have approximately 399,000 members (as at 31 March 2023: 363,000 members).

Notes:

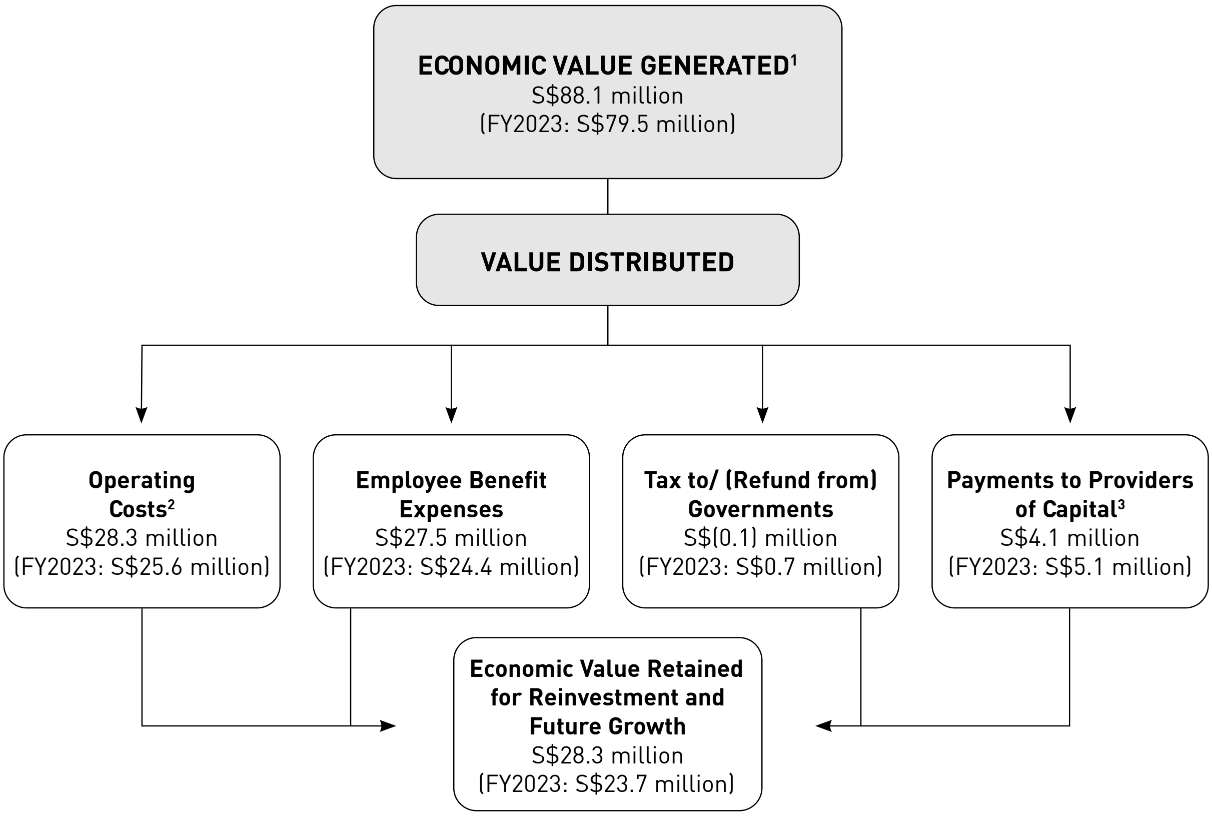
10 Excludes the 'Fruit Paradise' brand and restaurant outlets that were converted to Halal restaurants.
11 Includes 'Fruit Paradise' brand and restaurant outlets that have been converted to Halal restaurants.

10.2 Sustainable Business Performance

Our Commitment
We are committed to creating long-term economic value for stakeholders by adopting responsible business practices and growing our business in a sustainable manner.

Our Approach
We generate and distribute economic value by executing our business strategy, which includes staying abreast with market trends, maintaining a healthy balance sheet and strong cash flow, whilst mitigating relevant business risks identified.

Our Performance
In line with this commitment, we present the distribution of our values created in FY2024 as follows:



During the Reporting Period, we distributed 68% of our economic value generated (FY2023: 70%). Further details of our economic performance can be found in the financial contents and audited financial statements of the Annual Report.

10.3 Water Conservation

Our Commitment
We are committed to the responsible usage of water resources through enhancing our water consumption efficiency.

Our Approach
Our water source[12] is derived from the Public Utilities Board, Singapore's National Water Agency. We rely on water resources to run our operations primarily in the following areas:
- Food preparation processes such as thawing meat and making soup bases;
- Dishwashing; and
- Kitchen cleaning.

Our water conservation initiatives include performing periodic inspections on faucets and pipes for leakages and encourage staff to use water responsibly, such as to operate the dishwasher only when a water basin is fully loaded with utensils for washing.

To enhance our water usage management, a designated team conducts audit check at each restaurant outlet periodically. These checks cover identification of faulty equipment susceptible to leakages and areas of potential water wastages. For leakages identified, the relevant Brand Manager is alerted and corrective actions such as engaging a plumber or informing the mall management are taken immediately. Additionally, our Brand Managers and Outlet Managers also conduct routine spot checks to ensure that water outlets in our restaurant outlets are in good working order.

Our Performance
Key statistics on water consumption during the Reporting Period are as follows:

Resource	Water Consumption (m^3)		Water Consumption Intensity (m^3/ S$ '000)	
	FY2024	FY2023	FY2024	FY2023
Water	97,783	86,173	1.1	1.1

Our water consumption intensity remains consistent between FY2024 and FY2023. We shall continue to exercise prudence in our usage by tracking our water consumption, observe fluctuation patterns and take corrective actions if required.

10.4 Responsible Waste Management

Our Commitment
Waste generated from our restaurant outlets and central kitchens includes food and oil waste. We are committed to minimise food waste and better manage oil waste generated in our operations.

Our Approach
Ingredient waste generated from our operations is deemed not to be material as the products we serve are mostly fast-moving. In addition, our menu items are designed to optimise food ingredients usage as interchangeable semi-processed ingredients such as char siew, tofu and seaweed are used for different dishes so that the final dishes are cooked only when ordered.

Nonetheless, we implemented the following measures to minimise waste generated in our operations:
- Periodic monitoring of inventory level and analysing of customer's demand to minimise overstocking of ingredients;
- Monitor and control food portion size to minimise food wastages;
- Track shelf life of ingredients and food products using a barcode system; and
- For take-away orders, disposable cutleries are provided only upon request by our customers, further reducing single-used cutleries.

Note:

12 Disclosure on water drawn from water stress areas is not made as it is not applicable. The Group does not contribute significantly to the ability of any of the country in which it operates in, to meet the human and ecological demand for water.

We engaged a third-party licensed oil collector for disposal of oil waste generated in our operations in accordance with the requirements of the Environmental Public Health Act, the Environmental Public Health (General Waste Collection) Regulations and the General Waste Collector Conditions of Licence (collectively referred to as "**Prevailing Waste Regulations**").

Our Performance
Key statistics on waste generated during the Reporting Period are as follows:

Performance Indicator	Waste Oil Generated (metric tonnes)		Waste Oil Intensity (metric tonnes/ S$'000)	
	FY2024	**FY2023**	**FY2024**	**FY2023**
Oil waste	24	25	<0.001	<0.001

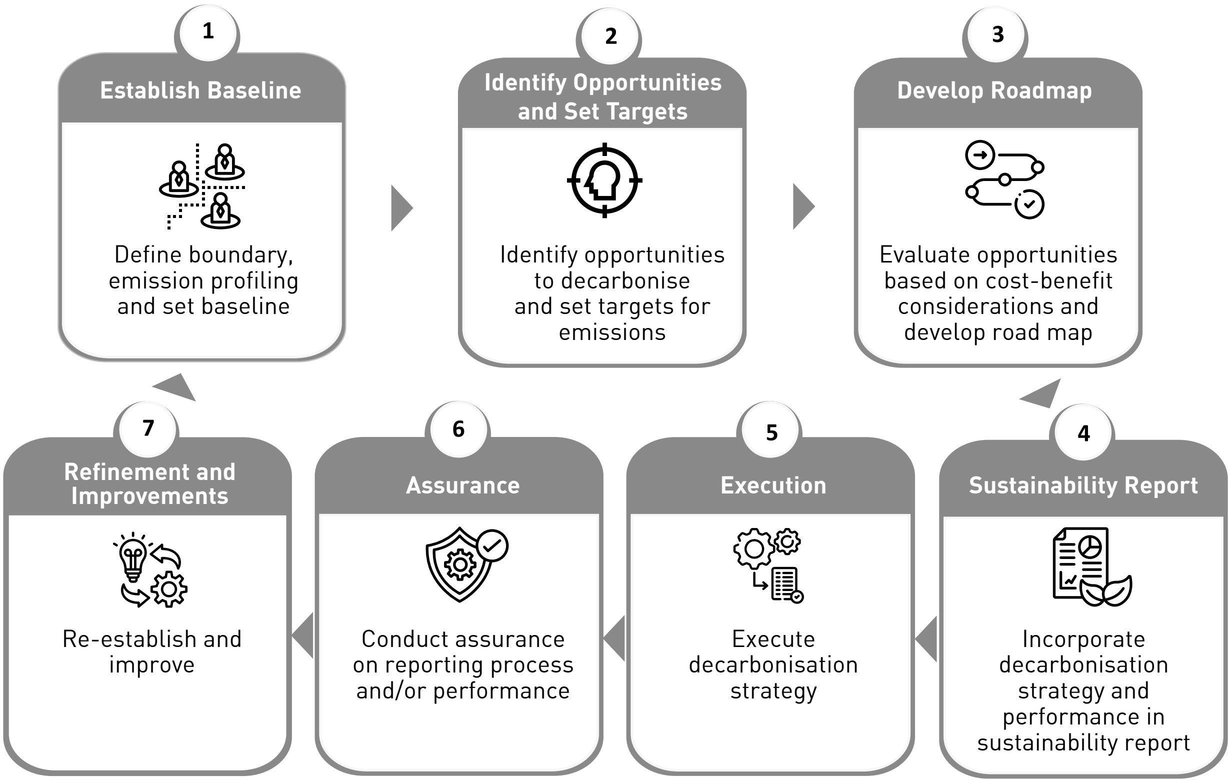
During the Reporting Period, 100% oil waste generated in operations are disposed in accordance with Prevailing Waste Regulations (FY2023: 100%).

10.5 Energy Conservation and GHG Emissions Reduction

Our Commitment
We acknowledge that our energy consumption and the resultant GHG emissions contribute to climate change. Accordingly, we are committed to reduce our carbon footprint whilst open to capitalise on opportunities that may arise as we transit to become a low-carbon organisation.

Our Approach
We aim to reduce our environmental footprints and at the same time, establish operational resilience to deliver long-term and sustainable value to our key stakeholders.

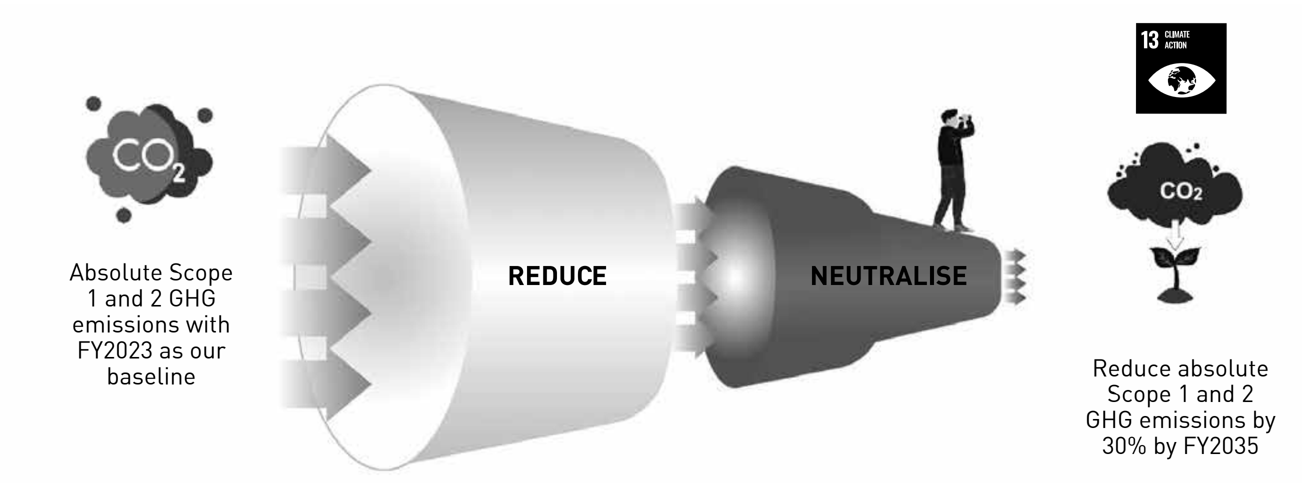
<u>Decarbonisation Approach</u>
To achieve our decarbonisation goals, we set up a seven-step continuous circular process for our decarbonisation efforts as follows:



This year, we conducted a GHG emission profiling exercise for our Scope 1, 2 and 3 GHG emissions based on defined organisational boundaries. We track and monitor our Scope 1, 2 and certain categories of Scope 3 GHG emissions closely and are developing mechanisms to track our other categories of our Scope 3 GHG emissions, where relevant and practicable. We also developed a climate change transition plan and will refine and improve our climate change transition plan as we progressively implement the plan, by considering changes in business operations, environment and market trends. Progress updates and performance will be provided in our sustainability report with assurance on the reporting process covered by an internal review.

Climate Change Transition Plan

Our climate change transition plan steers us on our decarbonisation journey. Under this strategy, we commit to reduce our absolute Scope 1 and 2 GHG emissions by 30% and by FY2035, with FY2023 as our baseline. Our climate change transition plan is focused on two strategic levers of reduce and neutralise as follows:



Details of our strategic levers are as follows:

Lever	Reduce	Neutralise
Description	● Reduce absolute GHG emissions first within our operations and followed by our supply chain ● Replace existing energy source with low or zero-carbon sources	Neutralise unavoidable residual GHG emissions
Focus area	● Energy efficiency – Machinery and Equipment – Lighting – Cooling – Electric vehicle ● Clean energy	● Renewable energy certificates ("**REC**") ● Carbon credits

We track and review spending on energy consumption regularly to control usage and take corrective actions when unusual consumption patterns are observed. We continuously strive to improve our energy use and efficiency through the following initiatives and aspirations:

Lever	Key Initiative	Description
Reduce	Reduction in energy consumption through efficient machinery and equipment	Our initiatives on this front include: ● Regular maintenance of machinery and equipment to optimise energy efficiency; and ● Regular cleaning of filters for air-conditioning systems to reduce air flow resistance.
	Reduction in energy consumption through adoption of greener work practices	We switch off the lightings to reduce energy consumption when not in used.
	Reduction through replacement of existing vehicles with electric vehicles	Our motor vehicles are currently powered by diesel fuel which emits more carbon dioxide than electric vehicles for each unit of distance travelled. We are considering switching to electric-powered motor vehicles which are cleaner than diesel-powered ones when the need arises.
	Reduction through switching to renewable energy source	We constantly explore opportunities to use clean and/or renewable energy available in the locations that we operate in.
Neutralise	● REC ● Carbon credits	We plan to explore the use of REC and carbon credits to offset unavoidable residual GHG emissions when the relevant markets mature.

Energy conservation and GHG emissions management is of utmost concern to the Group. As part of our efforts to mitigate climate change, we aim to use energy responsibly and reduce our GHG emissions through enhancing our energy usage efficiency and carbon reduction initiatives.

We operate a head office, two central kitchens and a chain of restaurant outlets in Singapore. To run our operations, we rely mainly on the following energy sources:

- Liquefied petroleum gas ("**LPG**") for operating cooking equipment;
- Electricity for running equipment for refrigeration, lighting, office work, cooling and ventilation; and
- Diesel for motor vehicles.

We track and review energy consumption regularly to control usage. As part of our proactive measures to control energy consumption, our operating equipment undergoes a systematic preventive maintenance programme, to conserve energy and maintain energy efficiency.

Our Performance
Key statistics on energy consumption and GHG emissions during the Reporting Period are as follows:

Performance Indicator	Unit of Measurement	FY2024	FY2023
Energy Consumption			
LPG consumption	kWh	5,912,685	5,426,591
Diesel consumption	litre	17,103	13,595
Electricity consumption	kWh	8,836,865	7,810,553
Energy Consumption Intensity			
LPG consumption intensity	kWh / revenue S$'000	68.5	69.1
Diesel consumption intensity	litre / revenue S$'000	0.198	0.173
Electricity consumption intensity	kWh / revenue S$'000	102.3	99.5
GHG Emissions			
Direct GHG emissions (Scope 1[13])	tonnes CO_2e	17,710	16,247
Indirect GHG emissions (Scope 2[14])	tonnes CO_2e	3,683	3,143
Total GHG emissions	tonnes CO_2e	21,393	19,390
GHG emissions intensity	tonnes CO_2e/ revenue S$'000	0.248	0.247

For the Reporting Period, our total GHG emissions increase mainly due an increase in the number of restaurant outlets we operated. The GHG emissions intensity experienced a slight uptick as the operations of our new restaurant outlets are stabilising. We will continue to intensify our energy conservation efforts by tracking our energy consumption and relevant GHG emissions, observe fluctuation patterns and take corrective actions if required.

During the Reporting Period, we started tracking our Scope 3 GHG emissions[15] arising from purchased goods and services (category 1), business travel (category 6) and employee commuting (category 7):

Category	Coverage	Operation	Unit of Measurement	FY2024[16]
Category 1: Purchased goods and services	Pork, chicken and fish	Central kitchens	tonnes CO_2e	5,533
Category 6: Business travel	Air travel	Group	tonnes CO_2e	1
Category 7: Employee commuting	Transportation of employees between their homes and their worksites		tonnes CO_2e	77

Notes:

13 GHG emissions from consumption of LPG and diesel controlled by the Company (Scope 1) are calculated based on the Greenhouse Gas (GHG) Emissions Measurement and Reporting Guidelines published by the National Environment Agency.
14 GHG emissions from electricity purchased by the Company (Scope 2) are calculated based on the average emissions factors published by the Energy Market Authority.
15 GHG emissions from indirect sources (Scope 3) are computed based on the Technical Guidance for calculating Scope 3 Emissions of the GHG Protocol, and recognised sources.
16 Comparative data not available as it was not tracked previously.

10.6 Employee Health, Safety and Wellness

Our Commitment
A safe working environment provides our employees with the assurance of safety, enabling them to carry out their duties without apprehension of injuries. Feeling safe at work contributes to employees' overall satisfaction and loyalty to the Group. Accordingly, we are committed to instil a safety and security conscious culture amongst our employees at all levels.

Our Approach
Our safety procedures in place are applicable for all employees. Key procedures implemented to manage health and safety in the workplace environment are as follows:

- A set of safety rules and regulations is in place;
- A work safety committee is established and safety inspections including identification of existing and potential hazards, and implementation of corrective actions;
- Employees are briefed on safety procedures during orientation;
- First aid kits are placed at strategic locations for greater accessibility;
- Group hospitalisation and work injury compensation insurance (for eligible employees) are purchased for our employees; and
- Periodic reviews are performed to ensure that our safety procedures are up to date.

We also designated a manager to conduct audit checks on kitchen safety including checking if work premises are clean and dry to prevent slips and falls, kitchen exhaust hoods are not greasy and does not pose as a fire hazard, kitchen floor and safety checklist is properly completed.

In addition, we care for our employees' welfare through employee benefits as follows:

S/N	Type of Benefit	Benefit
1	Medical	Eligible employees are entitled to medical benefits such as reimbursement for employee's medical consultation and enhanced medical insurance.
2	Pro-family	Eligible employees are entitled to pro-family benefits such as: (i) marriage leave; (ii) maternity, paternity (including shared paternity leave) and childcare leave; (iii) extended childcare leave; and (iv) compassionate leave.
3	Appreciation	Employees are entitled to appreciation benefits such as: (i) yearly service award; (ii) birthday voucher; (iii) retention incentive; (iv) employee discount; and (v) employee referral scheme.

Our Performance
Key statistics on our work-related cases are as follows:

Performance Indicator	FY2024	FY2023
Number of work-related fatalities	–	–
Number of high-consequence work-related injuries[4]	–	1
Number of recordable work-related injuries	48	43
Number of recordable work-related ill health cases[5]	–	–

The increase in recordable work-related injury cases is mainly due to kitchen accidents such as burns and cuts. Nonetheless, we remain committed to maintain a safe working environment for all our employees. We take corrective actions responsively to ensure that lessons from the workplace accidents are shared across business units to prevent recurrence.

Parental Leave

Key statistics on maternity leave and paternity leave (collectively as "**Parental Leave**") taken by confirmed full-time employees are as follows:

	FY2024		FY2023	
Performance Indicator	**Male**	**Female**	**Male**	**Female**
Number of employees entitled to Parental Leave	5	4	3	5
Number of employees who took Parental Leave	5	4	3	5
Number of employees who returned to work after Parental Leave ended	5	4	3	5
Return to work rate of employees who took Parental Leave	100%	100%	100%	100%
Retention rate of employees 12 months after they returned to work from Parental Leave[17]	100%	100%	NA[18]	–%

10.7 Employee Development and Retention

Our Commitment

In line with our commitment to focus on people development, we place high priority on talent retention and competency development of our employees as we believe that well-trained employees are key to the long-term success of our business.

Our Approach

Systematic and Comprehensive Training Programmes

To equip our employees with the essential skills, we implemented various training programmes such as kitchen housekeeping, food hygiene and safety courses, as such programmes motivate them to maintain a high level of performance. We also send employees for upskilling and refresher courses such as food hygiene safety, Halal competency courses, as well as courses for professional development.

Performance Appraisal System

Employee performance appraisal serves not only as an assessment of an employee's job performance but also provides an avenue for us to discuss on areas for improvement with our employees. We encourage our employees to take self-initiated enrichment actions to improve their current skillsets, which will also add value to our business.

Our Performance

Key statistics on new hires and turnover of our full-time employees are as follows:

New Hires[19]

Performance Indicator	**FY2024**	**FY2023**
Overall	18%	82%
Gender		
Male	15%	77%
Female	22%	89%
Age		
Above 50	6%	78%
30 to 50	11%	82%
Below 30	31%	85%

Notes:

17 Retention rate is calculated based on employees who took Parental Leave in the preceding reporting period.
18 Not applicable as there were no employees entitled to take Parental Leave in the prior FY.
19 New hire related statistics are computed based on the number of new hires over total employees by gender and age.

Turnover[20]

Performance Indicator	FY2024	FY2023
Overall	18%	60%
Gender		
Male	15%	55%
Female	23%	67%
Age		
Above 50	15%	55%
30 to 50	19%	63%
Below 30	19%	61%

During the Reporting Period, our new hire and turnover rates improved mainly due to a consolidation and stabilisation of manpower requirements in the F&B industry. Nevertheless, we shall continue to work towards improving our new hire and turnover rates by focusing on the needs of our employees.

Training
Key statistics on training hours are as follows:

Performance Indicator	FY2024	FY2023
Overall		
Total training hours	1,759	1,947
Average training hours per employee	2.1	2.4[21]
Gender (Male)		
Total training hours	1,178	1,206
Average training hours per employee	2.6	2.9[21]
Gender (Female)		
Total training hours	581	741
Average training hours per employee	1.5	1.9[21]
Management		
Total training hours	24	NA[22]
Average training hours per employee	0.2	NA[22]
Non-Management		
Total training hours	1,735	NA[22]
Average training hours per employee	2.5	NA[22]

Some of our training curriculum is cyclical, with the frequency of mandatory training required being every five or ten years. During the Reporting Period, fewer employees are required to attend such training, resulting in the decrease in average training hours per employee.

Notes:

20 Turnover related statistics are computed based on the number of turnovers over total employees by gender and age.
21 Figures have been restated due to a refinement in computation methodology in FY2024. For consistency and comparison purposes, we have re-stated the figures for FY2023.
22 No comparative data is available as the data was not tracked previously.

Key statistics on performance appraisal are as follows:

Performance Indicator	FY2024	FY2023[23]
Overall	21%	22%
Gender		
Male	14%	21%
Female	32%	23%
Employee Category		
Management	5%	32%
Non-management	22%	21%

During the Reporting Period, we only conducted annual performance appraisal for our office employees and employees who are eligible for a promotion. We are working towards improving the percentage of employees receiving regular performance appraisals.

10.8 Equality and Diversity in the Workplace

Our Commitment
We are committed to provide a work environment for employees that fosters fairness, equality and respect regardless of age, gender, race or nationality. A diverse workforce supports business sustainability by providing different perspectives and insights to the team which can contribute to increased productivity and profitability as well as building a positive image and reputation for the organisation.

Our Approach
We view diversity at the Board level as an essential element in supporting sustainable development. For this reason, the Group adopted a board diversity policy, which recognises and embraces the benefits of diversity in 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. You may refer to pages 69 to 71 of the Annual Report for further details of the board diversity policy.

To promote equal opportunity, a human resource policy is in place to ensure that employees are recruited based on merit and competency. We seek to create an inclusive environment for our employees, and we do not discriminate against gender, age, race or education background. In line with our policy, our recruitment procedures do not request information such as gender, race or disability whilst information on age is requested only for legality check purposes.

Our Performance
As at 31 March 2024, the Group has a total of 829 (FY2023: 823) employees in Singapore with breakdown as follows:

Employment Type[24]	Full-Time	Part-Time[25]	Overall
Singapore	566	263	829

Notes:

23 Figures have been restated due to an improvement in our computation methodology to include a larger base.
24 We do not employ any employees on a non-guaranteed hours basis.
25 Part-time employees are not included in the computation of new hire and turnover.

Gender Diversity (%)
As at 31 March 2024, 2 (or 40%) of our Board are female (as at 31 March 2023: 3 (or 60%) female Board members).

Key statistics on gender diversity of our employees are as follows:

	FY2024		FY2023	
Performance Indicator	**Male**	**Female**	**Male**	**Female**
Overall	54%	46%	51%	49%
Management Level				
Management	69%	31%	63%	37%
Non-management	51%	49%	49%[26]	51%[26]
Employment Type				
Full-time	58%	42%	57%	43%
Part-time	44%	56%	41%	59%

Age Diversity (%)
Key statistics on age diversity of our employees are as follows:

	FY2024			FY2023		
Performance Indicator	**Below 30**	**30 – 50**	**Over 50**	**Below 30**	**30 – 50**	**Over 50**
Overall	50%	30%	20%	47%	31%	22%
Management Level						
Management	35%	55%	10%	34%	56%	10%
Non-management	53%	24%	23%	50%[26]	26%[26]	24%[26]
Employment Type						
Full-time	41%	38%	21%	36%[26]	39%	25%[26]
Part-time	67%	12%	21%	67%	16%	17%

Educational Background Diversity (%)
Due to the nature of our business, our workforce is predominantly non-tertiary educated. Key statistics on educational diversity of our employees are as follows:

	FY2024		FY2023	
Performance Indicator	**Tertiary**	**Non-tertiary**	**Tertiary**	**Non-tertiary**
Percentage of employees by educational diversity	27%	73%	24%	76%

As at 31 March 2024, we have no (FY2023: zero incident) reported incident of unlawful discrimination against employees.

Note:

26 Figures have been restated as a correction.

10.9 Ongoing Community Engagement

Our Commitment
We firmly believe that the sustained prosperity of our Group is intricately associated to the well-being of the community. Accordingly, we are committed in contributing back to the community we operate in.

Our Approach
During the Reporting Period, we partnered with various organisations through the following initiatives:

<u>Nurturing an Environment for all Abilities</u>
We supported the Movement for the Intellectually Disabled of Singapore ("**MINDS**"), a social service agency serving individuals with intellectual disability, their caregivers and families across life stages. Under our arrangement with MINDS, we recruit employees who are mentally challenged and help them to integrate into our workforce.

<u>Reintegrating Ex-Offenders back to the Workforce</u>
We partnered Yellow Ribbon Singapore, an agency championing Hope, Acceptance and Second Chances for ex-offenders, by offering ex-offenders second chances through job opportunities. We believe that every ex-offender is a potential contributor of good to the society and deserves a second chance in life.

Our Performance
<u>Nurturing an Environment for all Abilities</u>
As at 31 March 2024, we employed 4 employees (as at 31 March 2023: 9 employees) with special needs.

<u>Reintegrating Ex-Offenders back to the Workforce</u>
As at 31 March 2024, we employed 6 employees (as at 31 March 2023: 8 employees) under our partnership with Yellow Ribbon Singapore.

10.10 Commitment to Data Protection

Our Commitment
Protecting our stakeholders' personal data that we collect in the course of our business is of paramount importance to us, and we are committed to ensuring that our stakeholders' data is secured from unauthorised access.

Our Approach
In the course of our business, we collect the following personal data:
- Employee's particulars such as identification number, date of birth, address and contact number; and
- Customer's particulars such as contact number, age and address.

We take proactive actions to safeguard against cyber security risk for our stakeholders through the following:
- Our information technology infrastructure is governed by a data security risk management policy which guides us on data management and cyber security;
- To strengthen our crisis management framework, we incorporated cyber incident reporting procedures in our crisis management procedures;
- Routine email reminders are circulated to all employees on common cyber security threats such as phishing emails or Distributed Denial-of-Service (or commonly known as 'DDoS');
- Endpoint security such as anti-virus firewalls, malware protection and device management are implemented to protect our users; and
- A cyber security threat response team is in place to handle emergencies arising from cyber security threats.

Our Performance
During the Reporting Period, there were no reported substantiated complaints concerning breaches of data privacy and losses of data (FY2023: 0).

10.11 Commitment to Consistent Quality and Food Safety

Our Commitment
Aligned with our core values, we are committed to providing consistent quality and food safe for consumption to our customers.

Our Approach
To fulfil our commitment, the following key measures are in place:

Stringent Food Hygiene Standards
To mitigate the risk inherent in food safety, an appointed Food Hygiene Officer, who is independent of the Operations Team, conducts audit checks on our restaurant outlets. Such audit checks include: (i) food preparation areas; (ii) food storage areas; and (iii) records and documentation such as temperature records and food hygiene course certificates. The results of the audit checks are consolidated and presented during monthly meetings to discuss on areas for improvement.

Food samples are also sent to laboratory for food testing ("**Lab Test**") to check for bacteria hazards and negative results are sent to the relevant Brand Managers for investigation. To ensure the root cause is addressed, the relevant affected restaurant outlets are required to resend samples for Lab Test to ensure that the issue has been resolved. All results are reviewed by our Head of Operations and presented for discussion during monthly management meetings for improvement.

Other procedures implemented to ensure food safety and quality include:
- Daily temperature monitoring of our cold storages (i.e. freezers and chillers) to ensure the freshness of food and to prevent a deterioration in the quality of our inventory;
- Daily cleaning of our operational areas, vehicles, equipment and utensils;
- Maintaining product traceability records;
- Routine calibrations are performed for relevant equipment; and
- Inventory counts are performed periodically.

Proactive Supply Evaluation
We play an active role in ensuring that food ingredients are sourced from competent and reliable suppliers. To uphold our standard on food quality and safety, we implemented the following measures:
- Frequent supplier evaluations are performed through measures such as annual supplier assessment. Should the suppliers consistently fail to deliver based on the assessment criteria, the business relationship will be terminated;
- For strategic suppliers, additional onsite visits are made to their facilities to ensure consistency in the quality of our food supplies;
- Receiving procedures are established for food supplies to check on their quality and conditions; and
- Key ingredients manufactured internally in our central kitchens are subject to a stringent set of quality control procedures.

Adoption of Market Standards
We adopted market standards in our operations to ensure quality and safety in our products and services.

Our Performance
Stringent Food Hygiene Standards
As at 31 March 2024, 100%[27] of our restaurant outlets received an A (Excellent) or B (Good) grading by the SFA (FY2023: 100%) for the overall hygiene, cleanliness and housekeeping standards. There was no major food safety incident[7] during the Reporting Period (FY2023: zero incident).

Adoption of Market Standards
Some of the market standards adopted by our operations are as follows:

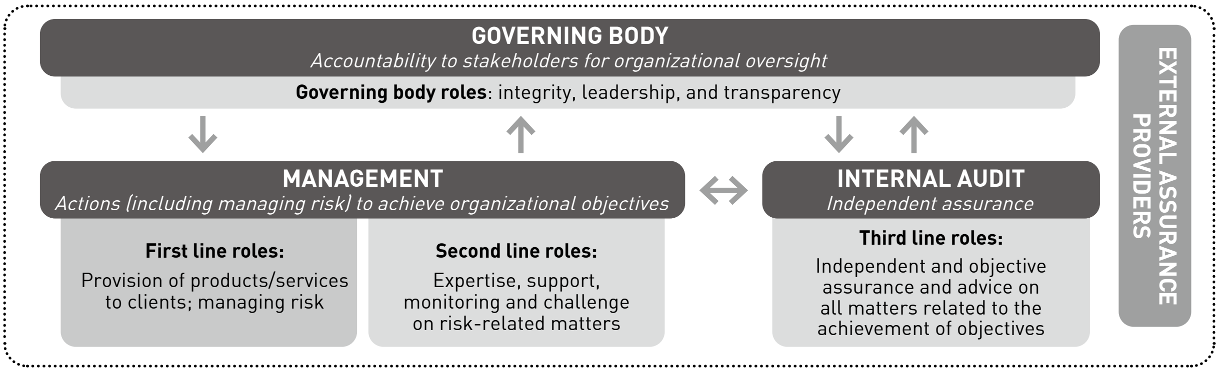
Certification	Focus of Relevant Certification
HACCP	Manage the food hygiene and safety procedures in our operations
HALAL	Ensure that our operations comply with Islamic dietary requirements

Note:
27 Where grading data is available and issued by SFA.

10.12 Robust Corporate Governance Framework

Our Commitment
Being a reputable public-listed restaurant chain, maintaining public trust is of utmost priority. The Group is committed to upholding high ethical standards and integrity in its operations, complying with all relevant laws and regulations. This involves good corporate governance, responsible business practices, as well as an accountable and transparent management system in order to prevent non-compliance, misconduct or corrupt business practices.

Our Approach
We aligned our corporate governance and risk management approach with the Three Lines Model published by the Institute of Internal Auditors ("**IIA**"). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first-and second-line roles), internal audit (third-line roles) and the relationship among them are defined as follows:



KEY: ↑ Accountability, reporting ↓ Delegation, direction, resources, oversight ↔ Alignment, communication coordination, collaboration

Source: Three Lines Model issued by the IIA

An ERM framework is implemented to track and manage the risks in which we are exposed. We regularly assess and review our businesses and operational environment to identify and manage emerging and strategic risks that may impact our sustainability. With a positive and proactive attitude, we believe that risks faced by the Group could be converted into opportunities and favourable results.

We continue to be one of the companies listed on the Catalist Board of Singapore Exchange under the SGX Fast Track Program of Singapore Exchange Regulation. This programme recognises public listed companies with good corporate governance practices and compliance track records and allows them to enjoy fast-tracked approval for certain corporate actions.

A whistle-blowing policy is in place to provide a safe channel for employees to report concerns about unethical or unlawful behaviour and matters related to organisational integrity. Any form of retaliation against an individual who in good faith reports a suspected violation is prohibited. In addition, we provide feedback channels and anonymous hotlines to further strengthen our zero-tolerance approach towards corruption and fraud.

Our Performance
During the Reporting Period, there were zero incidents of serious offence[8] reported (FY2023: zero) and one incident of non-compliance with applicable laws which resulted in a non-monetary sanction and financial penalty imposed[28] (FY2023: zero incident). The Group takes this matter seriously and we have since revised our internal procedures to ensure that such matters do not recur.

You may refer to Corporate Governance Report of this Annual Report for details of our corporate governance practices.

Note:

28 Refer to our announcements on SGXNet dated 22 June 2023, 11 May 2023, 7 October 2022 and 4 October 2022 for more information.

11. TARGETS AND PERFORMANCE HIGHLIGHTS

To measure our ongoing sustainability performance and drive continuous improvement, we developed a set of targets related to our material Sustainability Factors. Our progress against these targets is reviewed and reported on an annual basis with details as follows:

Legend	Progress Tracking
○○○	New target
●●●	Target achieved
●●○	On track to meet target
●○○	Not on track, requires review

S/N	Material Sustainability Factor	Target[29]	Performance in FY2024
Economic			
1	Total Customer Satisfaction	Ongoing and long-term ● Maintain or improve market presence subject to market conditions ● Maintain or increase the number of members subject to market conditions ● Maintain a balance and attractive brand portfolio	●●● ● Increased number of restaurants operated to 79 ● Increased number of members to 399,000 ● Introduced new brands under our Halal and non-Halal segments
2	Sustainable Business Performance	Short-term ● Distribute dividend in accordance with our dividend policy subject to the Group's business requirements and other relevant considerations ● Maintain or improve total economic value created subject to market conditions Ongoing and long-term Maintain an economic distribution ratio of 70% or improve the economic distribution ratio[30]	●●●[31] Distributed dividend in accordance with our dividend policy subject to the Group's business requirements and other relevant considerations ●●● Increase economic value generated to S$88.1 million ●●○ Our economic distribution ratio is 68% and on track to reach the target of 70%
Environment			
3	Water Conservation	Ongoing and long-term Maintain or reduce water consumption intensity of 1.1 m^3/ S$'000	●●● Maintained a water conservation intensity of 1.1 m^3/ S$'000
4	Responsible Waste Management	Ongoing and long-term Maintain or improve the percentage of waste oil recycled	●●● Maintained 100% of waste oil recycled

Notes:

29 Time horizons for target setting are: (1) short-term: by FY2025; (2) medium-term: FY2026 – FY2035; (3) long-term: after FY2035; and (4) ongoing: continuous time horizon.

30 We updated the performance targets for this Sustainability Factor to align with industry practices and aims to provide a more accurate representation of our sustainability performance.

31 The dividend distribution is subjected to shareholders' approval at the upcoming AGM in July 2024.

S/N	Material Sustainability Factor	Target[29]	Performance in FY2024
5	Energy Conservation and GHG Emissions Reduction	Short term Maintain or reduce GHG emissions intensity by FY2025 with FY2023 as baseline Medium-term Reduce absolute Scope 1 and 2 GHG emission by 30% by FY2035 with FY2023 as baseline	●●○ The GHG emissions intensity increased as the operations of our new restaurant outlets are stabilising ○○○ We developed a climate change transition plan and will refine and improve the plan as we progressively implement it, by considering changes in business operations, environment and market trends
Social			
6	Employee Health, Safety and Wellness	Short-term Reduce the number of recordable work-related injuries and ill-health cases	●○○ The number of recordable work-related injuries increased and is associated with burns and cut
7	Employee Development and Retention	Short-term Continuously identify opportunities to upskill workforce Ongoing and long-term ● Maintain or improve average training hours per employee[30] ● Maintain or improve turnover rate[30]	●●● We identified opportunities to upskill our workforce by implementing various training programmes such as kitchen, housekeeping, food hygiene and safety courses ○○○ We set new ongoing and long-term target for Employee Development and Retention
8	Equality and Diversity in the Workplace	Ongoing and long-term Maintain zero reported incident of unlawful discrimination against employees	●●● Maintained zero reported incident of unlawful discrimination against employees
9	Ongoing Community Engagement	Ongoing and long-term Continue to engage in community investment projects	●●● Continued to participate in community investment projects
10	Commitment to Data Protection	Ongoing and long-term Maintain zero reported substantiated complaints concerning breaches of data privacy and losses of data	○○○ Not applicable as Commitment to Data Protection is a new Sustainability Factor identified by the Group
11	Commitment to Consistent Quality and Food Safety	Ongoing and long-term Maintain zero major food safety incident	●●● Maintained zero incident of major food safety

S/N	Material Sustainability Factor	Target[29]	Performance in FY2024
Governance			
12	Robust Corporate Governance Framework	Ongoing and long-term ● Maintain zero incident of significant fines or non-monetary sanctions for non-compliance with applicable laws and regulations[30] ● Maintain zero incident of serious offence	●○○ There was 1 incident of non-compliance with applicable laws and regulations ●●● Maintained zero incident of serious offence

For certain material Sustainability Factors identified above, we are still in the process of setting the related medium and long-term targets as their historical data trends have yet to stabilise. We will disclose such targets in our future sustainability reports when the data trends have stabilised and subject to market trends.

12. SUPPORTING THE SDGS

We incorporated the SDGs under the UN Sustainability Agenda, where appropriate, as a supporting framework to shape and guide our sustainability strategy. The results shown below are how our Sustainability Factors relate to these SDGs:

SDGs		Our Effort
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	Section 10.6 Employee Health, Safety and Wellness We implement measures to ensure that the environment our employees work in is both safe and secure, as well as to maintain the physical and mental health of our employees.
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Section 10.7 Employee Development and Retention We invest in training, education and development of our people to enhance our business competencies.
6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all	Section 10.3 Water Conservation We implement checks and measures to minimise wastage of water from our business operations, which in turn helps us to work towards achieving sustainable management and efficient use of natural resources.
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Section 10.1 Total Customer Satisfaction We place heavy emphasis on customer satisfaction as we understand that maintaining a high level of customer satisfaction is essential to the continued success of our business. This contributes to economic growth as well as the creation of new jobs. Section 10.2 Sustainable Business Performance We contribute to economic growth through creating long-term and sustainable value for our stakeholders.
10 REDUCED INEQUALITIES	Reduce inequality within and among countries	Section 10.8 Equality and Diversity in the Workplace We create a diverse and inclusive workplace that will bring new perspectives to our business and strengthen our ability to overcome new challenges.

SDGs	Our Effort
Make cities and human settlements inclusive, safe, resilient and sustainable	<u>Section 10.9 Ongoing Community Engagement</u> We initiate various campaigns to promote social inclusion and sustainable communities.
Ensure sustainable consumption and production patterns	<u>Section 10.4 Responsible Waste Management</u> We implement measures to reduce environmental impacts of waste that is generated from our business operations.
Ensure access to affordable, reliable, sustainable and modern energy for all	<u>Section 10.5 Energy Conservation and GHG Emissions Reduction</u> We implement measures to reduce our energy consumption rate as not only does it help to improve our energy efficiency and reduce GHG emissions, it also helps us to save costs incurred to support our business operations.
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<u>Section 10.10 Commitment to Data Protection</u> We are committed to the privacy and security of data collected or generated in the course of our operations. We maintain an IT policy and enact measures to effectively manage cyber security risks. <u>Section 10.11 Commitment to Consistent Quality and Food Safety</u> We ensure strict compliance to market standards, laws and regulations with regards to the quality and safety of our food. While the commitment sustains the continued success of our business, it also promotes accountability in our business. <u>Section 10.12 Robust Corporate Governance Framework</u> We are committed to high standards of corporate governance as we believe that a high standard of corporate governance is integral in ensuring the sustainability of our businesses as well as safeguarding shareholders' interests while maximising their long-term value.

13. SUPPORTING THE TCFD

We are committed to support the recommendations by the TCFD and disclosed our climate-related financial disclosures in the following key areas as recommended by the TCFD:

Governance

a. Describe the board's oversight of climate-related risks and opportunities.

The Board oversees the climate-related risks and opportunities and considers climate-related issues in setting the Group's strategic direction, policies and target setting.

b. Describe management's role in assessing and managing climate-related risks and opportunities.

Our sustainability strategy is developed and directed by the executive level SC in consultation with the Board. The SC, which includes senior management executives and key managers from various functions, is led by the Group's CEO and CFO. The responsibilities of the SC cover the areas of developing sustainability strategy and policies, implementation of sustainability strategy, monitoring and reporting of performance data, management of climate-related risks and opportunities.

Please refer to Section 9.2 for more information on the Group's Sustainability Governance Structure.

Strategy

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

We recognise that climate change poses different types of risks to our business. The Group's assessment on potential implication of the above climate-related risks was undertaken based on the Network of Central Banks and Supervisors for Greening the Financial System ("**NGFS**") range of climate scenarios:

Scenario	Description
NGFS – Orderly	This scenario assume climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued through cohesive stringent climate policies and innovation.
NGFS – Hot house world	This scenario assumes that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. Critical temperature thresholds are exceeded, leading to severe physical risks and irreversible impacts like sea-level rise. Only currently implemented policies are preserved, leading to high physical risks.

We selected NGFS orderly and hot house world scenarios for the purpose of our qualitative climate scenario analysis. The impact of the climate-related risks is analysed on group-wide activities in the short term (by FY2025), medium term (FY2026 – FY2035) and long term (after FY2035). Based on the above-mentioned scenarios, the climate-related risks and opportunities identified by the Group during the ERM exercise includes the following:

Climate-related Risk	Potential Impact	Mitigating Measures	Climate-related Opportunity
Transition Risk			
Enhanced GHG emissions reporting and increase in regulatory costs	With rising concerns over the effects of climate change, key stakeholders such as the regulators and shareholders are demanding climate-related information, which leads to enhanced GHG emissions reporting and increase in regulatory costs. Failure to comply with enhanced GHG emissions reporting obligations may lead to adverse impacts on the Group's reputation and financial performance. Compliance with these regulations may require the Group to pay carbon tax, invest in new technologies, modify production processes or purchase carbon credits.	In view of enhanced GHG emissions reporting and increase regulatory costs, we took active steps in managing our resource efficiency through improvements in production processes and adoption of technology such as energy efficient equipment and electric vehicles.	Our resources can be deployed more efficiently across our value chain by installing plant and machinery of higher energy level efficiency to further lower our operating costs, increase production capacity, resulting in cost savings.

Climate-related Risk	Potential Impact	Mitigating Measures	Climate-related Opportunity
Transition Risk			
Changes in customer preferences	With rising concerns over the effects of climate change, shifting consumer preferences for sustainable products that are less carbon intensive may arise, especially amongst younger consumers. A failure to adapt to shifting consumer preferences may adversely affect customer satisfaction, demand for our products and the Group's financial performance.	In view of changing customer preferences, we are constantly exploring opportunities to develop eco-friendly products and processes to reduce environmental impact from our business operations.	This presents us an opportunity to further expand on our products and services, by innovating and developing low GHG emission food products such as expanding the range of our plant-based solutions and eco-friendly packaging materials to invigorate the interest of our customers.
Physical Risk			
Increased severity of extreme weather events	Weather disruption, rising temperature, global warming and water scarcity arising from climate change may lead to adverse impact on the supply of our ingredients and consequentially increase their costs.	In view of the increased severity of extreme weather events, we review and assess our value chain regularly in order to diversify sourcing across different regions and suppliers so as to lessen the risk of disruptions due to localised events.	This presents us an opportunity built on our climate resilience by developing adaptive capacity to respond to climate change such as improve our operations efficiency, rework our processes and developing new products.

Warming scenario 1: Orderly

Risk	Significance of Financial Impact[32]		
	Short Term	**Medium Term**	**Long Term**
Key transition risk identified			
Enhanced GHG emissions-reporting obligations and increase in regulatory costs	●	●	●
Changes in customer preferences	●	●	●
Key physical risk identified			
Increased severity of extreme weather events	●	●	●

Note:

32 Significance of financial impact is determined based on the risk appetite established in accordance with the Group's ERM framework.

Warming scenario 2: Hot house world

Risk	Significance of Financial Impact		
	Short Term	**Medium Term**	**Long Term**
Key transition risk identified			
Enhanced GHG emissions-reporting obligations and increase in regulatory costs	Minor	Minor	Minor
Changes in customer preferences	Minor	Minor	Minor
Key physical risk identified			
Increased severity of extreme weather events	Minor	Moderate	Major

Legend

● Minor ● Moderate ● Major

In terms of our business strategy and financial planning based on the scenarios above, we will continue to formulate adaptation and mitigation plans as well as explore more effective resource distribution towards transitioning to low-carbon practices. We strive to minimise the climate risks associated with our business and will seize opportunities in an effective manner such as expanding collaboration and partnership with key stakeholders to innovate and develop low carbon goods and services for the market.

Strategy

c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The resilience of an organisation's strategy is dependent on its ability to adapt and thrive in the face of changing circumstances and emerging risks. The climate scenario analysis is crucial in providing insights on the potential extent of the climate-related risk exposure to our businesses as well as the potential opportunities.

Through our climate scenario analysis, we concluded that unmitigated climate risks (under warming scenario Hot house world) may result in a severe financial impact in the long term. Under the warming scenario orderly, the vast majority of the impact will be attributable to transition risks from the cost increase from enhanced GHG emissions-reporting obligations. To address the risks and capitalise on opportunities associated with climate change, we will continuously build on our strategy to remain resilient as we progress in our sustainability journey.

Risk Management

a. Describe the organisation's processes for identifying and assessing climate-related risks.

b. Describe the organisation's processes for managing climate-related risks.

c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Climate-related risk management is covered under our ERM framework whereby potential climate-related risks are identified, assessed, monitored and managed. Under the framework, business units and functions are responsible for identifying and documenting their relevant climate-related risk exposures that might hinder their progress towards contributing to the Group's business objectives. Climate-related risks and opportunities, along with their treatment plans, are reviewed and updated during the ERM assessment exercise and are subsequently presented to the ARC along with the other key enterprise-wide risks. Climate-related risks are also monitored based on the trend of climate-related performance indicators.

Metrics and Targets

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

We track, measure and report on our environmental performance, including energy consumption, GHG emissions, water and waste management and disclose related metrics in our sustainability reports. Monitoring and reporting these metrics help us in identifying areas with key climate-related risks and enabling us to be more targeted in our efforts.

b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.

To support the climate change agenda, we disclose our Scope 1 and Scope 2 GHG emissions in the Report and set climate-related targets such as those related to GHG emissions, water and waste management.

We recognise the importance of monitoring our indirect Scope 3 GHG emissions and started tracking and disclosing indirect Scope 3 GHG emissions from purchased goods and services (category 1), business travel (category 6) and employee commuting (category 7) in FY2024. We aim to review our Scope 3 GHG emissions to better track and disclose our material Scope 3 GHG emissions and expand the reporting coverage of our Scope 3 GHG emissions on categories relevant to the Group wherever applicable and practicable. You may refer to Section 10.5 'Energy Conservation and GHG Emissions Reduction' for further details.

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

As a commitment towards mitigating climate change, we set climate-related targets related to GHG emissions, water consumption and waste management. For further details, please refer to the Section 11 'Targets and Performance Highlights' for climate-related targets set.

APPENDIX GRI CONTENT INDEX

Statement of Use	Japan Foods has reported in accordance with the GRI Standards for from 1 April 2023 to 31 March 2024.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard	Disclosure	Location
General Disclosure		
GRI 2: General Disclosures 2021	2-1 Organisational details	4-8, 24
	2-2 Entities included in the organisation's sustainability reporting	8, 27
	2-3 Reporting period, frequency and contact point	27
	2-4 Restatements of information	44-46
	2-5 External assurance	27
	2-6 Activities, value chain and other business relationships	1, 28
	2-7 Employees	45-46
	2-8 Workers who are not employees	We have a monthly average of approximately 276 workers who are not employees in FY2024. They include kitchen staff, service crews and floor staff who assist in our outlet operations.
	2-9 Governance structure and composition	20-21, 24, 30-31
	2-10 Nomination and selection of the highest governance body	72-74
	2-11 Chair of the highest governance body	9-11, 20, 30-31
	2-12 Role of the highest governance body in overseeing the management of impacts	30-31, 63-64
	2-13 Delegation of responsibility for managing impacts	30-31, 63-64
	2-14 Role of the highest governance body in sustainability reporting	30-31
	2-15 Conflicts of interest	49, 64, 80, 85
	2-16 Communication of critical concerns	49, 88-89
	2-17 Collective knowledge of the highest governance body	30-31, 69-71
	2-18 Evaluation of the performance of the highest governance body	72-75
	2-19 Remuneration policies	76-81
	2-20 Process to determine remuneration	76-81
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	25
	2-23 Policy commitments	25, 49, 88-92
	2-24 Embedding policy commitments	25, 49, 88-92
	2-25 Processes to remediate negative impacts	49, 88-89
	2-26 Mechanisms for seeking advice and raising concerns	49, 88-89
	2-27 Compliance with laws and regulations	49, 88-89, 94
	2-28 Membership associations	None

GRI Standard	Disclosure	Location
General Disclosure		
	2-29 Approach to stakeholder engagement	29-32
	2-30 Collective bargaining agreements	None of our employees are covered by collective bargaining agreements
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	29-32
	3-2 List of material topics	32
	3-3 Management of material topics	33-49
Sustainable Business Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	36
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	36
	201-2 Financial implications and other risks and opportunities due to climate change	36
	201-3 Defined benefit plan obligations and other retirement plans	36
	201-4 Financial assistance received from government	36
Robust Corporate Governance Framework		
GRI 3: Material Topics 2021	3-3 Management of material topics	49
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	49
	205-2 Communication and training about anti-corruption policies and procedures	49
	205-3 Confirmed incidents of corruption and actions taken	49
Energy Conservation and GHG Emissions Reduction		
GRI 3: Material Topics 2021	3-3 Management of material topics	38-41
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	41
	302-2 Energy consumption outside of the organization	41
	302-3 Energy intensity	41
	302-4 Reduction of energy consumption	38-40
	302-5 Reductions in energy requirements of products and services	38-40
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	41
	305-2 Energy indirect (Scope 2) GHG emissions	41
	305-3 Other indirect (Scope 3) GHG emissions	41
	305-4 GHG emissions intensity	41
	305-5 Reduction of GHG emissions	38-40
	305-6 Emissions of ozone-depleting substances (ODS)	Disclosure is not applicable as we do not emit a material amount of these emissions through our products, services and operations.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Disclosure is not applicable as we do not emit a material amount of these emissions through our products, services and operations.

GRI Standard	Disclosure	Location
Water Conservation		
GRI 3: Material Topics 2021	3-3 Management of material topics	37
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	37
	303-2 Management of water discharge-related impacts	Disclosure is not applicable as we do discharge a material amount of wastewater or effluents in our operations.
	303-3 Water withdrawal	37
	303-4 Water discharge	Disclosure is not applicable as we do discharge a material amount of wastewater or effluents in our operations
	303-5 Water consumption	37
Responsible Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	37-38
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	37-38
	306-2 Management of significant waste-related impacts	37-38
	306-3 Waste generated	37-38
	306-4 Waste diverted from disposal	37-38
	306-5 Waste directed to disposal	Moving forward, we plan to develop a tracking mechanism and report on our waste directed to disposal wherever practicable.
Employee Development and Retention		
GRI 3: Material Topics 2021	3-3 Management of material topics	43-45
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	43-45
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	43-45
	401-3 Parental leave	43-45
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	43-45
	404-2 Programs for upgrading employee skills and transition assistance programs	43-45
	404-3 Percentage of employees receiving regular performance and career development reviews	43-45
Employee Health, Safety and Wellness		
GRI 3: Material Topics 2021	3-3 Management of material topics	42-43
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	42-43
	403-2 Hazard identification, risk assessment, and incident investigation	42-43
	403-3 Occupational health services	42-43
	403-4 Worker participation, consultation, and communication on occupational health and safety	42-43
	403-5 Worker training on occupational health and safety	42-43

GRI Standard	Disclosure	Location
Employee Health, Safety and Wellness		
	403-6 Promotion of worker health	42-43
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	42-43
	403-8 Workers covered by an occupational health and safety management system	42-43
	403-9 Work-related injuries	42-43
	403-10 Work-related ill health	42-43
Equality and Diversity in the Workplace		
GRI 3: Material Topics 2021	3-3 Management of material topics	45-46
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	45-46
	405-2 Ratio of basic salary and remuneration of women to men	Information is not provided due to confidentiality constraints.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	46
Ongoing Community Engagement		
GRI 3: Material Topics 2021	3-3 Management of material topics	47
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	47
	413-2 Operations with significant actual and potential negative impacts on local communities	37-41
Commitment to Consistent Quality and Food Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	48
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	48
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	48
Data Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	47
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	47

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INTRODUCTION

The board of directors ("**Board**") and the management ("**Management**") of Japan Foods Holding Ltd. (the "**Company**" or together with its subsidiaries, the "**Group**"), recognise the importance of corporate governance and accountability to all shareholders ("**Shareholders**"). The Board is committed to maintaining a high standard of corporate governance to promote corporate transparency and to enhance the long-term value of the Group to its Shareholders and stakeholders in line with the good practices recommended by the Code of Corporate Governance 2018, and accompanying Practice Guidance issued by the Monetary Authority of Singapore on 6 August 2018 (together the "**Code**"). Underlying this commitment is the belief that good corporate governance will help to enhance corporate performance and protect the interests of Shareholders.

This report describes the corporate governance processes and practices of the Group that were in place throughout the financial year ended 31 March 2024 ("**FY2024**"), with specific reference made to the principles and provisions of the Code, which forms part of the continuing obligations under the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Catalist Rules**").

Our corporate governance principles reflect the Board's focus on strong and competent leadership, effective internal controls and risk management, a robust corporate culture, accountability to Shareholders and engagement with stakeholders. The Board is pleased to confirm that for FY2024, the Group has adhered to the core principles of corporate governance, and in all material respects, with the provisions of the Code and the Catalist Rules, where appropriate, except for the following Provisions where the deviations and explanations have been provided:

(a) Provision 3.1 – Common Role of Chairman and CEO
(b) Provision 9.1 – Establishment of a Separate Risk Committee

BOARD MATTERS

THE BOARD'S CONDUCT OF ITS AFFAIRS
Principle 1: Effective Board to Lead and Control the Company

Provision 1.1
Roles and Duties of Board

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group. It provides entrepreneurial leadership and sets goals, reviews and advises on overall strategies and directions, oversees the effectiveness of the Management and assumes responsibilities for overall corporate governance of the Group to ensure the Group's strategies are in the best interests of the Company and its Shareholders.

To this end, each director of the Company ("**Director**") endeavours to objectively discharge his or her duties and responsibilities as fiduciaries in the interests of the Company. Apart from its statutory duties and responsibilities, the Board also:

(a) decides on matters in relation to the Group's activities which are of significant nature, including decisions on strategic directions and guidelines and approvals of annual budget, major funding investment and divestment proposals;

(b) oversees risk management and internal control processes, financial reporting and compliance, including the release of financial results and announcements of material transactions;

(c) reviews management performance;

(d) identifies key stakeholder groups and recognises that their perceptions affect the Company's reputation;

(e) sets the Company's value and standards, and ensures that the obligations to Shareholders and other stakeholders are understood and met;

(f) approves the nominations to the Board and appointments to the various Board committees;

(g) approves the framework of remuneration for the Board and key executives as recommended by the Remuneration Committee;

(h) provides oversight in the proper conduct of the Group's business and assumes responsibility for corporate governance; and

(i) considers sustainability issues as part of the strategic formulation.

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group. It works with the Management, its external advisors and auditors to make objective decisions in the interest of the Group. In addition, the Board sets the tone for the entire organisation where ethics and values are concerned. The Board is also supported by three Board committees to facilitate the discharge of its functions to which it has delegated specific areas of responsibilities.

Each Director acts in good faith and in the best interest of the Company and contributes their own expertise, skills, knowledge and experiences to the Board for the benefit of the Shareholders.

Conflict of Interest

All Directors of the Company are expected to be cognisant of their statutory duties, and to discharge them objectively in the interest of the Company. Internal guidelines have been established which require all Board members who have a potential conflict of interest in a particular agenda item to recuse themselves from participating in the meetings, discussions, and decisions on the matter at all levels within the Group including, but not limited to, the Company's subsidiaries and any committees and sub-committees, if any, that are involved in the proposed transaction in which the Director has an interest or in respect of which the Director is conflicted. Such compliance will be recorded in the minutes of meeting and/or Directors' resolutions in writing from time to time, when applicable.

Provision 1.2
Continuous Training and Development of Directors

The Board also ensures that incoming new Directors are given guidance and orientation to familiarise them with the Group's business and corporate governance practices upon their appointment to facilitate the effective discharge of their duties. A Director's pack comprising pertinent information including copies of all prior year's minutes and a copy of the Company's constitution ("**Constitution**"), is also provided to all new Directors. Any newly appointed Director who has no prior experience as a director of a Singapore-listed company is required to attend the relevant training on the roles and responsibilities as a director of a listed company in Singapore as prescribed by the SGX-ST within one year from the date of his or her appointment to the Board.

To get a better understanding of the Group's business, the Directors are also given the opportunity to visit the Group's operations and meet with members of the Management. This allows incoming Directors to get better acquainted with the nature and working of the Group's business as well as to familiarise themselves with members of the Management.

The Company recognises the importance of ongoing professional development for the Board members. Depending on each Director's background and development needs, the Directors are provided with opportunities to develop and maintain their skills and knowledge, particularly on applicable new laws, regulations, as well as trainings in areas such as accounting, legal and industry-specific knowledge, as appropriate, at the Company's expense. Directors are encouraged to attend training courses organised by the Singapore Institute of Directors ("**SID**") or other training institutions in connection with their duties as Directors on an on-going basis, at the Company's expense. If required, briefings by external consultants or professional parties are also organised for the Board.

During FY2024, the Management has kept the Directors apprised on pertinent developments in the business of the Group during Board and/or Board committee meetings to facilitate the discharge of their duties. The Board is also provided with information and updates on the Group's policies and procedures relating to issues pertaining to governance, disclosure of interests in securities and restrictions on disclosure of price sensitive information, changes in reporting standards and issues which have a direct impact on financial statements, so as to enable them to properly discharge their duties and responsibilities as Board members or Board Committee members.

During FY2024, some Directors attended third party-run programmes such as those organised by the SID and the Institute of Singapore Chartered Accountants. Regular updates were also provided by the external auditors on any applicable new or revised financial reporting standards.

Mr Lee Soon Sin Jason, who was newly appointed on the Board on 1 August 2023, has also completed all five core modules and all four elective modules under the Listed Entity Director (LED) Programme of the SID.

Provision 1.3
Internal Guidelines on Matters Requiring Board's Approval

The Group has adopted internal guidelines governing matters which require the Board's approval, apart from its statutory duties. A delegation of authority matrix provides clear directions to the Management on matters requiring the Board's specific approval. The matters requiring Board's approval include (but are not limited to) the following:

(a) Annual budgets and business plan of the Group;

(b) Material acquisition and disposal of assets/investment;

(c) Corporate/financial restructuring and corporate exercise;

(d) Issuances of shares, dividend pay-out and other returns to Shareholders;

(e) Interested persons transactions;

(f) SGX-ST announcements and release of annual reports; and

(g) Any other matters as prescribed by relevant legislations and regulations, as well as the provisions of the Company's Constitution.

To optimise operational efficiencies, the Company has also adopted a guideline and policy setting out financial operations authorisation and approval limits. These are periodically reviewed for operating and capital expenditure and the procurement of goods and services. The Board approves transactions exceeding certain threshold amounts while delegating authority to the Management for transactions below such limits.

Provision 1.4
Delegation of Authority to Board Committees

To facilitate effective management, the Board has delegated certain functions to the Board committees, namely, the:

(a) Audit and Risk Committee ("**ARC**");

(b) Remuneration Committee ("**RC**"); and

(c) Nominating Committee ("**NC**"),

(collectively, the "**Board Committees**"),

to ensure that there are appropriate checks and balances. These Board Committees operate within clearly defined terms of reference which are reviewed from time to time. As at 31 March 2024, the ARC, the RC and the NC each comprised entirely of non-executive Directors.

While the Board Committees have been delegated power to make decisions within the authority delegated to the respective committees, the ultimate responsibility for the decisions and actions rests with the Board as a whole. Additionally, the minutes of Board Committee meetings, which record the key deliberations and decisions taken during these meetings, are circulated to all Board members for their information.

Provision 1.5
Meetings of Board and Board Committees

The Board conducts scheduled meetings on a quarterly basis for FY2024 to discuss and review the strategic policies of the Group, significant business plans, and performances of the business and approves the release of the interim and full year financial results. Significant focus is also put on sustainability and environmental, social and governance ("**ESG**") issues during the year. The Board also had in-depth discussions and reviews on the initiatives to strengthen the Group's technology architecture and resiliency, in light of the cybersecurity incident which took place in the beginning of the year.

The Board and Board Committee meetings are planned and scheduled well in advance at the beginning of each year in consultation with the Directors to facilitate meaningful participation and to ensure optimal attendance.

Ad-hoc meetings are convened when circumstances require, to discuss pressing matters which require the Board's deliberation and decision in between the scheduled meetings. The Constitution and terms of references for each Board Committee provide for participation in meetings via audio or visual means. In between regularly scheduled meetings, matters that require the Board and/or Board Committees' approval are circulated to all Directors and/or respective Board Committee members, as the case may be, for their consideration by way of circular resolutions.

When considering the competing time commitments faced by Directors with multiple listed company board representations and/or other principal commitments, the NC reviews the time spent and attention given by each of the Directors to the Company's affairs, and to assess the adequacy of all Directors in discharging their duties for FY2024.

The number of Board and Board committees' meetings held in FY2024 and the attendance of each Director at such meetings are set out below:

	Board	**ARC**	**NC**	**RC**	**AGM**	**EGM**
Total number of Meetings Held	5	6	3	4	1	1
Name of Director			**Number of Meetings Attended**			
Takahashi Kenichi	5	NA	NA	NA	1	1
Wong Hin Sun, Eugene	4	5	2	3	1	1
Lee Sok Koon, Constance	5	6	3	4	1	1
Chia Siok Mei, Sylvia[a]	2	2	2	2	1	1
Tan Cher Ting	5	6	3	4	1	1
Lee Soon Sin Jason[b]	3	4	1	2	NA	NA

NA: not applicable
(a) Mdm Chia Siok Mei, Sylvia ceased to be a Director with effect from 20 July 2023.
(b) Mr Lee Soon Sin Jason was appointed as a Director with effect from 1 August 2023.

Provision 1.6
Access to Information

To enable the Board to fulfil its responsibilities, the Management provides adequate and timely information to the Board to make informed decisions. A system of communication between the Management and the Board, and between the Board and Board Committees, has been established and improved over time. The Directors are furnished regularly with information from the Management about the Group as well as the relevant background information relating to the business to be discussed at the Board and Board Committee meetings. Contact details of the senior management, the Company Secretary and external advisers (where necessary) are also provided to the Directors to facilitate separate and independent access at the Company's expense.

To ensure that the Board and Board Committees are able to fulfil and discharge their duties and responsibilities, the Management will endeavour to circulate meeting papers to the Directors at least one week before the relevant meetings to facilitate meaningful discussions at such meetings. All Directors have unrestricted access to the Management and are free to request for additional information when necessary.

The Board, as a whole, receives quarterly board papers, management financial statements, annual budgets and explanations on material variances to enable them to understand and oversee the Group's performance and prospects. Directors are kept apprised on material developments of the Group as and when necessary. Quarterly updates are also provided, where necessary, by the auditors, the Company's sponsor and/or Company Secretary, during the Board and ARC meetings on risk management, corporate governance and the key changes in the relevant regulatory requirements and financial reporting standards.

Provision 1.7
Separate and Independent Access to Management and Company Secretary

The Company provides for Directors, individually or as a group, to have separate and independent access to the Management, the Company Secretary and to seek independent legal and other external professional advice, where necessary, at the expense of the Company in furtherance of their duties and after consultation with the Chairman of the Board.

Under the direction of the Chairman, the Company Secretary facilitates timely information flow within the Board and its Board Committees and between the Management and the non-executive Directors.

The Company Secretary assists the Chairman and the Chairperson of each Board Committee in the development of the agendas for the various Board and Board Committee meetings. The Company Secretary administers and attends all Board and Board Committees meetings and prepares minutes of meetings. The Company Secretary is also responsible for, among other things, ensuring Board procedures are observed and that the relevant rules and regulations, including requirements of the Companies' Act 1967, Securities and Futures Act 2001 and the Catalist Rules, are complied with.

The appointment and removal of the Company Secretary are subject to the approval of the Board.

BOARD COMPOSITION AND BALANCE
Principle 2: Strong and Independent Element on the Board

Provision 2.1
Independence of Directors

As set out under the Code, an independent director is one who is independent in conduct, character and judgement, and has no 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.

The Board, taking into account the views of the NC, determines the independence of each Director on an annual basis or as and when circumstances require, based on the requirements under the Code and the Catalist Rules. In determining whether a director is independent, the NC has adopted the definition in the Code of what constitutes an independent director and may take into account other relevant circumstances and facts. The Board considers whether a Director has or had business relationships with the Group, its related corporations, its substantial shareholders or its officers, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent judgement with a view to the best interests of the Group.

For FY2024, the NC has assessed the independence of Mdm Lee Sok Koon, Constance, Mdm Tan Cher Ting and Mr Lee Soon Sin Jason and is satisfied that there are no relationships or other factors such as past associations, business dealings, relationship with other Directors and the Management that could impair or compromise their independent judgement or which could deem them to be not independent.

To facilitate the NC in its review of the independent status of the Directors, each Director completes a checklist, prepared based on the principles of good corporate governance and relevant provision of the Code, to confirm his/her independence. The checklist will also indicate whether a Director considers himself/herself as an Independent Director despite not having any of the relationships identified in the Code.

The NC also reviews the checklist completed by each Director to determine whether a Director is independent. As a result of the assessment, the NC is satisfied that save as disclosed below, there is no relationship which would deem the Independent Directors to be not independent.

Taking into consideration factors above, the NC is of the view that Mdm Lee Sok Koon, Constance, Mdm Tan Cher Ting and Mr Lee Soon Sin Jason remain independent. The NC is satisfied that the Board has substantial independent elements to ensure that objective judgment is exercised on corporate affairs. All Independent Directors have also provided written declaration confirming their independence in accordance with the Code for FY2024.

Mdm Lee Sok Koon, Constance was appointed on 1 September 2011 and had served more than twelve years on the Board. Under Rule 406(3)(d)(iv) and with reference to Transitional Practice Note 3 of the Catalist Rules, Mdm Lee may continue to be considered independent until the conclusion of the forthcoming annual general meeting ("**AGM**") of the Company to be held on 25 July 2024. It should be noted that Mdm Lee has expressed her desire to step down as a Director upon the conclusion of the AGM in 2024.

Save for Mdm Lee, there are no other independent Directors who has served beyond nine years from the respective date of their first appointment.

Provision 2.2
Independent Directors Comprising Majority of the Board

Under Provision 2.2 of the Code, independent directors should make up a majority of the Board where the Chairman is not independent. As at the date of this report, the Board comprises five members of which three are Independent Directors. With at least half of the Board comprising Independent Directors, there is a strong element of independence on the Board. With their expertise and competency in their respective fields, the Board engages in open and constructive debate and challenges the Management on its strategy proposals and assists in reviewing the performance of the Management in achieving set objectives. They are well-supported by the Management with accurate, complete and timely information to enable them to make informed decisions.

Information regarding each Board member is provided under the Board of Directors section set out on pages 20 to 21 of this report.

Mdm Lee Sok Koon, Constance has expressed her desire to retire at the conclusion of the AGM in July 2024 to facilitate Board renewal process. Upon her retirement as a Director, there will be four Directors on the Board, half of whom are independent. The Company will fill the vacancy arising from Mdm Lee's retirement as soon as practicable so that the Board will comprise a majority of independent directors in line with the provisions of the Code.

Provision 2.3
Proportion of Non-Executive Directors

Under Provision 2.3 of the Code, non-executive directors should make up a majority of the Board. The Company has complied with Provision 2.3 as the Board comprises five members of which four are non-executive Directors.

Provision 2.4
Board Composition and Size

The Board recognises the benefit of diversity in fostering robust discussions and strives to achieve an appropriately balanced mix of talent on the Board, principally through combining Directors with diverse but complementary backgrounds and experiences, but also through gender and age diversity.

Each Director has been appointed based on the strength of his/her calibre, experience and stature, and the Board, as a group, is made up of Directors with a wide range of skills, experiences and qualifications, ranging from accounting and finance expertise to industry knowledge, entrepreneurial and management experiences relevant to the Group's businesses.

As at the date of this report, the Board has five members, comprising three independent Directors, one non-executive Director and one executive Director. As at the date of this report, the Board comprises the following members:

Mr Takahashi Kenichi	Executive Chairman and Chief Executive Officer
Mr Wong Hin Sun, Eugene	Non-Executive Vice Chairman
Mdm Lee Sok Koon, Constance	Lead Independent Director
Mdm Tan Cher Ting	Independent Director
Mr Lee Soon Sin Jason*	Independent Director

* Mr Lee Soon Sin Jason was appointed to the Board on 1 August 2023.

The Group is committed to building an open, inclusive, and collaborative culture, and recognises the importance of all aspects of diversity in supporting the achievement of its strategic objectives, growth and development. Having considered the scope and nature of the operations of the Group and the requirements of its businesses, the Board, through the NC, has examined its structure, size and composition, and is of the view that the current size of the Board is appropriate for effective decision making. With three out of five members of the Board being independent, the Company maintains a satisfactory independent element on the Board. The NC is of the opinion that the current Board composition represents a well-balanced mix of expertise and experience necessary to meet the requirements of the Company and the Group, and which facilitates effective decision making.

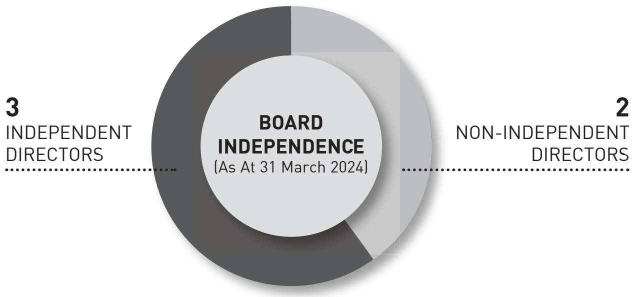
Board Diversity

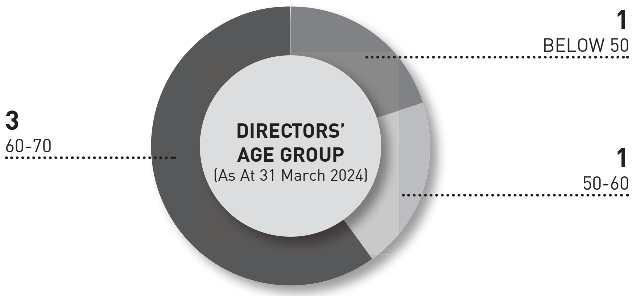
The Company is committed to building and maintaining a culture of diversity and inclusivity, in terms of skillsets, knowledge, industry and business experience, educational background, gender, age, culture, geographical background, independence and professional qualifications. For this reason, the Company had in 2023, adopted a board diversity policy ("**Board Diversity Policy**") which 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 current Board composition reflects diversity of gender, age, skills and knowledge. To assist the NC in its annual review of the Directors' mix of skills and experiences required to discharge their duties competently and efficiently, each Director has completed a Board of Directors Competency Matrix form by providing additional information in their areas of specialisation and expertise in FY2024. The NC, having reviewed the responses, was satisfied that members of the Board possess the relevant core competencies in areas of accounting and finance, business and management experience, and strategic planning. In particular, the non-executive Directors, who are mostly professionals in their selected fields, are able to take a broader view of the Group's activities, contribute their valuable experience and provide independent judgement during the Board's deliberation on the Group's matters.

In recognition of the importance and value of gender diversity in the composition of the Board, the Company undertakes to have at least one female representation on the Board at all times. As at the date of this report, the Board has two female Directors, representing 40% of the total Board membership.

In addition, the Board consists of Directors with ages ranging from 40s to 70s, who have served on the Board for different tenures. The Board members with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction.





The NC will review the Board Diversity Policy, from time to time as appropriate, to ensure its effectiveness, and to ascertain that the current makeup of the Board and Board Committees reflects the Group's commitments to all aspects of diversity. In the process of sourcing for qualified candidates to serve on the Board, the NC will consider candidates on merit against objective criteria and due consideration being given to a candidate's suitability in strengthening the diversity of skills, experience, gender, knowledge and core competencies of the Board, relevant to the Group.

The current Board composition reflects the Company's commitment to the relevant diversity in gender, age, skills and knowledge. The following table sets out the diversity targets and progress since the adoption of the Board Diversity Policy:

	Targets	**Progress**
(a)	To maintain at least three Independent Directors which will comprise at least 50% of the entire Board	As at the date of this report, the Board comprises five members, three of whom are independent Directors, with one non-executive Director and one executive Director.
(b)	In seeking renewal of the Board upon the retirement of an Independent Director at the forthcoming AGM, by the time of the next AGM in July 2025, that is, to appoint another Independent Director with the relevant expertise and experience that would complement those already on the Board and to assess the suitability of candidates taking into consideration the aforementioned relevant aspects of diversity	As at the date of this report, the Company has commenced its search for suitable candidates and will finalise the appointment after the AGM in July 2024
(c)	To appoint a new Lead Independent Director following the retirement of the existing director at the forthcoming AGM	The appointment of a new Lead Independent Director will be finalised after the AGM in July 2024

	Targets	Progress
(d)	To ensure appropriate balance between functional skill sets, domain expertise and specific skills and capabilities needed to support the Company's strategy and business	This is a continual target as part of Board renewal.
(e)	To ensure at least one female representation in the Board.	As at the date of this report, the Board has two female Directors, representing 40% of the total Board membership.

Having considered the scope and nature of the operations of the Group, the Board is satisfied that the current size and composition of the Board and Board Committees are appropriate and reflective of the Company's commitment to Board diversity with a good balance of skills, experience, industry knowledge, professional qualifications, gender and age, which serve to support the Group in achieving its strategic objectives.

The Company will continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Group in line with the Board Diversity Policy.

Provision 2.5
Meeting of Non-Executive Directors

The Board has four non-executive Directors (including the independent Directors) who endeavour to constructively challenge and help develop proposals on strategy and to review the performance of the Management in meeting agreed-upon goals and objectives, and monitor the reporting of performance. They participate actively at Board and Board Committee meetings to constructively challenge Management and help develop proposals on business strategy and other business and governance issues. All the non-executive Directors have unrestricted access to the Management and are well supported by complete and timely information, including quarterly performance reports. This facilitates their review of the effective implementation by the Management in achieving agreed goals and objectives, and to monitor the reporting of performance.

During the year, the non-executive Directors communicated among themselves without the presence of the Management as and when the occasion warrants, and the chairperson of such meetings provides feedback to the Board and/or Chairman as appropriate. The Company also co-ordinates informal sessions for non-executive Directors to meet on a need-basis without the presence of the Management.

ROLE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: Clear Division of Responsibilities between the Board and Management and Balance of Power and Authority

Provision 3.1
Common Role of Chairman and CEO

Mr Takahashi Kenichi is both the chairman of the Board ("**Chairman**") and the chief executive officer ("**CEO**") of the Company. The Board is of the view that it is not necessary to separate the role of the Chairman and the CEO after taking into consideration the size, scope and the nature of the operations of the Group. Mr Takahashi Kenichi is the founder of the Group and has played an instrumental role in developing the business since its establishment. He has considerable industry experience and business network and has also provided the Group with strong leadership and vision. The Board is of the view that it is in the interest of the Group to adopt a single leadership structure.

Mr Wong Hin Sun, Eugene is the Vice Chairman and Non-Executive Director of the Company and supports Mr Takahashi Kenichi in his Chairman role.

The Board is of the view that with the three Board Committees and the Vice Chairman, there are adequate safeguards in place to prevent an uneven concentration of power and authority in a single individual.

Provision 3.2
Roles and Responsibilities of Chairman

The Board has established and set out in writing, the division of responsibilities between the roles of Chairman and the roles of CEO notwithstanding that these roles are assumed by the same person.

The Chairman seeks to, amongst others:

(a) lead the Board to ensure its effectiveness on all aspects of its role;

(b) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;

(c) ensure that the Directors receive complete, accurate, timely and clear information;

(d) ensure effective communication with Shareholders;

(e) encourage constructive relations within the Board and between the Board and the Management;

(f) promote a culture of openness and debate at the Board;

(g) facilitate the effective contribution of non-executive Directors; and

(h) promote high standards of corporate governance.

The responsibilities of the CEO are set out in a service agreement entered into between the Company and the CEO. The CEO is responsible for the development and expansion of the Group's business and is responsible for the Group's entire operations, strategic planning, major decision-making, as well as developing the business and vision of the Group.

Provision 3.3
Lead Independent Director

The NC, RC and ARC are all chaired by independent Directors. Mdm Lee Sok Koon, Constance who is the Chairperson of the ARC is also the Lead Independent Director of the Company. The Board is of the view that there are sufficient safeguards and checks in place to ensure that the process of decision-making by the Directors is independent and based on collective decision-making, without the Chairman and CEO being able to exercise considerable concentration of power or influence.

As the Lead Independent Director of the Company, Mdm Lee Sok Koon, Constance acts as the leader of the Independent Directors at Board Meetings to provide non-executive perspectives and contribute a balance of viewpoints on the Board. She is also available to Shareholders if they have concerns and for which contact through the normal channels of the Chairman, the CEO and the Chief Financial Officer ("**CFO**") has failed to resolve their concerns or is inappropriate.

The independent Directors, led by the Lead Independent Director, meet amongst themselves without the presence of the other Directors where necessary, and the Lead Independent Director will provide feedback to the Chairman after such meetings. The Company will fill the vacancy arising from Mdm Lee's retirement as a Director and Lead Independent Director as soon as practicable in line with the provisions of the Code.

BOARD MEMBERSHIP
Principle 4: Formal and Transparent Process for the Appointment of Directors to the Board

Provision 4.1 and Provision 4.2
Membership and Roles and Responsibilities of the NC

The Board establishes a NC to make recommendations to the Board on relevant matters, pertaining to the composition of the Board including aspects such as professional qualifications of its Directors, industry and geographic knowledge, experience, skills, length of service and the needs of the Company.

As at the date of this report, the NC comprises the following members, the majority of whom, including the chairperson of the committee, are independent non-executive Directors:

Mdm Tan Cher Ting, Chairperson	Independent and Non-Executive
Mdm Lee Sok Koon, Constance	Independent and Non-Executive
Mr Wong Hin Sun, Eugene	Non-Independent and Non-Executive
Mr Lee Soon Sin Jason	Independent and Non-Executive

Mdm Lee Sok Koon, Constance who is the Lead Independent Director is a member of the NC. Consistent with the Code, there is no alternate Director on the Board.

The NC is established to ensure there is a formal and transparent search and nomination process for the appointment and re-appointment of Directors. The NC also evaluates and reviews the Board succession plans for Directors to ensure progressive renewal of the Board, as well as the appointment and/or replacement of the Chairman, the CEO or key management personnel.

The NC has written terms of reference that set out its roles and responsibilities. The Board recognises the importance of progressively renewing the Board to address the evolving needs of the Company and is committed to a process of orderly succession planning for Directors.

The principal functions of the NC include:

(a) recommending to the Board new Board appointments;

(b) making recommendations on re-nomination of Directors, having regard to the Director's contribution and performance;

(c) evaluating the independence of each of the Directors annually;

(d) evaluating the effectiveness of the Board as a whole and the contribution of each individual Director towards the effectiveness of the Board;

(e) review of succession plans for Directors and key management personnel; and

(f) review of training and professional development programmes for the Board and its Directors.

Provision 4.3
Selection, Appointment and Re-appointment of Directors
Process for Selection and Appointment of New Directors

The Board recognises the importance of progressively renewing the Board to address the evolving needs of the Company and is committed to a process of orderly succession planning for Directors.

As part of the Board succession plan, new Directors may be identified from time to time for appointment to the Board. The NC reviews and makes recommendations to the Board on all nominations for appointments and re-appointments to the Board and the Board Committees based on the suitability of the candidates in strengthening the diversity of skills, experience, age, gender, knowledge and relevant core competencies of the Board. In the nomination and selection process, the NC will also first review the Company's prevailing and emerging strategic priorities before reviewing the experience and expertise of the current Board composition to identify critical complementary gaps which require filling that are aligned to the strategic priorities of the Company.

When an existing Director chooses to retire or the need for a new Director arises, either to replace a retiring Director or to enhance the Board's strength, the NC, in consultation with the Board, determines the selection criteria and identifies candidates with the appropriate expertise and experience for the appointment of a new Director. The NC may identify suitable candidates for appointment as new Directors through the business network of the Board members or engage independent professional advisers to assist in the search for suitable candidates. The NC will generally identify suitable candidates skilled in core competencies such as accounting or finance, business or management expertise, legal knowledge or industry knowledge taking into consideration the requirement for board diversity. If the NC decides that the candidate is suitable, the NC then recommends its choice to the Board. Meetings with such candidates may be arranged to facilitate open discussion. Upon appointment, arrangements will be made for the new Director to attend various briefings with the Management.

The Board is also advised by the Company's sponsor, UOB Kay Hian Private Limited, on appointment of Directors as required under Catalist Rules 226(2)(d).

Process for Re-appointment of Directors

Succession planning is an important part of the governance process. The NC oversees the nomination of Directors for election or re-election and seeks to balance Board renewal progressively and in an orderly manner. This brings in fresh insights with maintenance of knowledge and experience of the Company's operations and avoid losing institutional memory. The NC strives to ensure that the Board and its Committees comprise individuals who are best able to discharge their duties and responsibilities as Directors with regard to the highest standards of corporate governance.

No Director stays in office for more than three years without being re-elected by Shareholders. The Constitution provides that at least one-third of the Directors, including the CEO, shall retire from office by rotation at every AGM and Directors appointed during the course of the year will be subject to re-election at the next AGM following his/her appointment.

The NC deliberates the suitability of the Directors for re-election and takes into consideration their competencies, past contribution, attendance and participation at Board and Board Committee meetings, commitment, and performance during the previous year, and where applicable, the retiring Directors' independence. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his/her re-election as a Director. The NC's recommendations will then be made to the Board for its approval, and Shareholders would be provided with relevant information on the Directors who will be standing for re-election at each AGM.

In accordance with the Company's Constitution and Rule 720(4) of the Catalist Rules, the following Directors are due for retirement at the forthcoming AGM:

(a) Mr Takahashi Kenichi – Regulation 101 of the Company's Constitution;

(b) Mdm Lee Sok Koon, Constance – Regulation 101 of the Company's Constitution; and

(c) Mr Lee Soon Sin Jason - Regulation 105 of the Company's Constitution;

(together the "**Retiring Directors**").

Mdm Lee Sok Koon, Constance has expressed her desire to retire at the conclusion of the forthcoming AGM ("**Retirement**"). After consideration of the Retiring Directors' overall contribution and performance, and taking into consideration the Retirement, the NC had recommended to the Board that Mr Takahashi Kenichi and Mr Lee Soon Sin Jason be nominated for re-election at the forthcoming AGM pursuant to Regulations 101 and 105 respectively of the Company's Constitution. The NC's recommendation, which has been endorsed by the Board, follows the NC's assessment of the Directors' contributions, competencies, and commitments (including attendance, preparedness, participation at Board and Board Committee meetings).

Both Mr Kenichi and Mr Lee have expressed their willingness to be re-elected as a Director of the Company at the forthcoming AGM, and upon re-election:

(a) Mr Takahashi Kenichi shall remain as the Chairman and Chief Executive Officer of the Board ("**Chairman**") of the Company; and

(b) Mr Lee Soon Sin Jason shall remain as an Independent Director, and a member of the ARC, NC and RC respectively.

Please refer to pages 95 to 99 in the Annual Report for the detailed information required pursuant to Rule 720(5) of Catalist Rules. Following the Retirement, there will be four Directors on the Board, half of whom are independent with the majority of the Directors being non-executives. The Company will fill the vacancy arising from Mdm Lee's retirement as soon as possible so that the Board will comprise a majority of Independent Directors, in line with the provisions of the Code.

Provision 4.4
NC to Determine Directors' Independence

The NC deliberates annually to determine the independence of a Director bearing in mind the salient factors set out in the Code as well as all other relevant circumstances and facts. No member of the NC participated in the deliberation in respect of his/her own status as an independent Director.

Each Director is required to disclose to the Board any relationships or circumstances which are likely to affect or could appear to affect the Director's judgement, as and when they arise. The Directors are also required, to complete annually, a confirmation of independence based on the substantive requirements of the Code and declare whether he/she considers himself/herself to be independent based on the criteria under the Catalist Rules and the Code, including, amongst others, the confirmation that he/she does not have any relationship with his/her fellow Directors or with the Group and its substantial shareholders. Such declarations are put before the NC to be reviewed annually in accordance with the definition of independence in the Code and the Catalist Rules to ensure that there is a strong independent element on the Board such that the Board is able to exercise objective judgment on corporate affairs independently.

For FY2024, the Independent Directors have confirmed that they are independent and do not have any relationship with the Company or its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company.

Taking into consideration factors above, the NC is of the view that the Independent Directors, Mdm Lee Sok Koon Constance, Mdm Tan Cher Ting and Mr Lee Soon Sin Jason, remain independent. The NC is satisfied that the Board, in its current composition, has substantial independent elements to ensure that objective judgment is exercised on corporate affairs.

Provision 4.5
Commitment of Directors Sitting on Multiple Boards

In assisting the NC to determine whether the Directors who have multiple board representations are able to adequately carry out their duties and commitments towards the Company, the Directors have adopted a form of internal guidelines for Directors serving on multiple boards and with other commitments. The NC, after reviewing the completed forms that were returned by all Directors together with the respective list of directorships held by each Director as well as their attendance, is satisfied that all the Directors who sit on multiple boards are able to devote adequate time and attention to the affairs of the Company and to fulfil their duties as Directors. The NC has recommended, and the Board has agreed that the maximum number of listed company board representations which a Director may hold should not be more than five listed companies (including the Company) for Directors who do not hold any full time employment and not more than two listed companies (including the Company) for Directors who hold full time employment.

In assessing a Director's contribution, the NC also takes a holistic approach. In addition to the Directors' attendance at Board and Board Committee Meetings, focus is also made on the contribution of the Directors. These include their ability to provide valuable insights and strategic networking to enhance the businesses of the Group, availability for guidance and advice outside the scope of formal Board and Board Committee meetings and contributions in specialised areas relevant to the Group.

Please refer to pages 20 to 21 in the Annual Report for the detailed information on the directorships and principal commitments of each Director.

BOARD PERFORMANCE
Principle 5: Formal Annual Assessment of the Effectiveness of the Board and its Board Committees and Individual Directors

Provision 5.1 and Provision 5.2
Board and Individual Director Evaluation Process

Under the mentorship of the Chairman and the guidance of the NC, the Board has put in place a formal annual process to assess its effectiveness as a whole as well as its ability to discharge its responsibilities in providing stewardship, corporate governance and overseeing of the Management's performance. Such assessment also determines whether the Board and Board Committees are performing effectively and identifies steps for improvement.

To facilitate the evaluation and assessment of the effectiveness of the Board Committees and Executive Chairman and CEO, the Directors completed a Committees Evaluation Questionnaire and an Executive Chairman and CEO Evaluation. Their feedback and responses were collated by the Company Secretary and presented to the NC for review and discussion before submitting to the Board for reviewing and determining the areas for improvement. The evaluation of the Executive Chairman and CEO included areas such as his vision and leadership, financial management, board relations, governance and risk management and relations with stakeholders. The review indicated that the Board continues to function effectively.

The Company did not engage any external facilitator for Board and Director assessment for FY2024.

Board Evaluation

The Directors participated in the evaluation by providing feedback to the NC in the form of a Board Evaluation Questionnaire. Their feedback and responses were collated by the Company Secretary and presented to the NC for review and discussion before submitting to the Board for reviewing and determining the areas for improvement. In assessing the effectiveness of the Board as a whole, the NC takes into consideration a number of factors such as the size and composition of the Board, the Board's access to information, participation in Board proceedings and the communications and guidance given by the Board to the Management.

Evaluation of Individual Director

An individual self-assessment is performed annually by each Director in the form of an Evaluation of Individual Director by Self-Assessment and the responses of the self-assessment were discussed with the NC. Among the factors considered in the individual self-assessment are the Directors' knowledge or experience as directors, experience of being in board committees, knowledge of and contacts in the countries where the Company primarily operates, sector knowledge of the Company's main activities, functional experience and training.

The criteria for evaluation of the performance of individual Directors include the level of participation, attendance at Board and Board committee meetings and the individual Director's functional expertise.

The Chairperson will act on the results of the performance evaluation and in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of directors.

The NC has assessed the current Board's and Board Committees' performance to-date and individual Directors' contributions and is of the view that the performance of the Board as a whole, the Board Committees and individual Directors, was satisfactory. Accordingly, the Board has met the performance evaluation criteria and objectives during the financial year under review.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: Formal and Transparent Procedure for Developing Policy on Executives' Remuneration and Fixing the Remuneration Packages of Individual Directors

Provision 6.1, Provision 6.2 and Provision 6.3
Membership and Functions of the RC

The Board establishes a RC to review and recommend to the Directors the Group's remuneration framework for both the Directors and key management personnel including the specific remuneration packages for each of such individual, with the main objective to attract, reward, motivate and retain a talented and high performing workforce in order to achieve the Group's business objectives as well as to motivate Directors to provide good stewardship to the Group.

As at the date of this report, the RC comprises the following members:

Mdm Tan Cher Ting, Chairperson	Independent and Non-Executive
Mdm Lee Sok Koon, Constance	Independent and Non-Executive
Mr Lee Soon Sin Jason	Independent and Non-Executive
Mr Wong Hin Sun, Eugene	Non-Independent and Non-Executive

All members of the RC are non-executive Directors, the majority of whom, including the chairperson, are independent.

The RC plays an important role in ensuring that the Group is able to attract, recruit, motivate and retain the best talents through competitive remuneration. The RC also considers all aspects of remuneration including termination terms to ensure they are fair. Its key functions include:

(a) reviewing and recommending to the Board the structure of the compensation policies and recruitment strategies of the Group so as to align compensation with Shareholders' interests;

(b) reviewing and recommending to the Board the framework of remuneration for the executive Directors and key executives of the Group and to determine appropriate adjustments as well as the specific remuneration packages for each Director and the key management personnel;

(c) reviewing and recommending to the Board for endorsement guidelines for Directors' fees of non-executive Directors;

(d) reviewing and approving succession plans for key positions; and

(e) administering and approving long-term incentive schemes which are approved by Shareholders.

The RC's review covers all aspects of remuneration, including salaries, fees, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind as well as termination terms to ensure they are fair. The RC also reviews the fairness and reasonableness of the service agreements of the Executive Director and key management personnel to ensure that there is no overly onerous or generous termination clause. The RC's recommendations are submitted for endorsement by the entire Board.

No Director will be involved in deciding his own remuneration, except in providing information and documents if specifically requested by the RC to assist in its deliberations.

Provision 6.4
RC's Access to Advice on Remuneration Matters

In discharging its functions, the RC may, from time to time, seek independent external legal and other professional advice on the remuneration of all Directors and key management personnel. The expenses of such advice shall be borne by the Company.

The Board did not engage any external remuneration consultant to advise on remuneration matters for FY2024.

LEVEL AND MIX OF REMUNERATION
Principle 7: Level of Remuneration of Directors to be Appropriate and Not Excessive

Provision 7.1
Remuneration of Executive Directors and Key Management Personnel

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 Group, taking into account the strategic objectives of the Group, and are appropriate to attract, retain and motivate the Directors and key management personnel to successfully manage the Group for the long term. The RC reviews the remuneration of the Executive Director and key executives of the Group, and makes recommendation on an appropriate framework of remuneration. The RC's recommendation is submitted to the Board for endorsement. The RC has adopted a set of performance criteria which links a significant portion of the Executive Director and key management personnel's remuneration packages to corporate and individual performance, thus aligning their interests with those of Shareholders, and which also takes into account effort and time spent and responsibilities of the Executive Director and key management personnel. In determining the remuneration of the Executive Director and key management personnel, the RC reviewed their respective achievement of key performance indicators and assessed their performance for the financial year.

The key performance indicators for individual performance take into consideration the broad categories of objectives, namely financial, business, regulatory and controls, organisational and people development as well as alignment to the Group's risk policies. For FY2024, the RC has evaluated the extent to which the Executive Director and key management personnel have delivered on the corporate and individual objectives and based on the evaluation, has approved the compensation which was endorsed by the Board.

Each member of the RC will abstain from reviewing and voting on any RC's resolutions approving his/her own remuneration as well as the remuneration packages of persons related to him/her, if any.

Provision 7.2
Remuneration of Non-Executive Directors

The Non-Executive Directors receive Directors' fees in accordance with their level of contributions, taking into account factors such as responsibilities, effort and time spent for serving on the Board and Board Committees. The Directors' fees are recommended by the Board and are subject to the approval of Shareholders at the AGM.

The current framework for Non-Executive Directors' fee (on per annum basis unless otherwise indicated) is as follows:

Role	Member	Chairperson
Board of Directors	22,000	Additional S$10,000[Note 1]
Audit and Risk Committee	6,000	Additional S$7,000
Nominating Committee	3,000	Additional S$3,000
Remuneration Committee	3,000	Additional S$3,000
Lead Independent Director	5,000	N/A

Note 1: Applicable to Vice Chairman

Although Non-Executive Directors are eligible to participate in the PSP (as defined hereinafter), the Company has not implemented any share-based compensation scheme for Directors.

The Company believes that the current remuneration of the Independent Directors and Non-Independent Non-Executive Director are at a level that will not compromise the independence of such Directors.

Provision 7.3
Long-term Incentive Scheme

The CEO, being an executive, does not receive Director's fees for his Board Directorship. Instead, the Company has entered into a service agreement with the CEO which contains a profit-sharing incentive bonus. The Company has also adopted the Japan Foods Performance Share Plan, further details of which are set out under the write-ups in respect of Provision 8.1 and Provision 8.3, respectively. As the CEO is also the controlling Shareholder of the Company, he and his associates are not eligible to participate in the PSP.

The RC is of the view that the current compensation structure is appropriate to attract, retain and motivate the CEO to provide good stewardship of the Company and key management personnel to successfully manage the Group for the long term.

DISCLOSURE ON REMUNERATION
Principle 8: Clear Disclosure of Remuneration Policy, Level and Mix of Remuneration, and Procedure for Setting Remuneration

Provision 8.1 and Provision 8.3
Remuneration of Directors and Key Management Personnel

The Company sets remuneration packages which are competitive and sufficient to attract, retain and motivate Directors and key management personnel with adequate experience and expertise to manage the business and operations of the Group.

The Company adopts an overall remuneration policy for employees, comprising a fixed component in the form of a base salary, and a variable component in the form of a bonus that is linked to the performance of the Group, the individual, the industry and the economy. In reviewing its remuneration policy, the Company generally takes into account, compensation and employment conditions within the industry and in comparable companies.

The breakdown of the annual remuneration (including all forms of remuneration from the Company and any of its subsidiaries) of each of the Directors for FY2024 is set out below:

Name of Director	Total remuneration in FY2024 (S$'000)	Director's fees (%)	Salary (%)	Incentive bonus and other benefits (%)	Total (%)
Takahashi Kenichi	408	–	78	22	100
Wong Hin Sun, Eugene	44	100	–	–	100
Lee Sok Koon, Constance	46	100	–	–	100
Chia Siok Mei, Sylvia[1]	11	100	–	–	100
Tan Cher Ting	38	100	–	–	100
Lee Soon Sin Jason[2]	23	100	–	–	100
Total S$'000	570	162	318	90	570

Note 1: This was based on Mdm Chia Siok Mei, Sylvia's prorated remuneration until her cessation date of 20 July 2023.
Note 2: This was based on Mr Lee Soon Sin Jason's prorated remuneration from 1 August 2023 to 31 March 2024.

On 19 December 2008, the Company entered into a service agreement with Mr Takahashi Kenichi, in relation to his appointment as the CEO. The service agreement took effect from the date of the Company's admission to Catalist, being 23 February 2009, for an initial period of three years, and was renewed on a yearly basis thereafter. On 13 February 2023, the Company entered into a new service agreement with Mr Takahashi Kenichi in relation to his appointment as CEO. This service agreement is for an initial period of five years and will be renewed for further two-year period(s) thereafter. Save for adjustment in remuneration, the material terms of the agreement are the same as previously.

For FY2024, the remuneration band (including any bonus, allowance and other incentives) of the top five key management personnel (who are not Directors or CEO) is set out below:

Name of Key Management Personnel	Remuneration bands	Salary[3] (%)	Bonus and other benefits (%)	PSP (%)	Total (%)
Chan Fuang Chiang	Band A[1]	72.9	6.8	20.3	100
Fong Siew Geen	Band A[1]	72.9	6.8	20.3	100
Kenneth Liew Kian Er	Band B[2]	70.1	6.1	23.8	100
Otsuka Ichiro	Band A[1]	72.2	3.9	23.9	100
Koga Tsutomu	Band A[1]	70.3	7.6	22.1	100
Total S$'000		689	61	213	963

Notes :
(1) Band A : Remuneration from S$0 – S$250,000
(2) Band B: Remuneration from S$250,001 – S$500,000
(3) Salary is inclusive of CPF contribution.

Total remuneration (including CPF, Bonus and benefit-in-kind) paid to the top five key management personnel for FY2024 was approximately S$963,000.

The Chairman and CEO, and key management personnel are not entitled to any benefits upon termination, retirement or post-employment.

Provision 8.2
Employee Related to Directors/CEO

The Group does not have any employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during the year.

Provision 8.3
Performance Share Plan ("PSP)

The Company had adopted the Performance Share Plan 2013 ("**PSP 2013**") at the extraordinary general meeting held on 24 July 2013 ("**2013 EGM**").

The PSP 2013 has expired and lapsed on 23 July 2023 and the Company has since, adopted a new performance share plan ("**PSP 2023**") to replace PSP 2013 at the Extraordinary General Meeting dated 20 July 2023 ("**2023 EGM**").

The PSP provides an opportunity for employees of the Group who have contributed to the growth and performance of the Group (including non-executive Directors and Independent Directors) and who satisfy the eligibility criteria as set out under the rules of the PSP, to participate in the equity of the Company. Controlling shareholders of the Company and their associates shall not be eligible to participate in the PSP. Non-Executive Directors are allowed to participate in the PSP to give recognition to their services and contributions and to align their interests with that of the Group. In order to minimise any possible conflicts of interest, the non-executive Directors will be primarily remunerated for their services by way of directors' fees. The Board does not envisage that the aggregate number of Shares comprised in awards set aside for the non-executive Directors collectively will exceed 1% of total issued share capital of the Company from time to time. The aggregate number of ordinary shares in the issued share capital of the Company ("**Shares**") over which the RC may grant on any date, when added to the number of Shares issued and issuable in respect of all Shares granted under the PSP and any other share schemes to be implemented by the Company shall not exceed 15% of the issued share capital of the Company (excluding treasury shares) on the day preceding that date.

The Company delivers Shares to participants upon vesting of the awards under the PSP by way of issuance of new Shares deemed to be fully paid upon their issuance and allotment or transfer of treasury shares pursuant to share buybacks.

An aggregate of 490,000 treasury shares, constituting approximately 0.3% of the total number of issued shares of the Company as at 31 March 2024, were awarded on 15 June 2023 under the PSP 2013. The Company has announced the details as required under Rule 704(32) of the Catalist Rules in relation to the grant of awards on 15 June 2023.

Since the commencement of the PSP 2013 and up to the expiry date on 23 July 2023, an aggregate of 5,475,000 fully-paid shares, constituting approximately 3.1% of the total number of issued shares of the Company as at the expiry date of the PSP 2013, had been granted by the Company. Since the commencement of the PSP 2013, none of the Directors has been awarded any shares under the PSP.

Except as disclosed in the table below, none of the participants under the PSP 2013 was granted 5% or more of the total number of Shares available under the PSP 2013. Further, the Company does not have any parent company and accordingly, the participants of the PSP do not include any directors or employees of any parent company and its subsidiaries.

Name of Participant	Aggregate number of Shares comprised in Awards granted during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since the commencement of Performance Share Plan to end of financial year under review	Aggregate number of Shares comprised in Awards granted which have vested since the commencement of the Performance Share Plan to end of financial year under review, and in respect of such Awards, the proportion of New Shares issued or Treasury Shares transferred upon the release of the vested Awards	Aggregate number of Shares comprised in Awards which have not been released at end of financial year under review
Kenneth Liew Kian Er	140,000	1,850,000	1,850,000	Nil

Since the commencement of the PSP 2023, no awards have been granted.

Disclosure pursuant to Catalist Rules 851(1)(d) is not applicable for PSP.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS
Principle 9: Board's governance of risk management system and internal controls

Provision 9.1
Risk Management and Internal Control Systems

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. Together, the Board and the Management of the Group are committed to maintaining throughout the Company, a culture of risk awareness.

Recognising the importance of risk management as an integral part of the Group's strategic planning and decision making process, the Audit Committee was in May 2015, expanded and renamed as the Audit and Risk Committee ("**ARC**") to strengthen its risk management process and framework. The responsibility of overseeing the Company's ERM and Assurance Framework is undertaken by the ARC with the assistance of the internal auditors. Having considered the Company's business operations as well as its existing risk management and internal control systems, the Board is of the view that a separate risk committee is not required for the time being.

The Board recognizes the importance of maintaining a sound system of risk management and internal controls to safeguard the interests of the Group's assets. During FY2024, the ARC assisted the Board to oversee Management in the design, implementation and monitoring of the risk management and internal control systems and the ARC reported to the Board on critical risk issues, material matters, findings and recommendations pertaining to risk management.

A summary of the Company's risk management and internal control systems is set out below.

Risk Management

The Group recognises risk management as a collective effort beginning with the individual subsidiaries and business units, followed by the operating segments and ultimately, with the Management and the Board, working as a team. The CEO and senior management of the Company assume the responsibilities of the risk management function. They regularly assess and review the Group's business and operational environment to identify areas of significant financial, operational, compliance and information technology risks.

The Group has a risk management framework ("**ERM Framework**") in place which is aligned with ISO 31000.

Under the ERM framework:

(a) risks identified are aligned with the objectives of the Group;

(b) a risk reporting structure is defined to identify the risk owners, approvers, champions and their respective risk responsibilities;

(c) a risk reporting process is established which includes the identification, analysis and evaluation of risks, implementation of risk treatment plans and continuous monitoring of risks; and

(d) risks are evaluated on a common measurement matrix based on the likelihood and consequence of each risk identified. The risks are first identified on a gross level and subsequently on a residual level considering the risk treatment measures in place. The residual risk level determines the extent or risk exposure and further risk treatment measures required.

On an annual basis, the Management reports to the Board on updates to the Group's risk profile, risk treatments and results of assurance activities so as the assure that the process is operating effectively as planned.

To enhance the effectiveness of the ERM Framework, the Group implemented Orion ERM system, a third party software that automates the risk management, internal control and assurance functions and enables these functions to be managed on an integrated platform.

Internal Controls

Internal controls have been implemented to enhance the Group's functions in the areas of finance, operations, compliance and information technology. The internal control measures aim to secure that the Group's assets are safeguarded, proper accounting records are maintained, and that financial information used within the business and for publication is reliable.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Adequacy and Effectiveness of Risk Management and Internal Control Systems

The risk management and internal control systems have been integrated throughout the Group and have been an essential part of its business planning and monitoring process.

An ERM exercise was performed in FY2024 involving middle and senior managers of the Group, including the C-Suite executives. Key risks identified, arising from the ERM exercise, are as follows:

S/N	Risk title and description	Risk treatment
1	<u>Adverse change in economic, market and operating environment</u> A deterioration in economic, market and operating environment may arise due to events such as geopolitical conflicts and new pandemic, which may dampen market demand. Should the deterioration persist, the business and financial performance of the Group may be adversely impacted.	The Group seeks to minimise adverse effects from the said events. Key treatment plans include maintaining a competent and experienced team, a cash reserve and standby credit line as buffer against a sudden downturn in economic conditions, maintaining alternative suppliers, developing in-house capabilities to produce key ingredients, implementing adequate, effective business contingency policy and procedures and putting in place robust, reliable systems and regular review of financial performance.
2	<u>Reduction of gross sales due to lack of customer satisfaction</u> The success of the Group is dependent on the level of customer satisfaction. Customer satisfaction may be adversely affected by the following: ■ Non-choice locations with low human traffic; ■ Unattractive pricing; ■ Poor customer service; ■ Lack of marketing efforts; and ■ Failure to adapt to shifting consumer preferences for sustainable products[1]. Should one or more of the above risk events occur, the Group's financial performance may be adversely affected.	The Group makes conscientious efforts to deliver good customer service. Key treatment plans include maintaining a competent and experienced team, implementing adequate, effective policies and procedures, gathering customer feedback for improvements, introducing new menu items and regular review of financial performance.
3	<u>Non-compliance with laws and regulations, licenses and certifications</u> In the course of running its operations, the Group has to comply with relevant laws and regulations, licenses and certifications, including the following: ■ HACCP certification; ■ Halal certification; ■ SFA licenses; ■ SGX-ST Listing Rules; ■ Personal Data Protection Act; ■ Local tax requirements; and ■ Climate reporting requirements[1]. Failure to comply with the relevant laws and regulations, licenses and certifications may lead to suspension or revocation of business license, financial loss through fines or penalties imposed by the regulators and adversely affect the Group's reputation.	The Group makes continuous efforts to comply with relevant laws and regulations, licenses and certifications. Key treatment plans include maintaining a competent and experienced team, implementing adequate, effective policies and procedures, putting in place an effective enterprise resource planning system, regular review of financial performance, setting up effective training programmes and obtaining advice from professional service providers.

[1] For climate-related risks and responses, refer to the Group's disclosures based on Taskforce on Climate-related Financial Disclosures ("**TCFD**") recommendations in our sustainability report.

S/N	Risk title and description	Risk treatment
4	Improper food handling resulting in cases of food poisoning The Group operates central kitchens that supply ingredients to its outlets. Improper food handling at the central kitchens and outlets may result in food contamination and consequentially lead to cases of food poisoning when consumed by customers. A serious food poisoning case may adversely impact customers' confidence on the safety of Group's products and financial performance.	The Group focuses on maintaining an adequate and effective food handling internal control system. Key treatment plans include maintaining a competent and experienced team, implementing adequate, effective policies and procedures, training and engage third party professionals to conduct laboratory tests on food.
5	Escalating costs due to pandemic outbreaks, geo-political situations and/or climate changes[2] The key cost components of the Group's business include cost of ingredients and operating expenses such as rental, salaries, utilities, purchases of utensils and consumables. Cost escalations may be caused by the following risk events: ■ Pandemic outbreaks resulting in supply chain disruptions and increases in ingredient and logistics costs; ■ Geo-political situations resulting in increase in cost of energy and ingredients; and ■ Climate changes resulting in increase in energy consumption and ingredient costs. Additional climate related costs such as carbon tax may also be passed on by the suppliers to the Group by way of price increase[2]. Should one or more of the above risk events occur, the Group's financial performance may be adversely affected.	The Group focuses on effective cost controls and seek to maximise value for costs incurred. Key treatment plans include maintaining a competent and experienced team, implementing adequate, effective policies and procedures, maintaining alternative suppliers, putting in place an effective enterprise resource planning system and regular review of financial performance.
6	Accidents at the workplace leading to serious injuries or fatalities Accidents may occur as the Group's operations involve the use of various kitchen equipment and machineries, such as stove, oven and kitchen tools with sharp edges. The Group's reputation may be adversely impacted if serious accidents occur and are publicised in the mass media. In addition, regulators may impose punitive measures such as fines or stop work order pending the results of investigation which may adversely affect the Group's operations and financial performance.	The Group places significant emphasis on creating a workplace that allows employees to work in a safe and healthy environment. Key treatment plans include maintaining a competent and experienced team, implementing adequate, effective policies and procedures, putting in place safety committees, proper and regular safety briefings, ensuring that first aid kits and fire extinguishers are placed at key locations with easy access.

[2] For climate-related risks and responses, refer to the Group's disclosures based on TCFD recommendations in our sustainability report.

S/N	Risk title and description	Risk treatment
7	Dependency on key managers and operational staff The Group's operations are dependent on its key managers and operational staff. For operational staff, the Group employs a significant number of foreign workers at the central kitchen and outlets. The number of such foreign workers employed is subject to quotas set by the relevant government authorities. If the Group is unable to retain, attract and hire competent and experienced personnel and/or hire adequate foreign workers, the ability to run the operations may be adversely affected.	The Group focuses on building and maintaining a conducive, fulfilling and rewarding work environment to address the risk of turnover for key managers. Key treatment plans include implementing adequate, effective policies and procedures, performing remuneration and benefit review and adopting comprehensive manpower planning.
8	Business impairment due to leakage of recipe The Group operates in an industry that is highly competitive where barriers to entry are low. A pool of good recipes is essential in attracting customers. Leakage of recipes to competitors will adversely affect the competitiveness of the Group as copycat food products may be developed and sold by the competitors.	The Group focuses on proper management of its recipes. Key treatment plans include maintaining a competent and experienced team, putting in place an effective enterprise resource planning system and restricting recipe access to only authorised employees.

The above section discusses the key risks that have emerged, and which may have a significant impact on the Group's financial and operating performance. The list of key risks identified may not be complete as the Group may be exposed to significant risks which it is unaware of, or which are not deemed to be significant at this time but may be material in the future. The risk treatments mentioned above represent the Group's best endeavours but do not provide absolute assurance that the Company will not be adversely affected by any risk event that can be reasonably foreseen as it strives to achieve its business objectives.

A Controls Self-Assessment ("**CSA**") Programme is established for the Management and Board to obtain assurance on the state of internal controls. The CSA Programme is risk-based and aligned with the results of the ERM exercise performed. On a yearly basis, the risk owners are required to review, assess and report on the adequacy and effectiveness of key mitigating internal controls for risks identified from the ERM exercise and which are under their risk responsibilities.

The Group also has in place an Assurance Activity Framework ("**Assurance Framework**") to facilitate and guide the Board's assessment on the adequacy and effectiveness of the Group's internal control and risk management systems. The Assurance Framework lays out the assurance activities performed, the assessment criterion and the reporting process. Assurance activities covered under the Assurance Framework include CEO/CFO Representation Letter, CSA by the Management, internal audit by the internal auditors, statutory audit by the external auditors and external certification on health and safety standards by a third-party professional service firm.

Fraud risk management processes include conflict of interest declaration by Directors and the implementation of whistle blowing policy (details in Provisions 10.1, 10.2 and 10.3 below) and rules of conduct to establish a clear tone from the top with regard to employees' business and ethical conduct.

Provision 9.2
Assurance from CEO, CFO and Other Responsible Key Management Personnel

The Board reviews, annually, the adequacy and effectiveness of the Group's risk management and internal control systems.

The Board continually monitors the threat and impact of risks to the Company's business and in parallel, assesses the Company's internal systems and procedures that monitor, control and mitigate these risks. For FY2024, the Board has received assurance from the CEO and the CFO that the financial records have been properly maintained and the financial statements are prepared in compliance with the Singapore Financial Reporting Standards (International) and are correct in all material aspects and give a true and fair view of the Group's operations and finances. Based on representations received from key management personnel, the CEO and CFO had also provided assurance that the Group's risk management and internal control systems were adequate and effective.

Board's Comment on Adequacy and Effectiveness of Internal Controls

Based on the ERM Framework, Assurance Framework and internal controls established and maintained in the Group, CSA conducted by the Management, work performed by the internal auditors, the statutory audit undertaken by the external auditors, certification by a third party professional service firm, and the written representation from the CEO and the CFO providing assurance on the Group's risk management and internal control systems, and that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, the Board, with the concurrence of the ARC, is satisfied that the Group's risk management and internal control framework and systems were adequate and effective during FY2024 and as at 31 March 2024 to address financial, operational, compliance and information technology risks.

AUDIT AND RISK COMMITTEE
Principle 10: Establishment of Audit and Risk Committee which Discharge its Duties Objectively

Provision 10.1, 10.2 and 10.3
ARC Membership

The Board has an ARC which was formed under written terms of reference which clearly sets out its authority and duties. As at the date of this report, the ARC comprises the following Directors, the majority of whom, including the Chairperson, are independent:

Mdm Lee Sok Koon, Constance, Chairperson	Independent and Non-Executive
Mdm Tan Cher Ting	Independent and Non-Executive
Mr Lee Soon Sin Jason	Independent and Non-Executive
Mr Wong Hin Sun, Eugene	Non-Independent and Non-Executive

The ARC assists the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records, and in developing and maintaining effective systems of risk management and internal control. The ARC members bring with them invaluable professional expertise in the accounting and financial management domains. Majority of the ARC members (including ARC Chairperson) have relevant accounting or related financial management expertise or experience. The Board, after considering the advice from the NC, believes that the ARC members are appropriately qualified to discharge the ARC's responsibilities as defined under its written terms of reference which have been approved by the Board.

The ARC does not comprise any former partners or directors of the Company's existing auditing firm or auditing corporation.

Roles and Responsibilities of the ARC

The ARC is guided by its terms of reference and meets periodically to undertake the following principal functions:

(a) reviewing the annual audit plan, scope and results of the audit undertaken by the external auditors, including non-audit services performed by them to ensure that there is a balance between maintenance of their objectivity and cost effectiveness;

(b) reviewing the effectiveness and adequacy of the internal audit function, which is outsourced to a professional services firm;

(c) reviewing with the internal auditors the scope and procedures of the audit plans, the effectiveness and adequacy of the Group's material internal controls and with the Management on the adequacy of financial, operational and compliance risk management;

(d) reviewing the financial statements and other relevant announcements to Shareholders and the SGX-ST, prior to submission to the Board;

(e) reviewing any significant financial reporting issues and judgements and estimates made by the Management, so as to ensure the integrity of the financial statement of the Group and any announcements relating to the Group's financial performance;

(f) assessing the independence and objectivity of the external auditors and recommending to the Board the appointment/re-appointment/removal of external auditors;

(g) reviewing the assistance given by the Company's officers to the external auditors and internal auditors;

(h) reviewing and recommending for the Board's approval the interested person transactions as specified under Chapter 9 of the Catalist Rules and/or the procedures set out in the general mandate approved by Shareholders; and

(i) reviewing the assurance from the CEO and the CFO on the financial records and financial statements.

Activities of ARC

The ARC met six times during FY2024 to inter alia review the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management systems through discussion with the Management and its auditors, and reports to the Board. The CEO, CFO, Company Secretary, Sponsor, internal and external auditors were invited to attend these meetings.

In addition to the activities undertaken to fulfil its responsibilities, the ARC is kept abreast by the Management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

The ARC had reviewed the external auditors' audit plan for FY2024 and had agreed with the auditors' proposed significant areas of focus and assumptions that impact the financial statements. In the ARC's review of the financial statements of the Group for FY2024, the ARC had discussed with the Management, the accounting principles that were applied and their judgement of items that could affect the integrity of the financial statements and also considered the clarity of key disclosures in the financial statements. The ARC also reviewed and addressed, amongst other matters, the following key audit matter as reported by the external auditors for FY2024:

- **Impairment of Plant and Equipment and Right-of-Use Assets**

  The ARC acknowledges that the impairment of Plant and Equipment ("**PE**") involves significant judgement. Towards this end, the ARC had developed a set of indicators to guide reviews and decisions on possible impairment to PE. The ARC undertakes a review on this basis, as supported with the Management's documentations and justifications, as and when necessary, during the course of the year.

  The PE was also an area of focus by the external auditors. The external auditors have included this item as a key audit matter in its audit report for FY2024. Please refer to page 106 of this Annual Report.

  The ARC has considered the approach and methodology applied on the impairment assessment. Following the review and discussion with management and the external auditors, the ARC is satisfied that the impairment charge has been adequately provided for in FY2024.

Management reported to and discussed with the ARC on changes to the accounting standards and accounting issues which have a direct impact on the financial statements. Directors had also been invited to attend relevant seminars on changes to accounting standards and issues by leading accounting firms.

Following the review, the ARC is satisfied that all the aforesaid matters have been properly dealt with and recommended the Board to approve the financial statements. The Board had on 28 June 2024 approved the financial statements.

The ARC had explicit authority to investigate any matter within its terms of reference and is given the task to commission independent investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and to review the findings thereof. The ARC has full access to, and the co-operation of the Management, and also the discretion to invite any Director or any member of the Management to attend its meetings. The ARC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.

Independence of External Auditors

The ARC oversees the Group's relationship with its external auditors. It reviews the selection of the external auditors and recommends to the Board the appointment, re-appointment and removal of the external auditors, the remuneration and terms of engagement of the external auditors. The annual re-appointment of the external auditors is subject to Shareholders' approval at each AGM of the Company.

The ARC also reviews the scope and value of non-audit services provided by the Company's external auditors, CLA Global TS Public Accounting Corporation, through discussions with the external auditors and an annual review of the nature, extent and charges of non-audit services provided by the external auditors to the Group as part of the ARC's assessment of independence of the external auditors. The relevant details are set out in the table below. The ARC is of the view that the non-audit services provided by the external auditors during FY2024 did not prejudice their objectivity and independence. The ARC has therefore recommended to the Board the nomination of CLA Global TS Public Accounting Corporation for re-appointment as auditors of the Company at the forthcoming AGM.

A breakdown of the fees paid to the Group's external auditors (including its associated firms) are disclosed in the table below:

External Auditors' Fees for FY2024	**$'000**	**% of Total Fees**
Total Audit Fees	113	81
Total Non-Audit Fees	27	19
Total Fees Paid	140	100

The Company confirms that the Group has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditors.

Whistle Blowing Policy

To encourage proper work ethics and eradicate any internal improprieties, unethical acts, malpractices, fraudulent acts, corruption and/or criminal activities in the Group, the Company has put in place a whistle blowing policy ("**Whistle Blowing Policy**"). The Whistle Blowing Policy provides the mechanism by which concerns about possible improprieties in matters of financial reporting or other matters may be raised by employees of the Group. A Whistle-Blowing Committee ("**WBC**") has been established for this purpose. In addition, a dedicated and secured e-mail address also allows whistle blowers to contact the WBC and members of the ARC directly.

Assisted by the WBC, the ARC reviews all whistle-blowing complaints, if any, at each ARC meeting to ensure independent, thorough investigations and appropriate follow-up actions. The ARC reports to the Board on any issues/concerns received by it and the WBC, at the ensuing Board meeting. Should the ARC or WBC receive reports relating to serious offences, and/or criminal activities in the Group, they and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant governmental authorities for further investigation/action. In FY2024, no valid[3] complaints were received via the whistle blowing channel.

[3] As defined in the Company's whistle blowing policy.

For FY2024, the Company has engaged the internal auditors as an independent party to provide additional service of administering the whistle-blowing channel. The service covers the receipt and filtering reports of whistleblowing, if any, and to ascertain if the nature of such report(s) falls within the coverage of the Whistle Blowing Policy, before forwarding them to the WBC for further investigations and appropriate follow-up actions where applicable.

Whistle Blowing Committee

The WBC which was constituted by the CEO, Head of Human Resources and CFO of the Company, is empowered to:

(a) investigate all issues/concerns relating to the Group (except for issues/concerns that are directed specifically or affecting any member of the WBC, which shall be dealt with by the ARC);

(b) make the necessary reports and recommendations to the ARC or the Board for their review and further action, if deemed required by them; and

(c) access the appropriate external advice where necessary and, where appropriate or required, report to the relevant governmental authorities for further investigation/action.

The Group takes concerns with the integrity and honesty of its employees seriously. A copy of the Whistle Blowing Policy has been disseminated to all staff to encourage the report of any behaviour or action that anyone reasonably believes might be suspicious, against any rules/regulations/accounting standards as well as internal policies. Whistle-blowers could also contact all members of the ARC directly via email and in confidence and his/her identity is protected from reprisals within the limits of the law.

The Company treats all information received confidentially and protects the identity and the interest of all whistle-blowers. Anonymous reporting will also be attended to, and anonymity honoured.

It has also been a standard item in the agenda of the quarterly meeting of the ARC to review any entries in the register of whistleblowing, and progress of investigation, if it remains outstanding.

The Whistle Blowing Policy is reviewed by the ARC from time to time, to assess the effectiveness of the processes in place and to ensure that the said policy is updated with any related changes in legal and regulatory requirements. The Whistle Blowing Policy was last reviewed by the ARC and approved by the Board in February 2022.

Provision 10.4
Internal Auditors' Reporting Line, Compliance and Functions

The ARC's responsibilities over the Group's internal controls and risk management are complemented by the work of the internal auditors.

The internal auditors' primary line of reporting is to the ARC, which also endorses the appointment, termination and remuneration of the internal auditors. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including the ARC, and has appropriate standing within the Company.

The internal audit function of the Group has been outsourced to Yang Lee & Associates ("**YLA**"), an independent professional service firm. YLA specialises in the provision of Internal Audit, Enterprise Risk Management and Sustainability Reporting advisory services. The firm was set up in the year 2005 and maintains a diverse outsourced internal audit portfolio of SGX-ST listed companies across different industries including distribution, manufacturing, services, food & beverage, trading, retail and property development industries. YLA is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with sufficient expertise in corporate governance, risk management, internal controls and other relevant disciplines. The Group's engagement with YLA stipulates that its work shall be guided by the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The Company's internal audit function is independent of the activities it audits. A rotational internal audit plan which is aligned with the results of risk assessments performed under the ERM Framework, has been devised and approved by the ARC such that all key operating cycles and entities of the Group are audited within an internal-audit cycle.

Adequacy and Effectiveness of the Internal Audit Function

The ARC reviews annually the adequacy and effectiveness of the internal audit function to ensure that internal audits are conducted effectively, and that Management provides the necessary co-operation to enable the internal auditors to perform its function. The ARC also reviews the internal auditors' reports and remedial actions implemented by Management to address any internal control inadequacies identified and was satisfied that the internal audit functions were adequate and effective.

The internal auditors completed one review during FY2024 in accordance with the rotational internal audit plan approved by the ARC and the Management has adopted key recommendations of the internal auditors set out in their report.

For FY2024, the ARC reviewed the adequacy of the internal function to ensure that internal audits were conducted effectively, and that the Management provided the necessary co-operation to enable YLA to perform its function. After having reviewed the YLA plans, reports and remedial actions implemented by the Management to address any internal control inadequacies identified, the ARC is satisfied that the internal audit function is independent, adequately resourced and effective. Hence, it has an appropriate standing within the Company.

Upon the recommendation of the ARC, the Board has approved the re-engagement of YLA as internal auditors of the Group in the ensuing year ending 31 March 2025.

Provision 10.5
Independent Meeting with External and Internal Auditors

During FY2024, the Company's internal and external auditors were invited to attend the ARC meetings and make presentations, as appropriate. Both auditors also met separately with the ARC without the presence of Management to provide them with the opportunity to discuss unreservedly and to raise any pertinent issues without restrictions or interference.

SHAREHOLDER RIGHT AND ENGAGEMENT

SHAREHOLDER RIGHT AND CONDUCT OF GENERAL MEETING

Principle 11: Fair and equitable treatment of shareholders, enabling them to exercise shareholder rights and communicate their views. Providing shareholders with balanced and understandable assessment of the Company's performance, position and prospect

Provision 11.1
Opportunity for Shareholders to Participate and Vote at General Meetings

The Company supports active Shareholder participation at general meetings and ensures that Shareholders have the opportunity to participate effectively in and vote at general meetings. Shareholders are encouraged to attend the general meetings to ensure high level of accountability and to stay informed of the Group's strategies and goals.

The principal forum for dialogue with the Shareholders remains at the AGM. Shareholders are informed of Shareholders' meeting through notices published on the SGXNet and the Company's website, electronic releases, reports and/or circulars, and are provided with the opportunity and time to voice their views and raise questions to the Directors or the Management regarding the Company via various methods. These methods include submission of questions in advance of the AGM via a dedicated email address, or via physical submission of questions to a dedicated office address, or at the AGM itself.

All Shareholders are entitled to vote in accordance with the established voting rules and procedures. They are all informed of the rules, including voting process governing the AGMs.

The Constitution allows a Shareholder who is not relevant intermediaries to appoint up to two proxies to attend and vote at general meetings. Shareholders who are relevant intermediaries such as banks and the Central Provident Fund Board ("**CPF**"), are allowed to appoint more than two proxies. This is to facilitate indirect shareholders to participate in general meetings. Such indirect shareholders were so appointed as proxy, will have the same rights as direct shareholders to attend, speak and vote at general meetings.

The Constitution allows members of the Company to appoint not more than two (2) proxies (proxy needs not be a member) to attend and vote on their behalf at a general meeting by submitting proxy forms within the stipulated timeline to the Company. These voting mechanisms allow for absentia voting and facilitates members to exercise their voting rights. In line with the amendments to the Act, corporate shareholders of the Company who provide nominee or custodial services to third parties are allowed to appoint more than two (2) proxies to attend and vote on their behalf at general meetings. The proxy forms include the instructions on voting are issued in conjunction with the notices of general meetings.

Conduct of general meetings

The Company's forthcoming AGM in respect of FY2024 ("**AGM 2024**") scheduled to be held on 25 July 2024, will be held in a wholly physical format. The Company will adhere to the SGX-ST's guiding principle to allow Shareholders sufficient time from the date of the AGM Notice to raise questions and provide answers to such questions within reasonable timelines. Please refer to the Notice of the AGM 2024 of the Company, which may be accessed at the Company's corporate website at https://www.jfh.com.sg//html/ir_announcements.php and/or the SGX website at https://www.sgx.com/securities/company-announcements.

The Company endeavours to communicate regularly and effectively with the Shareholders, and the Board supports and encourages active Shareholders' participation at AGMs. The Board believes that general meetings serve as an opportune forum for Shareholders to meet the Board and Management, as well as to interact with them. As and when extraordinary general meeting is convened, a circular is sent to Shareholders, containing details of the matters proposed for Shareholders' consideration and approval.

Provision 11.2
Separate Resolutions at General Meeting

As a matter of good order, separate resolutions are proposed at general meetings for each distinct issue unless the issues are interdependent and linked so as to form one significant proposal. In the event that there are resolutions which are interdependent and linked, the Board will explain the reasons and material implications in the notice of the relevant meeting. Shareholders in attendance are given an opportunity to clarify or direct questions on issues pertaining to the proposed resolutions before the resolutions are put to vote.

All resolutions are put to vote by poll in the presence of independent scrutineer. To ensure transparency in the voting process, the detailed results of all resolutions put to vote, showing the number of votes cast, for or against each resolution, and the respective percentages are tallied and disclosed live on-screen to the Shareholders immediately after the vote has been cast. Votes cast, for or against, and the respective percentages on each resolution are announced via SGXNet on the same day of the general meeting.

Provision 11.3
Attendees at General Meetings

The Chairpersons of the Board and the Board Committees attend general meetings to address issues raised by Shareholders. The Company's external auditors are also present to address questions raised by Shareholders at AGMs. All Directors have attended the AGM and EGM held in FY2023.

Provision 11.4
Absentia Voting

The Company's Constitution does not permit voting in absentia by mail, facsimile or e-mail as such voting methods would need to be cautiously evaluated to ensure that the authenticity of the vote and the Shareholder's identity is not compromised.

Provision 11.5
Minutes of General Meetings

The Company Secretary prepares minutes of general meetings held and a copy of such minutes will be made available on the SGXNet and the Company's investor relations homepage which can be accessed at the following link: https://www.jfh.com.sg/html/ir.php.

Provision 11.6
Dividend Policy

The Company's Dividend Policy seeks to maximise Shareholders' value and encourage Shareholders' loyalty with predictable annual value.

Unless the Company suffers a substantial net loss, cashflow or legal constraints, it will pay a dividend each year so that Shareholders are not negatively affected by annual profit volatility. The Company will strive to increase and smooth out the dividends year on year within a broad band but the specific rate will be dependent on the Company's actual profit performance, cash and cash flow projections. With that the Shareholders will be able to better anticipate the appropriate level of dividends to expect each year and therefore may be better able to manage their portfolio investment strategy.

For financial resilience and prudence, amidst challenging and uncertain market conditions, the Company's dividend policy will be revised from distribution of at least 100% to 50% of the Group's audited consolidated net profits attributable to Shareholders as dividends annually with effect from FY2025. The actual payout will be subjected to the Group's business requirements and other relevant considerations and barring unforeseen circumstances. The amount of dividends will depend on the Group's operating results, financial conditions such as cash position and retained earnings, other cash requirements including capital expenditure, restrictions on payment of dividends imposed on the Group by financing arrangements (if any) and other factors deemed relevant by the Directors.

The foregoing statements are merely statements of Board's present intention and do not constitute legally binding obligations on the part of the Company in respect of payment of dividend and which will be subject to modification at the Directors' sole and absolute discretion.

The Board has proposed a tax exempt one-tier final dividend of 0.2 Singapore cent per share for the financial year ended 31 March 2024, subject to Shareholders' approval at the AGM to be held on 25 July 2024. Together with the interim dividend of 0.3 Singapore cent per share paid on 15 December 2023, the total dividend for FY2024 is 0.5 Singapore cent per share.

ENGAGEMENT WITH SHAREHOLDERS

Principal 12: Regular communication with shareholders and facilitation of shareholders' participation at general meetings

Provision 12.1
Communication with and Information to Shareholders

The Company is committed to maintaining high standards of corporate disclosure and transparency, and proactively engages its Shareholders to ensure effective communication with the investment community.

In line with the continuous disclosure obligations under the Catalist Rules, the Board has and will continue to inform Shareholders promptly of all pertinent information. The Company endeavours to maintain full and adequate disclosure, in a timely manner, of material events and matters concerning its business. All the necessary disclosures required by the Catalist Rules will be made in public announcements, press releases and annual reports to Shareholders. Such information is disclosed to Shareholders on a timely basis through SGXNet. All disclosures submitted to the SGX-ST on SGXNet are also made available on the Company's corporate website (http://www.jfh.com.sg).

Provisions 12.2 and 12.3
Dialogue with Shareholders and Soliciting Views of Shareholders

The AGM provides a principal forum for dialogue and interaction with Shareholders. At these meetings, Shareholders are able to engage the Board and the Management on the Group's business activities, financial performance and other business-related matters. The Company could also gather views or input and address Shareholders' concerns at general meetings. In addition to the AGM, the Company also maintains regular dialogue with Shareholders and prospective investors through results briefings. Shareholders can submit their feedback and raise any question to the Company's investor relations contact as provided in the Company's website.

The Directors (including the Chairperson of the respective Board Committees) and key management personnel are in attendance to address queries and concerns about the Group. The Company's external auditors also attend to address Shareholders' queries relating to the conduct of the audit and the preparation and content of the external auditors' report.

Investor Relations Practices

The Company outsourced investor relations ("**IR**") function to August Consulting Pte Ltd, who has a team of personnel who focus on facilitating the Company's communications with all stakeholders – shareholders, regulators, analysts and media, etc - on a regular basis, to attend to their queries or concerns as well as to keep the investors public apprised of the Group's corporate developments and financial performance.

To enhance and encourage communication with Shareholders and investors, the Company provides contact information of its investor relations consultant, namely, August Consulting Pte Ltd on page 24 of this Annual Report, the Company's corporate website as well as in its press releases.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: Managing stakeholder relationships, balancing the needs and interests of material stakeholders for the Company's best interests

Provisions 13.1, 13.2 and 13.3
Managing Stakeholder Relationships

The Company recognises the vitality on stakeholders' engagement for the Company's long-term sustainability and has appropriate channels in place to identify and engage with its material stakeholder groups. It recognises the importance of having intimate knowledge of its business and regular interactions with its stakeholders to determine material issues for its business.

The Company's approach to stakeholder engagement and materiality assessment can be found under the "Sustainability Report" section of this Annual Report.

The Company maintains a corporate website at www.jfh.com.sg to communicate and engage with all stakeholders.

OTHER CORPORATE GOVERNANCE

DEALING IN SECURITIES

The Company has adopted an internal code on dealings in securities to govern dealings in the Shares by the Directors and the key executives of the Group in line with the requirements of Rule 1204(19) of the Catalist Rules. The Directors, the Management and officers of the Group, who have access to price-sensitive, trade-sensitive, financial or confidential information are not allowed to deal in the Shares during the period commencing one month before the announcement of the Group's half year and full year results and ending on the date of announcement of such results, and when in possession of unpublished price-sensitive and/or trade-sensitive information. For good corporate governance, the Directors, the Management and officers of the Group do not deal in the Shares during the period commencing two weeks before the Company's voluntary quarterly business and financial update. In addition, the officers of the Company are advised not to deal in the Shares for short term considerations and are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods.

CODE OF CONDUCT AND PRACTICES

The Company's code of conduct and practices are detailed in the Group's Employee Handbook which is available to all staff and is presented to new employees during induction. The code entails policies such as prohibiting employees from disclosing confidential information or knowledge obtained by him/her during his/her employment with the Group, from accepting gifts from business associates and in circumstances where refusal was to be impracticable, relevant details are to be reported, etc. The Group recognises the importance of integrity and professionalism in the conduct of its business activities. Employees are expected to embrace, practise, and adopt these values while performing their duties and to always act in the best interests of the Group and avoid situations that may create conflicts of interest. All management staff are required to make an annual declaration on involvement in any conflict-of-interest situation and compliance with the code of conduct.

ANTI-CORRUPTION POLICY

The Group complies with all the laws and conducts businesses in an open, transparent manner, and prohibits employees from directly or indirectly offering, promising to pay, or authorising the payment of money or anything of value for the purpose of gaining perceived personal advantage for the Group.

CREDITORS' PAYMENT POLICY

The Group values its suppliers and is committed to safeguarding creditors' rights and acknowledges the importance of paying invoices, especially those of small businesses, in a timely manner. It is the Group's practice to agree terms with suppliers when entering into contracts. The Group negotiates with suppliers on an individual basis and meet its obligations accordingly.

INTERESTED PERSON TRANSACTIONS

To ensure compliance with Chapter 9 of the Catalist Rules, the Company has adopted an internal policy in respect of any transactions with interested persons and has set out procedures for review and approval if such transactions do occur. If the Company is intending to enter into any interested person transaction, the ARC and the Board will ensure that the transaction is carried out fairly and at arm's length. When potential conflict of interest arises, the director concerned neither takes part in discussions nor decision making.

The Company does not have a general mandate from Shareholders in respect of interested person transactions pursuant to Rule 920 of the Catalist Rules and there were no disclosable interested person transaction during FY2024.

There are no material contracts or loans entered into by the Group involving the interests of the CEO, any Director or controlling shareholder of the Company, either still subsisting at the end of FY2024 or if not subsisting, were entered into since 1 April 2023.

SPONSOR

No fees relating to non-sponsorship activities or services were paid to the Company's Sponsor, UOB Kay Hian Private Limited, during FY2024.

ADDITIONAL INFORMATION ON DIRECTORS' RE-ELECTION AND CONTINUAL APPOINTMENT
- pursuant to Catalist Rule 720(5) and Appendix 7F

Details	Takahashi Kenichi	Lee Soon Sin Jason
Date of Appointment	18 February 2008	1 August 2023
Date of last re-appointment (if applicable)	20 July 2022	NA
Age	68	62
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	The Board of Directors of the Company, having considered among others, the recommendation of the Nominating Committee ("**NC**"), and the qualifications, work experience, competencies and overall contribution of Mr Takahashi Kenichi, is of the view that he is suitable for re-appointment as the Executive Chairman of the Company.	The Board of Directors of the Company, having considered among others, the recommendation of the NC, and the qualifications, work experience, competencies and overall contribution of Mr Lee Soon Sin Jason, is of the view that he is suitable for re-appointment as an Independent Director, and a member of each of the NC, Remuneration Committee ("**RC**") and the Audit and Risk Committee ("**ARC**") of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive Chairman and Chief Executive Officer. Mr Takahashi Kenichi oversees the Group's business operations, development and strategies.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Chief Executive Officer.	Independent Director, and a member of each of the NC, RC and the ARC.
Professional qualifications	▪ Founder of the Group in 1997; ▪ 27 years of experience in the Food and Beverages industry; and ▪ Graduated with a Certificate of Mechanical Engineering from Sophia University in Tokyo, Japan.	▪ Fellow Member, Association of Chartered Certified Accountants (ACCA); ▪ Fellow Member, Institute of Singapore Chartered Accountants (ISCA); ▪ Accredited Tax Advisor, Singapore Chartered Tax Professionals (SCTP) ▪ ASEAN Chartered Professional Accountant, ASEAN Chartered Professional Accountants Coordinating Committee (ACPACC); and ▪ Member, Singapore Institute of Directors.

Details	Takahashi Kenichi	Lee Soon Sin Jason
Working experience and occupation(s) during the past 10 years	Executive Chairman and Chief Executive Officer of the Group.	■ Managing Partner, Lixin International (January 2013 to December 2015); ■ Managing Director, CA.sg PAC (February 2014 to Present); and ■ Director, My Business Advisory Sdn. Bhd. (May 2014 to Present).
Shareholding interest in the listed issuer and its subsidiaries	Yes. Direct interest: 114,814,800 ordinary shares Deemed interest: 8,100,000 ordinary shares	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments[1] Including Directorships [1] 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.	Nil	Present: ■ Director, JFL Holdings Pte. Ltd.; ■ Manager, OneSMP LLP; ■ Managing Director, CA.sg PAC; ■ Director, Catalyst Corporate Services Pte. Ltd.; and ■ Secretary, Chu Hock Engineering Pte Ltd Past 5 years: Nil
The general statutory disclosures of the director are as follows:		
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

Details		Takahashi Kenichi	Lee Soon Sin Jason
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

Details	Takahashi Kenichi	Lee Soon Sin Jason
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

Details	Takahashi Kenichi	Lee Soon Sin Jason
J. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	He is the executive director of Japan Foods Enterprises Pte Ltd ("**JFE**") when JFE was under investigation by MOM in 2022. JFE was subsequently found to have committed infringements under Section 25 (1) of the Employment of Foreign Manpower Act (Chapter 91A, 2009 Revised Edition) ("**EFMA**") and a financial penalty of S$75,000 was imposed on JFE on 22 May 2023. JFE had paid for the financial penalty accordingly.	No
(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	No	No
(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	No	No
(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,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
K. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

The directors are pleased to present their statement to the members together with the audited financial statements of Japan Foods Holding Ltd. (the "**Company**") and its subsidiary corporations (the "**Group**") for the financial year ended 31 March 2024 and the statement of financial position of the Company as at 31 March 2024.

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 109 to 166 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2024 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

Takahashi Kenichi
Wong Hin Sun, Eugene
Lee Sok Koon, Constance
Tan Cher Ting
Lee Soon Sin Jason (appointed on 1 August 2023)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE 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 was 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 under "Japan Foods Performance Share Plan" on pages 101 to 102 of this annual report.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) According to the register of directors' shareholdings, none of the directors holding 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:

	Holdings registered in name of a director or nominee		Holdings in which director is deemed to have an interest	
	At 31 March 2024	**At 1 April 2023**	**At 31 March 2024**	**At 1 April 2023**
The Company				
(No. of ordinary shares)				
Takahashi Kenichi	114,814,800	114,814,800	8,100,000	8,100,000
Wong Hin Sun, Eugene	-	-	9,487,000	9,487,000

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONTINUED)

(b) Mr Takahashi Kenichi, who by virtue of his interest of not less than 20% of the issued capital of the Company, is deemed to have an interest in the whole of the share capital of the Company's wholly owned subsidiary corporations at the beginning and at the end of the financial year.

(c) The directors' interest in the ordinary shares of the Company as at 21 April 2024 were the same as those as at 31 March 2024.

SHARE OPTIONS

No options were granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company or its subsidiary corporations.

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

JAPAN FOODS PERFORMANCE SHARE PLAN ("JF PSP")

The JF PSP is administered by the Remuneration Committee whose members are the following as at the date of this statement:

Tan Cher Ting	(Chairperson, Independent Director)
Lee Sok Koon, Constance	(Member, Lead Independent Director)
Wong Hin Sun, Eugene	(Member, Non-independent and Non-executive Director)
Lee Soon Sin Jason	(Member, Independent Director)

Members of the Remuneration Committee were not and shall not be involved in the Remuneration Committee's deliberations in respect of the performance shares granted to themselves, if any.

The award of fully paid ordinary shares of the Company issued free of charge (the "**Awards**") to eligible participants under the JF PSP will incentivise participants to excel in their performance and encourage greater dedication and loyalty to the Group. The JF PSP allows the Company to recognise and reward past contributions and services and motivate the participants to continue to strive for the Group's long-term goals. The JF PSP will further strengthen and enhance the Group's competitiveness in attracting and retaining employees with suitable talents.

The Awards granted under the JF PSP may be time-based and/or performance-related, and such Awards entitle eligible participants to be allotted fully paid shares upon completion of certain time-based service condition and/or achieve their performance targets over set performance periods. The Awards given are determined at the discretion of the Remuneration Committee, who will take into account criteria such as participant's rank, job performance, years of service and potential for future development, contribution to the success of the Group and the extent of effort required to achieve the performance target within the performance period. The Remuneration Committee also has the discretion to set specific performance-based criteria such as profitability, growth, asset efficiency, return on capital employed, and other financial indicators, penetration into new markets, increasing market share and market ranking, management skills and succession planning. In addition to the achievement of any pre-determined performance targets or service conditions, the Awards may also be granted upon the Remuneration Committee's determination of post-event that any eligible participant has performed well and/or made significant contribution to the Group.

JAPAN FOODS PERFORMANCE SHARE PLAN ("JF PSP") (CONTINUED)

Under the rules of the JF PSP, any full time employee, executive and non-executive director of the Company and its subsidiary corporations (including Independent Directors but excluding the Controlling Shareholder and his Associates, as described in the Company's circular in relation to the JF PSP dated 5 July 2023) who has attained the age of 18 years on the date of grant of the Award and who has contributed or will contribute to the success of the Group shall be eligible to participate in the JF PSP.

There shall be no restriction on the eligibility of any participant to participate in any other share plans or share incentive schemes implemented by any of the other companies within the Group if approved by the Remuneration Committee. The granting of Awards may be made by the Remuneration Committee at any time during the period when the JF PSP is in force.

All taxes (including income tax) arising from the grant and/or disposal under the JF PSP shall be borne by the participant.

The total number of new ordinary shares in the capital of the Company that may be issued or are issuable pursuant to the granting of the Awards, when added to aggregate number of shares that are issued or are issuable in respect of such other share-based incentive schemes of the Company (if any), shall not exceed 15% of the total number of issued ordinary shares (excluding treasury shares and subsidiary corporations) of the Company on the day immediately preceding the date on which the Award shall be granted.

During the financial year ended 31 March 2024, Awards comprising 490,000 shares were granted to certain key management personnel on 15 June 2023 ("**Grant date**"). These Awards were immediately vested on the Grant date.

No performance shares were awarded to directors of the Company during the financial year ended 31 March 2024.

No performance shares were outstanding as at 31 March 2024.

No performance shares were awarded to Controlling Shareholders of the Company or their Associates.

Except as disclosed in the table below, no participant was granted 5% or more of the total number of shares available under JF PSP.

Name of Participant	Aggregate number of Shares comprised in Awards granted during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since the commencement of Performance Share Plan to end of financial year under review	Aggregate number of Shares comprised in Awards granted which have vested since the commencement of the Performance Share Plan to end of financial year under review, and in respect of such Awards, the proportion of New Shares issued or Treasury Shares transferred upon the release of the vested Awards	Aggregate number of Shares comprised in Awards which have not been released at end of financial year under review
Kenneth Liew Kian Er	140,000	1,850,000	1,850,000	Nil

AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee at the date of this statement are set out as follows:

Lee Sok Koon, Constance	(Chairperson, Lead Independent Director)
Wong Hin Sun, Eugene	(Member, Non-independent and Non-executive Director)
Lee Soon Sin Jason	(Member, Independent Director)
Tan Cher Ting	(Member, Independent Director)

All members of the Audit and Risk Committee were independent non-executive directors except for Wong Hin Sun, Eugene. The Audit and Risk Committee carried out its function in accordance with Section 201B(5) of the Singapore Companies Act 1967. It undertakes to perform inter alia the following:

(i) reviews the audit plan of the Company's independent auditor and any recommendation on internal accounting controls arising from the statutory audit;

(ii) reviews the internal audit plans, the scope and results of internal audit procedures with the independent internal auditor;

(iii) reviews the statement of financial position of the Company, the consolidated financial statements of the Group for the financial year ended 31 March 2024 and other announcements to shareholders and the Singapore Exchange Securities Trading Limited ("**SGX-ST**") before their submission to the Board of Directors, as well as the independent auditor's report on the statement of financial position of the Company and the consolidated financial statements of the Group;

(iv) conducts investigation into any matter within the Audit and Risk Committee's scope of responsibility and review any significant findings of investigations;

(v) assesses the independence and objectivity of the independent auditor;

(vi) recommends to the Board of Directors on the appointment or re-appointment of the independent auditor;

(vii) reviews the assistance given by the Company's management to the independent auditor; and

(viii) reviews transactions falling within the scope of Chapter 9 of the SGX-ST Catalist Rules.

The Audit and Risk Committee has conducted an annual review of the non-audit services provided by the independent auditor. During the financial year ended 31 March 2024, the fees charged by the independent auditor for the provision of non-audit services amounted to $26,500 (2023: $26,500). The Audit and Risk Committee is of the opinion that such fees charged by the independent auditor for non-audit services would not prejudice the independence of the independent auditor. Accordingly, the Audit and Risk Committee has recommended to the Board that CLA Global TS Public Accounting Corporation, be nominated for re-appointment as the independent auditor of the Company at the forthcoming Annual General Meeting.

DIRECTORS' STATEMENT

For the Financial Year Ended 31 March 2024

INDEPENDENT AUDITOR

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

Takahashi Kenichi
Director

Wong Hin Sun, Eugene
Director

28 June 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Japan Foods Holding Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Japan Foods Holding Ltd. (the "**Company**") and its subsidiary corporations (the "**Group**"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2024, and the consolidated statement of 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 policies 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 31 March 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 *Code of Professional Conduct and Ethics Applicable to 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 Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2024. 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.

Key Audit Matter (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of plant and equipment and right-of-use assets *Refer to Note 2.7, Note 21 and Note 22 to the financial statements* As at 31 March 2024, the Group's plant and equipment and right-of-use assets amounted to $16.2 million (2023: $11.8 million) and $42.8 million (2023: $45.7 million), which accounted for 17% (2023: 13%) and 46% (2023: 50%) of the Group's total assets respectively. In accordance with SFRS(I) 1-36 – "Impairment of Assets", an annual impairment review is performed on assets when there is an indication of impairment. For the financial year ended 31 March 2024, certain restaurant outlets incurred losses, which indicates that certain plant and equipment and right-of-use assets of the Group may be impaired. Management performed impairment tests on the plant and equipment and right-of-use assets of these outlets and determined the recoverable amounts based on the calculation of value-in-use. In carrying out the impairment assessment, management has identified the cash generating units ("**CGUs**") to the respective restaurant outlets to which the plant and equipment and right-of-use assets belong to. Accordingly, the recoverable amounts of the CGUs are determined through the estimation of the expected discounted future cash flows which involves making key assumptions about the sales growth rate, gross profit margin and discount rate. Due to significant management judgements and estimates involved in the impairment assessment, we have identified this area to be a key audit matter.	Our audit procedures included, amongst others, the following: ● Assessed management's determination of whether there is an indication of impairment of the plant and equipment and right-of-use assets of each restaurant outlet. ● For each restaurant outlet with impairment indicators, reviewed and evaluated the key assumptions used in management's impairment assessment by: - Assessing the sales growth rate and gross profit margin in comparison to historical performance and economy outlook. - Engaging our internal valuation specialist to evaluate reasonableness of the discount rate applied. - Performing sensitivity analysis to evaluate the impact of changes to the key assumptions on the recoverable amounts, determining they would fall below the carrying amounts of the plant and equipment and right-of-use assets. ● Assessed the adequacy of the disclosures in the consolidated financial statements regarding the impairment assessment.

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 and will 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.

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.

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

- 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.

- 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 activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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, related safeguards.

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 financial year 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 director on the audit resulting in this independent auditor's report is Lim Wei Chen, Samuel.

CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
28 June 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2024

	Note	The Group 2024 $'000	The Group 2023 $'000
Revenue	4	86,357	78,532
Cost of sales		(13,230)	(12,114)
Gross profit		73,127	66,418
Other income			
- Bank interest		129	128
- Others	5	1,248	1,912
Other gains/(losses) - net	6	570	(56)
Expenses			
- Selling and distribution		(67,218)	(57,117)
- Administrative		(3,835)	(3,723)
- Others		(3,099)	(1,886)
- Interest on lease liabilities	22(b)	(1,801)	(1,024)
Share of profit of associated companies	16	254	205
(Loss)/profit before income tax		(625)	4,857
Income tax credit/(expense)	9(a)	130	(730)
Total comprehensive (loss)/income, representing net (loss)/profit		(495)	4,127
(Loss)/profit attributable to:			
Equity holders of the Company		(495)	4,127
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(495)	4,127
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company (cents per share)			
- Basic and diluted earnings per share	10	(0.28)	2.37

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2024

	Note	The Group 2024 $'000	The Group 2023 $'000	The Company 2024 $'000	The Company 2023 $'000
ASSETS					
Current assets					
Cash and bank balances	11	11,473	18,489	1,251	2,705
Trade and other receivables	12	1,903	1,065	1,629	2,258
Inventories	13	725	807	–	–
Other current assets	14	3,795	3,709	205	97
		17,896	24,070	3,085	5,060
Non-current assets					
Investments in subsidiary corporations	15	–	–	6,042	6,042
Investments in associated companies	16	2,459	2,072	365	232
Investment in a joint venture	17	–	–	100	100
Loan to an associated company	18	248	248	248	248
Loan to a joint venture	19	1,354	1,820	1,354	1,820
Other investments at amortised cost	20	531	534	–	–
Plant and equipment	21	16,203	11,795	38	9
Right-of-use assets	22(a)	42,753	45,732	208	319
Intangible assets	23	187	146	–	–
Club membership	24	–	322	–	322
Long-term security deposits	25	3,524	3,880	–	51
Deferred income tax assets	28	7,956	–	37	–
		75,215	66,549	8,392	9,143
Total assets		93,111	90,619	11,477	14,203
LIABILITIES					
Current liabilities					
Trade and other payables	26	9,314	9,662	329	912
Provisions	27	823	143	–	–
Lease liabilities	22(f)	23,540	22,056	152	179
Current income tax liabilities	9(b)	304	538	1	–
		33,981	32,399	482	1,091
Non-current liabilities					
Lease liabilities	22(f)	21,342	24,973	68	158
Deferred income tax liabilities	28	8,030	527	36	2
		29,372	25,500	104	160
Total liabilities		63,353	57,899	586	1,251
NET ASSETS		29,758	32,720	10,891	12,952
EQUITY					
Share capital	29(a)	9,522	9,522	9,522	9,522
Treasury shares	29(b)	(219)	(18)	(219)	(18)
Capital reserves	29(c)	35	36	35	36
Retained profits	30	20,420	23,180	1,553	3,412
TOTAL EQUITY		29,758	32,720	10,891	12,952

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2024

	Note	Share capital $'000	Treasury shares $'000	Capital reserves $'000	Retained profits $'000	Total equity $'000
<u>**The Group**</u>						
2024						
Beginning of financial year		9,522	(18)	36	23,180	32,720
Performance shares granted	29(b), 29(c)	–	214	(1)	–	213
Dividends relating to 2023 paid	31	–	–	–	(1,744)	(1,744)
Dividends relating to 2024 paid	31	–	–	–	(521)	(521)
Purchase of treasury shares	29(b)	–	(415)	–	–	(415)
Total comprehensive loss for the financial year		–	–	–	(495)	(495)
End of financial year		9,522	(219)	35	20,420	29,758
2023						
Beginning of financial year		9,522	(5)	38	23,152	32,707
Performance shares granted	29(b), 29(c)	–	208	(2)	–	206
Dividends relating to 2023 paid	31	–	–	–	(1,744)	(1,744)
Dividends relating to 2022 paid	31	–	–	–	(2,355)	(2,355)
Purchase of treasury shares	29(b)	–	(221)	–	–	(221)
Total comprehensive income for the financial year		–	–	–	4,127	4,127
End of financial year		9,522	(18)	36	23,180	32,720

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 March 2024

	Note	The Group 2024 $'000	The Group 2023 $'000
Cash flows from operating activities			
Net (loss)/profit		(495)	4,127
Adjustments for:			
- Allowance for impairment of plant and equipment	7	523	350
- Allowance for impairment of right-of-use assets	7	546	398
- Allowance for impairment on loan to a joint venture	7	791	–
- Amortisation of government grants	5	(28)	(28)
- Amortisation of intangible assets	7	69	62
- Amortisation of other investments at amortised cost	7	3	4
- Depreciation of plant and equipment	7	4,625	3,383
- Depreciation of right-of-use assets	7	24,791	20,259
- Employee performance shares expenses	8	213	206
- Income tax (credit)/expense	9(a)	(130)	730
- Interest on lease liabilities	22(b)	1,801	1,024
- Interest income from bank deposits		(129)	(128)
- Loss on early redemption of financial assets	6	–	21
- Gain on disposal of club membership	6	(516)	–
- Gain on early termination of lease	6	(49)	–
- Plant and equipment written-off	7	268	42
- Rental concessions	5	–	(132)
- Share of profit of associated companies	16	(254)	(205)
		32,029	30,113
Changes in working capital:			
- Inventories		82	(228)
- Trade and other receivables		(822)	19
- Other current assets		(86)	(980)
- Long-term security deposits		356	(810)
- Trade and other payables		(320)	1,211
- Provisions		(53)	40
Cash generated from operations		31,186	29,365
Income tax paid	9(b)	(557)	(4)
Interest received		113	109
Net cash provided by operating activities		30,742	29,470

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 March 2024

	Note	The Group 2024 $'000	The Group 2023 $'000
Cash flows from investing activities			
Additions to plant and equipment	21	(9,824)	(8,382)
Additions to intangible assets	23	(110)	(72)
Additions to investment in associated companies	16	(133)	–
Loan to a joint venture	19	(325)	(770)
Proceeds from disposal of club memberships		838	–
Redemption of financial assets, held to maturity	20	–	750
Net cash used in investing activities		(9,554)	(8,474)
Cash flows from financing activities			
Principal repayment of lease liabilities		(23,723)	(20,370)
Interest paid		(1,801)	(1,024)
Purchase of treasury shares	29(b)	(415)	(221)
Increase in short-term bank deposits pledged		(163)	(175)
Dividends paid to equity holders of the Company	31	(2,265)	(4,099)
Net cash used in financing activities		(28,367)	(25,889)
Net decrease in cash and bank balances		(7,179)	(4,893)
Cash and bank balances			
Beginning of financial year		15,047	19,940
End of financial year	11	7,868	15,047

The accompanying notes form an integral part of the financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 GENERAL INFORMATION

Japan Foods Holding Ltd. (the "Company") is listed on the Catalist, the sponsor-supervised listing platform of Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore. The address of its registered office is 420 North Bridge Road, #02-01, North Bridge Centre, Singapore 188727.

The principal activity of the Company is investment holding. The principal activities of its subsidiary corporations are disclosed in Note 15 to the financial statements.

2 MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2023

On 1 April 2023, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

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

2.2 Revenue recognition

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 promised goods or services to the customer, which is when the customer obtains control of the goods 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) Restaurant sales

Sales from restaurant outlet is recognised upon the satisfaction of each performance obligation which is represented by the service to serve and delivery of food and beverages to customers. Each delivery order comprises of a single performance obligation which is satisfied at a point in time.

Restaurant outlet sales represent the invoiced value of food and beverages, net of discounts and goods and services tax.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition (continued)

(b) Membership program

The Group offers customers a membership program, which is primarily a spend-based loyalty program where membership points are earned from qualified purchases and these points are used to offset on future purchases. Customers membership points earned through qualified purchases are considered as a separate performance obligation arising from transactions with customers.

The Group estimates the value of the future redemption obligation based on the estimated value of the products for which the membership points are expected to be redeemed based on historical redemption patterns, including an estimate of the breakage for points that will not be redeemed.

(c) Royalty income

Royalty income is satisfied over time as the customer simultaneously receives and consumes the benefits over the duration of the royalty agreement.

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.4 Group accounting

(a) Subsidiary corporations

(i) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(a) Subsidiary corporations (continued)

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(b) Associated companies and joint venture

Associated companies are entities over which the Group has significant influence, but not control.

Joint venture is an entity over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint venture are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(b) Associated companies and joint venture (continued)

(i) Acquisition

Investments in associated companies and joint venture are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint venture represents the excess of the cost of acquisition of the associated companies or joint venture over the Group's share of the fair value of the identifiable net assets of the associated companies or joint venture and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint venture post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint venture are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in the associated companies or joint venture equals to or exceeds its interest in the associated companies or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated companies or joint venture. If the associated companies or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in the associated companies or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies or joint venture are eliminated to the extent of the Group's interest in the associated companies or joint venture. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies or joint venture are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies or joint venture are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated companies or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Plant and equipment

(a) *Depreciation*

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Furniture and fittings	5 years
Kitchen equipment	5 years
Renovation	3 - 5 years
Motor vehicles	5 years
Computer and office equipment	3 - 5 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

(b) *Subsequent expenditure*

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

2.6 Intangible assets

Trademarks and franchise rights

Trademarks and franchise rights acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with finite useful life are amortised to profit or loss using the straight-line method over 6 years. Intangible assets with indefinite useful life are reviewed annually to determine whether the useful life assessments continue to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.7 Impairment of non-financial assets

Intangible assets
Plant and equipment
Right-of-use assets
Investments in subsidiary corporations, associated companies and joint venture

Intangible assets, plant and equipment, right-of-use assets and investments in subsidiary corporations, associated companies and joint venture are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Impairment of non-financial assets (continued)

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.8 Financial assets

(a) Classification and measurement

The Group classifies its financial assets as at amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

<u>At initial recognition</u>

At initial recognition, the Group measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset.

<u>At subsequent measurement</u>

Debt instruments mainly comprise cash and cash equivalents, trade and other receivables, investments at amortised cost, loan to an associated company and a joint venture.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34 details how the Group determines whether there has been a significant increase in credit risk.

For trade and other receivables, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has applied the general approach for other financial assets carried at amortised cost, loan to an associated company and loan to a joint venture.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Financial guarantees

The Company has issued financial guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

(a) amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss allowance computed using the impairment methodology under Note 2.8.

2.10 Leases

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(a) Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented as a separate line in the statements of financial position.

(b) Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments consist of fixed payments (including in-substance fixed payments), less any lease incentives receivables.

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liabilities are remeasured 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.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Leases (continued)

(c) Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(d) Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments. Details of the variable lease payments are disclosed in Note 22.

2.11 Inventories

Inventories comprising food ingredients and sundry consumables are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method and includes all costs of purchase in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses. The damaged, obsolete and slow-moving items are to be written-down to the lower of cost and net realisable value.

2.12 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, associated companies and joint venture, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(b) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2.14 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Short-term compensated absences

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the reporting date.

(b) Profit sharing and bonus plan

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises an accrual when it is contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

(c) Performance share

Benefits to employees including the directors are provided in the form of share-based payment transactions, whereby certain prescribed performance targets are met and/or upon expiry of prescribe vesting periods.

The fair value of the employee services rendered is determined by reference to the fair value of the share awarded or granted. The amount is determined by reference to the fair value of the performance shares on the grant date.

The fair value is recognised in profit or loss over the remaining vesting period of the performance shares scheme, with the corresponding increase in equity. The value of charge is adjusted in profit or loss over the remaining vesting period to reflect expected and actual levels of shares vesting, with the adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

2.15 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars ("$"), which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments) and financial liabilities.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Currency translation (continued)

(b) Transactions and balances (continued)

However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) Impairment of plant and equipment and right-of-use assets

Plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and where applicable, cash-generating units ("CGU") have been determined based on value-in-use calculations. These calculations require the use of judgements and estimates.

As at 31 March 2024, the Group has recognised net impairment losses of $523,000 (2023: $350,000) and $546,000 (2023 $398,000) for plant and equipment and right-of-use assets respectively. If the estimated net profit used in the value-in-use calculation for the relevant assets had been 10% lower than management's estimates as at 31 March 2024, the Group would have recognised further impairment losses on plant and equipment and right-of-use assets of $87,000 (2023: $66,000) and $203,000 (2023: $76,000) respectively. Further details are provided in Note 21 and 22 to the financial statements.

The carrying amounts of plant and equipment and right-of-use assets are disclosed in Note 21 and 22 to the financial statements.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(b) Leases

The application of SFRS(I) 16 requires the Group to exercise judgement and estimates in applying transition options and practical expedients, and in the determination of key assumptions used in measuring the lease liabilities. Key assumptions include lease terms and discount rates on the lease payments.

In determining the lease term, the Group considers all relevant facts and circumstances that create an economic incentive for the Group to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the Group is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

The lease payments are discounted using the rate implicit in the lease or the Group's incremental borrowing rate. This requires the Group to estimate the rate of interest that it would have to pay to borrow the funds to obtain a similar asset over a similar term.

The incremental borrowing rate applied to lease liabilities as at 31 March 2024 was 2.5% to 4.5% (2023: 2.5% to 4.5%) for leases of premises and restaurant outlets and office equipment. The carrying amount of lease liabilities of the Group and the Company as at 31 March 2024 was $44,882,000 and $220,000 (2023 $47,029,000 and $337,000) respectively.

Changes in these assumptions may significantly impact the measurement of the lease liabilities.

The accounting policies for leases are stated in Note 2.10.

4 REVENUE

	The Group	
	2024	**2023**
	$'000	**$'000**
Restaurant sales	86,149	78,341
Sales of food ingredients	208	191
	86,357	78,532

The Group derives revenue from the transfer of goods and services at a point in time.

5 OTHER INCOME - OTHERS

	The Group	
	2024	2023
	$'000	$'000
Amortisation of government grants [a] (Note 26)	28	28
Government grants		
- Special Employment Credit [b]	163	33
- Wage Credit Scheme [c]	–	960
- Jobs Growth Incentive [d]	6	236
- Enabling Employment Credit [e]	66	12
- Progressive Wage Credit Scheme [f]	158	3
- CPF transition offset [g]	21	1
- Small Business Recovery Grant [h]	–	30
- Skills Future Enterprise Credit Scheme [i]	8	–
	422	1,275
Royalty income	484	377
Rental concessions [j]	–	132
Insurance claims	123	61
Sale of waste oil	16	24
Marketing subsidy	23	–
Reversal of provision (Note 27)	53	–
Creditor written-off	32	–
Others	67	15
	1,248	1,912

(a) Amortisation of government grants comprised of government grants received for the acquisition of certain automated equipment for the central kitchen of the Group's subsidiary corporation, Bachmann Japanese Restaurant Pte. Ltd. The grants received are subsequently charged to profit or loss over the useful life of the related assets.

(b) The Special Employment Credit ("SEC") was introduced in Budget Initiative in 2011 to support employers, and to raise the employability of older low-wage Singaporeans. It was enhanced in 2012 to provide employers with continuing support to hire older Singaporean workers.

(c) The Wage Credit Scheme ("WCS") is to help business which may face rising wage costs in a tight labour market. WCS payouts will allow businesses to free up resources to make investments in productivity and to share the productivity gains with their employees.

(d) The Jobs Growth Incentive ("JGI") is to support employers to expand local hiring from September 2020 to September 2022 (inclusive). The duration of JGI support will depend on when the local staff was hired and the characteristics of the local hire.

(e) The Enabling Employment Credit ("EEC") is a new wage offset scheme to support the employment of Singaporeans with disabilities aged 13 and above. The EEC will be paid to employers for hired employees with earnings below $4,000/month.

(f) The Progressive Wage Credit Scheme ("PWCS") was introduced in Budget 2022 to provide transitional wage support for employers to adjust upcoming mandatory wage increase for lower-wage workers and voluntarily raise wages of lower-wage workers.

(g) Due to the rise in business costs and the increase in CPF contribution rates for senior workers, the Government will provide employers with a transitionary wage offset equivalent to 50% of each year's increase in employer CPF contribution rates for every Singaporean and Permanent Resident worker employed at the age above 55 to 70.

(h) The Small Business Recovery grant ("SBRG") provides one-off cash support to small businesses in sectors that were most affected by COVID-19 Safe Management Measures in 2022.

(i) The Skills Future Enterprises Credit Scheme ("SFEC") was introduced in Budget 2024 to provide eligible employers with a one-time $10,000 credit. The SFEC covers up to 90% of out-of-pocket expenses on qualifying costs for supportable initiatives, over and above the support levels of existing schemes.

(j) Due to the COVID-19 pandemic, the government had passed in parliament on 5 June 2020 to provide a rental relief framework for Small and Medium Enterprises (SMEs) which came into effect on 31 July 2020 to help businesses during the circuit breaker and phase 2. The amount is related to rental relief provided by landlord through rental reduction.

6 OTHER GAINS/(LOSSES) - NET

	The Group	
	2024	2023
	$'000	$'000
Currency exchange gains/(losses) - net	5	(35)
Gain on disposal of club membership	516	–
Gain on early termination of leases	49	–
Loss on early redemption of financial assets	–	(21)
	570	(56)

7 EXPENSES BY NATURE

	The Group	
	2024	2023
	$'000	$'000
Purchases of inventories	13,148	12,342
Allowance for impairment of plant and equipment, net (Note 21)	523	350
Allowance for impairment of right-of-use assets, net (Note 22(a))	546	398
Allowance for impairment on loan to a joint venture (Note 19)	791	–
Amortisation of intangible assets (Note 23)	69	62
Amortisation of other investments at amortised cost (Note 20)	3	4
Consumables	1,189	1,074
Credit card and NETS commission	1,397	1,214
Depreciation of plant and equipment (Note 21)	4,625	3,383
Depreciation of right-of-use assets (Note 22(a))	24,791	20,259
Directors' fees	171	155
Employee compensation (Note 8)	27,330	24,218
Fees on audit services paid/payable to:		
- Auditor of the Company	113	96
- Under provision in previous year	3	–
Fees on non-audit services paid/payable to:		
- Auditor of the Company	27	32
- Under provision in previous year	1	–
Plant and equipment written-off (Note 21)	268	42
Rental expense (Note 22(c))	1,145	1,330
Repair and maintenance	1,445	1,026
Royalty fees	872	1,019
Utilities	4,658	3,807
Changes in inventories	82	(228)
Other expenses	4,185	4,257
Total cost of sales, selling and distribution, administrative and other expenses	87,382	74,840

8 EMPLOYEE COMPENSATION

	The Group	
	2024	2023
	$'000	$'000
Wages and salaries	23,804	20,971
Employer's contribution to Central Provident Fund	1,833	1,746
Employee performance shares	213	206
Other short-term benefits	1,480	1,295
	27,330	24,218

9 INCOME TAXES

(a) Income tax (credit)/expense

	The Group	
	2024	2023
	$'000	$'000
Tax (credit)/expense attributable to (loss)/profit is made up of:		
(Loss)/profit for the current financial year:		
- Current income tax	323	553
- Deferred income tax (Note 28)	(75)	311
	248	864
Over-provision in prior financial years		
- Current income tax	–	(134)
- Deferred income tax (Note 28)	(378)	–
	(130)	730

9 INCOME TAXES (CONTINUED)

(a) Income tax (credit)/expense (continued)

The tax on the Group's (loss)/profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	The Group	
	2024 $'000	2023 $'000
(Loss)/profit before income tax	(625)	4,857
Share of profit of associated companies, net of tax	(254)	(205)
(Loss)/profit before tax and share of profit of associated companies	(879)	4,652
Tax calculated at a tax rate of 17% (2023: 17%)	(149)	791
Effects of:		
- Expenses not deductible for tax purposes	1,282	735
- Income not subject to tax	(99)	(116)
- Statutory tax exemption	(63)	(70)
- Utilisation of capital allowance	(648)	(788)
- Deferred tax assets not recognised	–	1
- Over-provision in prior financial years	–	(134)
- Deferred tax charge relating to the origination and reversal of temporary differences	(453)	311
	(130)	730

Deferred income tax assets are recognised for capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised capital allowances of $Nil (2023: $6,000) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The capital allowances have no expiry date.

(b) Movements in current income tax liabilities

	The Group		The Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Beginning of financial year	538	123	–	(3)
Income tax paid	(557)	(4)	(5)	–
Income tax expense	323	553	1	–
(Over)/under-provision in prior financial years	–	(134)	5	3
End of financial year	304	538	1	–

10 (LOSS)/EARNINGS PER SHARE

Basic and diluted (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	The Group	
	2024	**2023**
(Loss)/profit attributable to equity holders of the Company ($'000)	(495)	4,127
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	173,963	174,418
Basic and diluted (loss)/earnings per share (cents per share)	(0.28)	2.37

There were no dilutive potential ordinary shares during the financial year.

11 CASH AND BANK BALANCES

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank and on hand	7,732	13,030	811	1,394
Short-term bank deposits	3,741	5,459	440	1,311
	11,473	18,489	1,251	2,705

For the purpose of presenting the consolidated statement of cash flows, cash and bank balances comprise the following:

	The Group	
	2024	**2023**
	$'000	**$'000**
Cash and bank balances (as above)	11,473	18,489
Less: Bank deposits pledged	(3,605)	(3,442)
Cash and cash equivalents per consolidated statement of cash flows	7,868	15,047

Short-term bank deposits amounting to $3,605,000 (2023: $3,442,000) have been pledged to financial institutions as security for performance guarantees.

12 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Trade receivables				
- Related parties:				
- Associated companies	74	283	–	–
- Joint venture	4	8	–	–
- Non-related parties	1,237	736	–	–
Non-trade receivables				
- Subsidiary corporations	–	–	1,067	2,258
- Non-related parties	588	38	562	–
	588	38	1,629	2,258
	1,903	1,065	1,629	2,258

The non-trade amounts due from subsidiary corporations are unsecured, interest-free and are repayable on demand.

13 INVENTORIES

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Food ingredients and consumables	725	807	–	–

The cost of food ingredients and consumables recognised as an expense and included in "Cost of sales" amounted to $13,230,000 (2023: $12,114,000).

14 OTHER CURRENT ASSETS

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Short-term security deposits	2,565	2,344	56	5
Prepayments	1,230	1,365	149	92
	3,795	3,709	205	97

15 INVESTMENTS IN SUBSIDIARY CORPORATIONS

	The Company	
	2024	2023
	$'000	$'000
Equity investments at cost		
Beginning and end of financial year	6,042	6,042

The Group had the following subsidiary corporations as at 31 March 2024 and 2023:

Name of Subsidiary Corporations	Principal activities	Country of business and incorporation	Proportion of ordinary shares directly held by parent and the Group	
			2024	2023
			%	%
Bachmann Enterprises Pte Ltd [a]	Trading and management of franchisees and sub-franchisees	Singapore	100	100
Bachmann Japanese Restaurant Pte Ltd [a]	Operating restaurants	Singapore	100	100
Japan Foods Enterprises Pte. Ltd.[a]	Operating restaurants	Singapore	100	100
Japan Foods Bridge Pte. Ltd. [a]	Operating restaurants	Singapore	100	100

(a) Audited by CLA Global TS Public Accounting Corporation.

16 INVESTMENTS IN ASSOCIATED COMPANIES

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Interests in associated companies				
Beginning of financial year	2,072	1,867	232	232
Additions [1]	133	–	133	–
Share of profit	254	205	–	–
End of financial year	2,459	2,072	365	232

(1) On 15 December 2023, the Company has increased in the paid-up share capital of PT Menya Musashi Indonesia ("MMI") by IDR5,000,000,000 (equivalent to S$133,000), which represents 30% equity interest in MMI.

16 INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

The associated companies as listed below have share capital consisting solely of ordinary shares which are held directly by the Group.

Details of the associated companies are as follows:

Name of entity	Place of business/ country of incorporation	% of ownership interest	
		2024	2023
ACJF Holding Limited [a],[b]	Hong Kong/British Virgin Islands	25	25
First Harmony Holdings Limited [a],[b]	Hong Kong/British Virgin Islands	30	30
Golden Bird Group Limited [a]	Hong Kong/British Virgin Islands	30	30
Highly Yield Limited [a]	Hong Kong/British Virgin Islands	20	20
Wakayama International Ltd [a],[b]	Hong Kong/British Virgin Islands	30	30
PT Menya Musashi Indonesia [c]	Indonesia	30	30

(a) The financial year end of the associated companies are 31 December and its independent auditor is Joseph Kwan & Company, Hong Kong.

(b) Reviewed by CLA Global TS Public Accounting Corporation, for Group consolidation purposes.

(c) The financial year end of the associated company is 31 December and its independent auditor is Crowe Horwath, Indonesia.

There are no contingent liabilities relating to the Group's interest in the associated companies.

The Group has 3 (2023: Nil) associates that are material and 3 (2023: 6) associates that are individually immaterial to the Group.

Summarised financial information for material associates:

Summarised statement of financial positions

	ACJF Holding Limited		First Harmony Holdings Limited		Wakayama International Ltd	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Current assets	9,474	*	2,074	*	3,635	*
Current liabilities	(3,139)	*	(1,715)	*	(946)	*
Non-current assets	9	*	712	*	45	*
Non-current liabilities	(171)	*	(857)	*	–	*

Summarised statement of comprehensive income

	ACJF Holding Limited		First Harmony Holdings Limited		Wakayama International Ltd	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	2,867	*	7,369	*	9,528	*
Total comprehensive income/(loss)	572	*	(635)	*	887	*

* Individually immaterial to the Group for the financial year ended 31 March 2023.

16 INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of the Group's individually immaterial associates accounted for using the equity method:

	As at 31 March	
	2024	2023
	$'000	$'000
Total comprehensive income, representing net profit	128	511

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in associated companies, is as follows:

	ACJF Holding Limited		First Harmony Holdings Limited		Wakayama International Ltd		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Net assets	6,173	*	214	*	2,734	*	9,121	*
Group's equity interest	25%	25%	30%	30%	30%	30%	-	–
Group's share of net assets	1,543	*	64	*	820	*	2,427	*
Carrying value	1,543	*	64	*	820	*	2,427	*
Add: Carrying value of individually immaterial associates, in aggregate							32	2,072
Carrying value of Group's interest in associates							2,459	2,072

* Individually immaterial to the Group for the financial year ended 31 March 2023.

17 INVESTMENT IN A JOINT VENTURE

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Equity investments at cost				
Beginning and end of financial year	–	–	100	100

Details of the joint venture company is as follows:

Name of entity	Place of business and country of incorporation	% of ownership interest	
		2024	2023
Dining Collective Pte. Ltd. [a]	Singapore	50	50

(a) Audited by CLA Global TS Public Accounting Corporation.

The Group has an aggregate $100,000 (2023: $100,000) of commitments to provide funding, if called upon, to its joint venture. There are no contingent liabilities relating to the Group's interest in the joint venture as at 31 March 2024 and 2023.

17 INVESTMENT IN A JOINT VENTURE (CONTINUED)

The directors are of the opinion that the joint venture is individually immaterial to the Group as at 31 March 2024 and 2023. Aggregate of unaudited financial information about the Group's investment in a joint venture that is individually immaterial but accounted for using the equity method is as follows:

	2024 $'000	2023 $'000
Carrying amount of interest in a joint venture	–	–
Total comprehensive loss, representing net loss	(747)	(907)

As at 31 March 2024, the Group has not recognised its share of losses of the investment in a joint venture amounting to approximately $373,000 (2023: $453,000) as the Group's cumulative share of losses has exceeded its interest in the entity. The cumulative unrecognised losses of this entity are approximately $1,074,000 (2023: $701,000) as at financial position date.

18 LOAN TO AN ASSOCIATED COMPANY

	The Group & Company	
	2024 $'000	2023 $'000
Non-current	248	248

For the financial years ended 31 March 2024 and 2023, the loan to an associated company is unsecured and interest-free. The Group has indicated that there is no intention to recall for repayment within the next 12 months and the repayment term will be subject to annual review.

The fair value of the loan to associated company is computed based on discounted cash flows at market borrowing rates. The fair values are within the Level 2 of the fair values hierarchy. The fair values and the market borrowing rates used are as follows:

	The Group & Company	
	2024 $'000	2023 $'000
Loan to an associated company	236	236

	Borrowing rate	
	2024 %	2023 %
Loan to an associated company	5.3	5.3

19 LOAN TO A JOINT VENTURE

	The Group & Company	
	2024	2023
	$'000	$'000
Beginning of financial year	1,820	1,050
Additions	325	770
Less: Loss allowance (Note 34(b))	(791)	–
End of financial year	1,354	1,820

For the financial years ended 31 March 2024 and 2023, the loan to a joint venture is unsecured and interest-free. The Group has indicated that there is no intention to recall for repayment within the next 12 months and the repayment term will be subject to annual review.

As at 31 March 2024, a loss allowance of $791,000 is provided on the loan to a joint venture due to cessation of operations of the "Siam Smith" brand restaurant in Tokyo in FY2024.

The fair value of the loan to a joint venture is computed based on discounted cash flows at market borrowing rates. The fair values are within the Level 2 of the fair values hierarchy. The fair values and the market borrowing rates used are as follows:

	The Group & Company	
	2024	2023
	$'000	$'000
Loan to a joint venture	1,286	1,728

	Borrowing rate	
	2024	2023
	%	%
Loan to a joint venture	5.3	5.3

20 OTHER INVESTMENTS AT AMORTISED COST

	The Group	
	2024	2023
	$'000	$'000
Beginning of financial year	534	1,309
Amortisation (Note 7)	(3)	(4)
Loss on redemption on financial assets	–	(21)
Redemption of financial assets	–	(750)
End of financial year	531	534
Listed debt securities		
Bond with fixed interest of 3.15% and maturity date of 3 September 2031 – Singapore	531	534

21 PLANT AND EQUIPMENT

	Furniture and fittings $'000	Kitchen equipment $'000	Renovation $'000	Motor vehicles $'000	Computer and office equipment $'000	Total $'000
The Group						
2024						
Cost						
Beginning of financial year	528	11,124	27,055	430	3,687	42,824
Additions	–	2,505	6,699	113	507	9,824
Written-off	(29)	(232)	(1,242)	–	(82)	(1,585)
End of financial year	499	13,397	32,512	543	4,112	51,063
Accumulated depreciation and impairment losses						
Beginning of financial year	513	8,128	18,707	368	3,313	31,029
Depreciation charge (Note 7)	7	1,257	3,044	55	262	4,625
Impairment losses (Note 7)	–	–	523	–	–	523
Written-off	(29)	(220)	(989)	–	(79)	(1,317)
End of financial year	491	9,165	21,285	423	3,496	34,860
Net book value						
End of financial year	8	4,232	11,227	120	616	16,203
2023						
Cost						
Beginning of financial year	626	10,637	24,131	391	3,611	39,396
Additions	–	2,041	5,968	39	334	8,382
Written-off	(98)	(1,554)	(3,044)	–	(258)	(4,954)
End of financial year	528	11,124	27,055	430	3,687	42,824
Accumulated depreciation and impairment losses						
Beginning of financial year	604	8,582	19,309	352	3,361	32,208
Depreciation charge (Note 7)	7	950	2,205	16	205	3,383
Impairment losses (Note 7)	–	–	350	–	–	350
Written-off	(98)	(1,404)	(3,157)	–	(253)	(4,912)
End of financial year	513	8,128	18,707	368	3,313	31,029
Net book value						
End of financial year	15	2,996	8,348	62	374	11,795

21 PLANT AND EQUIPMENT (CONTINUED)

	Renovation $'000	Computer equipment $'000	Total $'000
The Company			
2024			
Cost			
Beginning of financial year	3	79	82
Additions	4	42	46
End of financial year	7	121	128
Accumulated depreciation			
Beginning of financial year	2	71	73
Depreciation charge	–	17	17
End of financial year	2	88	90
Net book value			
End of financial year	5	33	38
2023			
Cost			
Beginning of financial year	3	76	79
Additions	–	3	3
End of financial year	3	79	82
Accumulated depreciation			
Beginning of financial year	2	67	69
Depreciation charge	–	4	4
End of financial year	2	71	73
Net book value			
End of financial year	1	8	9

Write-off of plant and equipment

During the current financial year, the Group ceased the operations of certain restaurant outlets. Consequently, the Group has written-off the net book value of furniture and fittings, kitchen equipment and renovation in these restaurant outlets. In addition, the Group has also written-off the net book value of certain furniture and fittings, kitchen equipment, renovation and computer which are deemed to be not usable during the financial year ended 31 March 2024. The net book value of the plant and equipment written-off was approximately $268,000 (2023: $42,000) (Note 7).

21 PLANT AND EQUIPMENT (CONTINUED)

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

The Group has identified the cash generating units ("CGUs") to the respective restaurant outlets to which the plant and equipment and right-of-use assets belong. Management has determined that prolonged losses is an indicator that the plant and equipment and right-of-use assets may be impaired.

The recoverable amounts of the CGUs were based on its value-in-use calculation using cash flow projections from financial forecasts approved by management covering the remaining lease period.

Key assumptions used for value-in-use-calculations:

	The Group	
	2024	2023
	%	%
Gross profit margin	83	83
Growth rate	0 - 20	0 - 30
Pre-tax discount rate	5	10

Following the impairment assessment, the Group has recognised net impairment losses of approximately $523,000 (2023: $350,000) and approximately $546,000 (2023: $398,000) (Note 22) for the plant and equipment and right-of-use assets in profit or loss as the result of the carrying amount exceeds recoverable amount of the relevant plant and equipment and right-of-use assets.

22 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Nature of the Group's leasing activities

Premises and restaurant outlets

The Group leases office space, restaurant outlets and kitchen facilities for the purpose of back-office operations and restaurant sales respectively.

Office equipment

The Group leases printers for the purpose of back-office operations.

22 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(a) Right-of-use assets

	Premises and restaurant outlets	Office equipment	Total
	$'000	$'000	$'000
The Group			
2024			
Cost			
Beginning of financial year	75,973	55	76,028
Additions	24,914	96	25,010
Written-off [1]	(15,948)	–	(15,948)
Early termination of lease	(3,341)	(55)	(3,396)
End of financial year	81,598	96	81,694
Accumulated depreciation and impairment losses			
Beginning of financial year	30,257	39	30,296
Depreciation charge (Note 7)	24,773	18	24,791
Written-off [1]	(15,948)	–	(15,948)
Early termination of lease	(703)	(41)	(744)
Impairment losses (Note 7, Note 21)	546	–	546
End of financial year	38,925	16	38,941
Net book value			
End of financial year	42,673	80	42,753
2023			
Cost			
Beginning of financial year	67,020	55	67,075
Additions	31,483	–	31,483
Written-off [1]	(21,792)	–	(21,792)
Early termination of lease	(738)	–	(738)
End of financial year	75,973	55	76,028
Accumulated depreciation and impairment losses			
Beginning of financial year	31,980	28	32,008
Depreciation charge (Note 7)	20,248	11	20,259
Written-off [1]	(21,792)	–	(21,792)
Early termination of lease	(577)	–	(577)
Impairment losses (Note 7, Note 21)	398	–	398
End of financial year	30,257	39	30,296
Net book value			
End of financial year	45,716	16	45,732

22 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(a) Right-of-use assets (continued)

	Premises and restaurant outlets $'000	Office equipment $'000	Total $'000
The Company			
2024			
Cost			
Beginning of financial year	797	55	852
Additions	15	96	111
Early termination of lease	(17)	(55)	(72)
End of financial year	795	96	891
Accumulated depreciation			
Beginning of financial year	494	39	533
Depreciation charge	190	18	208
Early termination of lease	(17)	(41)	(58)
End of financial year	667	16	683
Net book value			
End of financial year	128	80	208
2023			
Cost			
Beginning of financial year	833	55	888
Additions	61	–	61
Written-off [1]	(97)	–	(97)
End of financial year	797	55	852
Accumulated depreciation			
Beginning of financial year	419	28	447
Depreciation charge	172	11	183
Written-off [1]	(97)	–	(97)
End of financial year	494	39	533
Net book value			
End of financial year	303	16	319

(1) The written-off assets relate to those leases which has expired.

Please refer to Note 21 to the financial statements for the impairment assessment of right-of-use assets.

22 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(b) Interest expense

	The Group	
	2024	**2023**
	$'000	**$'000**
Interest expense on lease liabilities	1,801	1,024

(c) Lease expense not capitalised in lease liabilities

	The Group	
	2024	**2023**
	$'000	**$'000**
Lease expense – short-term leases	26	342
– low-value leases	103	92
Variable lease payments	1,016	896
Total (Note 7)	1,145	1,330

(d) Total cash outflow for all leases during the financial year ended 31 March 2024 was $26,669,000 (2023: $22,724,000).

(e) Future cash outflow which are not capitalised in lease liabilities

(i) Variable lease payments

The leases for restaurant outlets contain variable lease payments that are based on a percentage of sales generated by the outlets, on top of fixed payments. Such variable lease payments are recognised in profit or loss when incurred and amounted to $1,016,000 (2023: $896,000) (Note 22(c)) for the financial year ended 31 March 2024.

(ii) Extension options

The leases for certain restaurant outlets and kitchen facilities contain extension periods, for which the related lease payments have not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The extension options are exercisable by the Group and not by the lessor.

22 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(f) Lease liabilities

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Current	23,540	22,056	152	179
Non-current	21,342	24,973	68	158
	44,882	47,029	220	337

(g) Reconciliation of liabilities arising from financing activities

			Non-cash changes				
	1 April 2023	Principal and interest payments	Rent concession	Additions	Early termination of lease	Interest expense	31 March 2024
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities	47,029	(25,524)	–	24,277	(2,701)	1,801	44,882

			Non-cash changes				
	1 April 2022	Principal and interest payments	Rent concession	Additions	Early termination of lease	Interest expense	31 March 2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities	36,209	(21,394)	(132)	31,483	(161)	1,024	47,029

Reconciliation of additions to right-to-use assets

	The Group	
	2024	2023
	$'000	$'000
Total additions as per Note 22(a) to the financial statements	25,010	31,483
Less: Provision for reinstatement capitalised (Note 27)	(733)	–
Total additions as per Note 22(g) to the financial statements	24,277	31,483

23 INTANGIBLE ASSETS

	The Group	
	2024	2023
	$'000	$'000
Trademarks and franchise rights		
Cost		
Beginning of financial year	691	758
Additions	110	72
Written-off	–	(139)
End of financial year	801	691
Accumulated amortisation		
Beginning of financial year	545	622
Amortisation charge (Note 7)	69	62
Written-off	–	(139)
End of financial year	614	545
Net book value		
End of financial year	187	146

Trademarks and franchise rights pertain to the exclusive rights of brand names granted by franchisors to its subsidiary corporation, Bachmann Enterprises Pte. Ltd. for the usage of the brand names at all existing restaurant outlets under the Group.

Impairment of intangible assets

These intangible assets are tested for impairment whenever there is an indication of impairment. There is no impairment loss recognised during the financial year ended 31 March 2024 and 2023.

24 CLUB MEMBERSHIP

	The Group & Company	
	2024	2023
	$'000	$'000
Cost		
Beginning of financial year	322	322
Disposal	(322)	–
End of financial year	–	322

24 CLUB MEMBERSHIP (CONTINUED)

The fair value of the club membership at the financial position date is as follows:

	The Group & Company	
	2024	2023
	$'000	$'000
Club membership	–	1,650

The fair value is within Level 2 of the fair values hierarchy. The fair value is based on the current selling price of the club membership on available market.

25 LONG-TERM SECURITY DEPOSITS

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Refundable security deposits	3,524	3,880	–	51

These are mainly deposits placed with the landlords. Management is of the opinion that these deposits have been placed with counterparties who are creditworthy and accordingly, no allowance for impairment is required.

The fair values of the long-term security deposits are computed based on cash flows discounted at market borrowing rates. The fair values are within the Level 2 of the fair values hierarchy. The fair values and the market borrowing rates used are as follows:

	The Group	
	2024	2023
	$'000	$'000
Long-term security deposits	3,369	3,709

	Borrowing rate	
	2024	2023
	%	%
Long-term security deposits	5.3	5.3

26 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Trade payables				
- Non-related parties	1,896	1,707	–	–
Non-trade payables				
- Subsidiary corporations	–	–	7	–
- Associated companies	–	253	–	253
- Non-related parties	2,056	2,170	12	16
Accruals for operating expenses [1]	5,353	5,523	310	643
Franchise deposits	9	9	–	–
	9,314	9,662	329	912

The non-trade amounts due to subsidiary corporations and associated companies are unsecured, interest-free and are repayable on demand.

(1) Accruals for operating expenses

Included in above are government grants comprising a balance of $56,000 (2023: $84,000) for the acquisition of certain automated equipment for the central kitchen of the Group's subsidiary corporation, Bachmann Japanese Restaurant Pte. Ltd. The grants received are subsequently charged to profit or loss of $28,000 (2023: $28,000) over the useful life of related assets to match the related cost.

27 PROVISIONS

	The Group	
	2024	2023
	$'000	$'000
Provisions	823	143

The provision for costs of dismantlement, removal or restoration are the estimated costs of dismantlement, removal or restoration of leased premises and retail outlets to its original conditions as stipulated in the terms and conditions of lease contracts.

Movements in the provisions is as follows:

	The Group	
	2024	2023
	$'000	$'000
Beginning of financial year	143	103
Provision made during the financial year	853	140
Utilisation during the financial year	(120)	(100)
	733	40
Reversal during the financial year (Note 5)	(53)	–
End of financial year	823	143

28 DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority. The amounts, determined after appropriate offsetting, are shown on the statements of financial position as follows:

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Deferred tax assets	7,956	–	37	(2)
Deferred tax liabilities	(8,030)	(527)	(36)	–
Net deferred tax (liabilities)/asset	(74)	(527)	1	(2)

The movement in the net deferred income tax liabilities is as follows:

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Beginning of financial year	(527)	(216)	(2)	(2)
Tax expensed/(credited) to profit or loss (Note 9(a))	453	(311)	3	–
End of financial year	(74)	(527)	1	(2)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

The Group

Deferred income tax liabilities

	Accelerated tax depreciation	ROU assets	Others	Total
	$'000	$'000	$'000	$'000
2024				
Beginning of financial year	765	9,201	(9,439)	527
(Credited)/charged to profit or loss	(3)	(1,933)	9,439	7,503
End of financial year	762	7,268	–	8,030
2023				
Beginning of financial year	216	–	–	216
Charged/(credited) to profit or loss	549	9,201	(9,439)	311
End of financial year	765	9,201	(9,439)	527

28 DEFERRED INCOME TAXES (CONTINUED)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows: (continued)

The Group (continued)

Deferred income tax assets

	Accelerated tax depreciation $'000	ROU assets $'000	Others $'000	Total $'000
2024				
Beginning of financial year	–	–	–	–
Credited to profit or loss	(7,637)	(133)	(186)	(7,956)
End of financial year	(7,637)	(133)	(186)	(7,956)
2023				
Beginning and end of financial year	–	–	–	–

The Company

Deferred income tax liabilities

	Accelerated tax depreciation $'000	ROU assets $'000	Total $'000
2024			
Beginning of financial year	2	–	2
(Credited)/charged to profit or loss	(1)	35	34
End of financial year	1	35	36
2023			
Beginning and end of financial year	2	–	2

Deferred income tax assets

	Lease liabilities $'000	Total $'000
2024		
Beginning of financial year	–	–
Charged to profit or loss	37	37
End of financial year	37	37
2023		
Beginning and end of financial year	–	–

29 SHARE CAPITAL, TREASURY SHARES AND CAPITAL RESERVES

(a) Share capital

	The Group & Company			
	2024		2023	
	Number of ordinary shares	Amount	Number of ordinary shares	Amount
	'000	$'000	'000	$'000
Beginning and end of financial year	174,436	9,522	174,436	9,522

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

(i) Japan Foods Performance Share Plan ("JF PSP")

The JF PSP is administered by the Remuneration Committee whose members are:

Tan Cher Ting	(Chairperson, Independent Director)
Lee Sok Koon, Constance	(Member, Lead Independent Director)
Wong Hin Sun, Eugene	(Member, Non-independent and Non-executive Director)
Lee Soon Sin Jason	(Member, Independent Director)

Members of the Remuneration Committee were not and shall not be involved in the Remuneration Committee's deliberations in respect of the performance shares granted to themselves, if any.

The award of fully paid ordinary shares of the Company issued free of charge (the "Awards") to eligible participants under the JF PSP will incentivise participants to excel in their performance and encourage greater dedication and loyalty to the Group. The JF PSP allows the Company to recognise and reward past contributions and services and motivate the participants to continue to strive for the Group's long-term goals. The JF PSP will further strengthen and enhance the Group's competitiveness in attracting and retaining employees with suitable talents.

The Awards granted under the JF PSP may be time-based and/or performance-related, and such Awards entitle eligible participants to be allotted fully paid shares upon completion of certain time-based service condition and/or achieve their performance targets over set performance periods. The Awards given are determined at the discretion of the Remuneration Committee, who will take into account criteria such as participant's rank, job performance, years of service and potential for future development, contribution to the success of the Group and the extent of effort required to achieve the performance target within the performance period. The Remuneration Committee also has the discretion to set specific performance-based criteria such as profitability, growth, asset efficiency, return on capital employed, and other financial indicators, penetration into new markets, increasing market share and market ranking, management skills and succession planning. In addition to the achievement of any pre-determined performance targets or service conditions, the Awards may also be granted upon the Remuneration Committee's determination of post-event that any eligible participant has performed well and/or made significant contribution to the Group.

29 SHARE CAPITAL, TREASURY SHARES AND CAPITAL RESERVES (CONTINUED)

(a) *Share capital (continued)*

(i) *Japan Foods Performance Share Plan ("JF PSP") (continued)*

Under the rules of the JF PSP, any full time employee, executive and non-executive director of the Company and its subsidiary corporations (including Independent Directors but excluding the Controlling Shareholder and his Associates, as described in the Company's circular in relation to the JF PSP dated 5 July 2023) who has attained the age of 18 years on the date of grant of the Award and who has contributed or will contribute to the success of the Group shall be eligible to participate in the JF PSP.

There shall be no restriction on the eligibility of any participant to participate in any other share plans or share incentive schemes implemented by any of the other companies within the Group if approved by the Remuneration Committee. The granting of Awards may be made by the Remuneration Committee at any time during the period when the JF PSP is in force.

All taxes (including income tax) arising from the grant and/or disposal under the JF PSP shall be borne by the participant.

The total number of new ordinary shares in the capital of the Company that may be issued or are issuable pursuant to the granting of the Awards, when added to aggregate number of shares that are issued or are issuable in respect of such other share-based incentive schemes of the Company (if any), shall not exceed 15% of the total number of issued ordinary shares (excluding treasury shares and subsidiary corporations) of the Company on the day immediately preceding the date on which the Award shall be granted.

The details of the performance shares granted under the JF PSP as at 31 March 2024 and 2023 are as follows:

	Beginning of financial year	Granted during financial year	End of financial year	Vesting price	Vesting date
2024					
2023 JF PSP	4,985,000	490,000	5,475,000	$0.44	15.06.2023*
2023					
2022 JF PSP	4,495,000	490,000	4,985,000	$0.42	09.12.2022*

* The share awards had been vested on the date of grant.

29 SHARE CAPITAL, TREASURY SHARES AND CAPITAL RESERVES (CONTINUED)

(b) Treasury shares

	The Group & Company			
	2024		2023	
	Number of ordinary shares	Amount	Number of ordinary shares	Amount
	'000	$'000	'000	$'000
Beginning of financial year	41	18	12	5
Treasury shares purchased	1,078	415	519	221
Less: Treasury shares granted	(490)	(214)	(490)	(208)
End of financial year	629	219	41	18

During the financial year, 490,000 (2023: 490,000) treasury shares were transferred to certain key management personnel of the Group pursuant to the Japan Foods Performance Share Plan ("JF PSP"). The share awards had been vested on the grant date. The fair value of the performance shares was determined as $213,150 (2023: $205,800) based on the market price of the Company's shares at the grant date.

The Company acquired 1,078,000 (2023: 519,800) shares of the Company in the open market during the financial year ended 31 March 2024. The total amount paid to acquire the shares was $415,000 (2023: $221,000) and this was presented as a component within shareholders' equity. After these share buy-backs, the Company held 629,000 (2023: 41,000) treasury shares as at 31 March 2024 and the total number of issued shares (excluding treasury shares) was 173,806,200 (2023: 174,394,200) shares.

(c) Capital reserves

	The Group & Company	
	2024	2023
	$'000	$'000
Beginning of financial year	36	38
Performance shares granted	(1)	(2)
End of financial year	35	36

30 RETAINED PROFITS

(a) Retained profits of the Group are distributable except for cumulative share of profit of associated companies amounting to $2,094,000 (2023: $1,840,000).

(b) Movement in retained profits for the Company is as follows:

	The Company	
	2024	2023
	$'000	$'000
Beginning of financial year	3,412	2,654
Net profit for the financial year	406	4,857
Dividend paid (Note 31)	(2,265)	(4,099)
End of financial year	1,553	3,412

31 DIVIDENDS

	The Group	
	2024	2023
	$'000	$'000
Ordinary dividends paid		
Final exempt dividend paid in respect of the previous financial year of 1.00 cents (2023: 1.35 cents) per share	1,744	2,355
Interim exempt dividend paid in respect of the current financial year of 0.30 cents (2023: 1.00 cents) per share	521	1,744
	2,265	4,099

At the forthcoming Annual General Meeting on 25 July 2024, a final exempt (one-tier) dividend of 0.20 cents per share amounting to a total of $347,612 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 March 2025.

32 FINANCIAL GUARANTEES

The Company has issued financial guarantees to banks for performance guarantees of subsidiary corporations. The Company has evaluated the fair values of the financial guarantees and the consequential liabilities derived from its guarantees to the bank with regards to the subsidiary corporations are minimal, with no default in the credit facilities granted.

33 RELATED PARTY TRANSACTIONS

(a) In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	The Group	
	2024	2023
	$'000	$'000
Sales of food ingredients		
- Joint venture	47	69
Royalty fees		
- Associated companies	470	363

Outstanding balances at 31 March 2024 are unsecured and receivable/payable within 12 months from financial position date and are disclosed in Notes 12, 18, 19 and 26 to the financial statements respectively.

(b) Key management personnel compensation

	The Group	
	2024	2023
	$'000	$'000
Wages and salaries	1,261	1,453
Employer's contribution to Central Provident Fund	59	50
Employee performance shares	213	206
	1,533	1,709

Included in the above is total compensation to directors of the Company amounting to approximately $570,000 (2023: $774,000).

34 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Chief Executive Officer ("CEO") is responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes establishing policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits.

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk

(i) Currency risk

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies, other than functional currency. The Group's exposure to currency risk is not significant as the Group operates mainly in Singapore. Certain of the Group's purchases are from Japan and Hong Kong, giving rise to exposures to the changes in foreign exchange rates primarily with respect to Japanese Yen ("JPY"), Hong Kong Dollar ("HKD") and United States Dollar ("USD"). The Group does not enter into any derivative contracts to hedge its foreign exchange risk.

The Group's currency exposure based on the information provided to key management is as follows:

	SGD $'000	JPY $'000	HKD $'000	USD $'000	Total $'000
2024					
Financial assets					
Cash and bank balances	10,973	137	254	109	11,473
Trade and other receivables	1,858	45	–	–	1,903
Other financial assets	7,443	–	248	–	7,691
Receivables from subsidiary corporations	1,067	–	–	–	1,067
Other investments at amortised cost	531	–	–	–	531
	21,872	182	502	109	22,665
Financial liabilities					
Trade and other payables	(9,165)	(102)	–	(47)	(9,314)
Lease liabilities	(44,882)	–	–	–	(44,882)
Payables to subsidiary corporations	(1,067)	–	–	–	(1,067)
	(55,114)	(102)	–	(47)	(55,263)
Net financial (liabilities)/assets	(33,242)	80	502	62	(32,598)
Add: Net non-financial assets	62,356	–	–	–	62,356
Currency profile including non-financial assets	29,114	80	502	62	29,758
Currency exposure of financial assets net of those denominated in the respective entities' functional currency	–	80	502	62	644

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows: (continued)

	SGD $'000	JPY $'000	HKD $'000	USD $'000	Total $'000
2023					
Financial assets					
Cash and bank balances	17,473	182	538	296	18,489
Trade and other receivables	1,031	34	–	–	1,065
Other financial assets	8,044	–	248	–	8,292
Receivables from subsidiary corporations	2,258	–	–	–	2,258
Other investments at amortised cost	534	–	–	–	534
	29,340	216	786	296	30,638
Financial liabilities					
Trade and other payables	(9,492)	(85)	(80)	(5)	(9,662)
Lease liabilities	(47,029)	–	–	–	(47,029)
Payables to subsidiary corporations	(2,258)	–	–	–	(2,258)
	(58,779)	(85)	(80)	(5)	(58,949)
Net financial (liabilities)/assets	(29,439)	131	706	291	(28,311)
Add: Net non-financial assets	61,031	–	–	–	61,031
Currency profile including non-financial assets	31,592	131	706	291	32,720
Currency exposure of financial assets net of those denominated in the respective entities' functional currency	–	131	706	291	1,128

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	SGD $'000	HKD $'000	Total $'000
2024			
Financial assets			
Cash and bank balances	997	254	1,251
Trade and other receivables	1,629	–	1,629
Other financial assets	1,410	248	1,658
	4,036	502	4,538
Financial liabilities			
Trade and other payables	(329)	–	(329)
Lease liabilities	(220)	–	(220)
	(549)	–	(549)
Net financial assets	3,487	502	3,989
Add: Net non-financial assets	6,902	–	6,902
Currency profile including non-financial assets	10,389	502	10,891
Currency exposure of financial assets net of those denominated in the Company's functional currency	–	502	502
2023			
Financial assets			
Cash and bank balances	2,167	538	2,705
Trade and other receivables	2,258	–	2,258
Other financial assets	1,876	248	2,124
	6,301	786	7,087
Financial liabilities			
Trade and other payables	(912)	–	(912)
Lease liabilities	(337)	–	(337)
	(1,249)	–	(1,249)
Net financial assets	5,052	786	5,838
Add: Net non-financial assets	7,114	–	7,114
Currency profile including non-financial assets	12,166	786	12,952
Currency exposure of financial assets net of those denominated in the Company's functional currency	–	786	786

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

If the JPY, HKD and USD change against the SGD by 11% (2023: 8%), 2% (2023: 6%) and 2% (2023: 6%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	The Group		The Company	
	Increase/(decrease) Profit after tax		Increase/(decrease) Profit after tax	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
JPY against SGD				
- Strengthened	7	9	–	–
- Weakened	(7)	(9)	–	–
HKD against SGD				
- Strengthened	8	35	8	39
- Weakened	(8)	(35)	(8)	(39)
USD against SGD				
- Strengthened	1	14	–	–
- Weakened	(1)	(14)	–	–

(ii) Equity price risk

The Group and the Company does not have exposure to equity price risk as it does not hold any equity or debt securities financial instruments.

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's interest rate risk is primarily from short-term deposits that will mature from 1 to 12 months. These short-term deposits are placed on as short-term basis according to the Group's cash flow requirements, and hence the Group does not hedge against interest rate fluctuations.

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade receivables. The Group trades mainly in cash. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

As at financial position date, there are no significant concentrations of credit risk within the Group and the Company.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position, except as follows:

	The Group	
	2024	2023
	$'000	$'000
Financial guarantee provided to banks on subsidiary corporations' performance guarantee	2,881	2,880

The movement in the credit loss allowance for loan to a joint venture is as follows:

	The Group	
	2024	2023
	$'000	$'000
Beginning of financial year	–	–
Allowance made during the financial year	(791)	–
End of financial year (Note 19)	(791)	–

(i) Trade and other receivables

The Group has applied the simplified approach by using the allowance matrix to measure the lifetime expected credit losses ("ECL") for all trade and other receivables.

In measuring the ECL, trade and other receivables are grouped based on shared credit risk characteristics and days past due. In calculating the ECL rate, the Group considers current payment patterns 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.

Receivables 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 categorises a receivable for write off when a customer fails to make contractual payment greater than 90 days past due based on historical collection trend. Where receivables have been written-off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(i) Trade and other receivables (continued)

The Group assess the credit risk rating of other receivables including loan to related corporations based on qualitative and quantitative (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, and available press information, if available and applying expected credit judgement).

As at 31 March 2024 and 2023, the trade and other receivables are not past due and are not subject to any material credit losses.

The Group establishes a credit loss allowance that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposure. Trade and other receivables that are neither past due nor impaired are substantially customers with a good collection track records with the Group.

(ii) Other investments at amortised cost

The Group's other investments at amortised cost consist of investments in corporate bonds which are considered to have a low credit risk and the loss allowance recognised is based on the 12-months ECL. The Group considers its investment in corporate bonds having low credit risk as the corporate bonds are listed bonds with high credit rating assigned by international credit rating agencies.

As at 31 March 2024 and 2023, the other investments at amortised cost are not subject to any material credit losses.

(iii) Loan to an associated company and a joint venture

Loan to an associated company and a joint venture are provided for long term funding requirements. The Company uses a similar approach as described in Note 34(b)(ii) for assessment of ECL for these receivables. Impairment on these balances has been measured on the 12-month expected loss basis. Where receivables are written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

(iv) Cash and cash equivalents

The Group and the Company held cash and cash equivalents with banks of high credit-rating assigned by international credit-rating agencies. Cash and bank balances has been measured on the 12-months ECL basis and reflects the short maturities of the exposures. The Group consider its cash and cash equivalents having low credit risk based on the external credit rating on the counterparties and subject to immaterial credit loss.

(v) Financial guarantee contracts

The Company has issued financial guarantees to banks for performance guarantees of its subsidiary corporations. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiary corporations have strong financial capacity to meet the contractual cash flows obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group manages its liquidity risk by ensuring the availability of adequate funds to meet its obligation.

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000
The Group			
At 31 March 2024			
Trade and other payables	9,314	–	–
Lease liabilities	27,314	13,454	6,152
At 31 March 2023			
Trade and other payables	9,662	–	–
Lease liabilities	23,284	16,395	9,300
The Company			
At 31 March 2024			
Trade and other payables	329	–	–
Lease liabilities	158	20	53
Financial guarantee contracts	1,123	–	–
At 31 March 2023			
Trade and other payables	912	–	–
Lease liabilities	203	144	–
Financial guarantee contracts	726	–	–

Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) *Capital risk*

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure as to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In order to maintain or to achieve an optimal capital structure, the Group may adjust the amount of dividend payments, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors its capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as trade and other payables and provisions less cash and bank balances. Total capital is calculated as total equity plus net debt.

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Net debt	(1,336)	(8,684)	(922)	(1,793)
Total equity	29,758	32,720	10,891	12,952
Total capital	28,422	24,036	9,969	11,159
Gearing ratio	NM*	NM*	NM*	NM*

* NM = Not meaningful

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2024 and 2023.

(e) *Fair value measurement*

The fair values of current financial assets and financial liabilities carried at amortised cost approximate their carrying amounts.

(f) *Financial instruments by category*

The carrying amount of the different categories of financial instruments are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Financial assets at amortised cost	21,598	28,380	4,538	7,087
Financial liabilities at amortised cost	54,196	56,691	549	1,249

35 SEGMENT INFORMATION

The Chief Executive Officer ("CEO") is the Group's chief operating decision maker. Management has determined the operating segments based on the reports reviewed by CEO that are used to make strategic decisions.

The CEO considers the business from both a geographic and business segment perspective. Currently, the Group's business operates only in Singapore and its revenue is derived only from Singapore.

The segment information provided to the CEO is as follows:

	Singapore		
	Restaurant sales	Other segments	Total
	$'000	$'000	$'000
The Group			
2024			
Revenue			
Total segment revenue	86,149	2,422	88,571
Inter-segment revenue	–	(2,214)	(2,214)
Revenue to external parties	86,149	208	86,357
Segment results	29,972	365	30,337
Amortisation of intangible assets	–	69	69
Depreciation of plant and equipment	4,625	–	4,625
Depreciation of right-of-use assets	24,791	–	24,791
Allowance for impairment of plant and equipment	523	–	523
Allowance for impairment of right-of-use assets	546	–	546
Allowance for impairment on loan to a joint venture	791	–	791
Plant and equipment written-off	268	–	268
Gain on early termination of lease	(49)	–	(49)
Share of profit of associated companies	(254)	–	(254)
Segment assets	80,046	837	80,883
Segment assets includes:			
Additions to plant and equipment	9,824	–	9,824
Additions to right-of-use assets	24,277	–	24,277
Additions to intangible asset	–	110	110
Loan to an associated company	248	–	248
Loan to a joint venture	1,354	–	1,354
Segment liabilities	54,455	564	55,019

35 SEGMENT INFORMATION (CONTINUED)

	Singapore		
	Restaurant sales $'000	Other segments $'000	Total $'000
The Group			
2023			
Revenue			
Total segment revenue	78,341	2,328	80,669
Inter-segment revenue	–	(2,137)	(2,137)
Revenue to external parties	78,341	191	78,532
Segment results	28,739	237	28,976
Amortisation of intangible assets	–	62	62
Depreciation of plant and equipment	3,383	–	3,383
Depreciation of right-of-use assets	20,259	–	20,259
Allowance for impairment of plant and equipment	350	–	350
Allowance for impairment of right-of-use assets	398	–	398
Plant and equipment written-off	42	–	42
Share of profit of associated companies	(205)	–	(205)
Segment assets	83,509	1,117	84,626
Segment assets includes:			
Additions to plant and equipment	8,382	–	8,382
Additions to right-of-use assets	31,483	–	31,483
Additions to intangible asset	–	72	72
Loan to an associated company	248	–	248
Loan to a joint venture	1,820	–	1,820
Segment liabilities	56,125	709	56,834

The Group's principal business is in the operation of restaurant outlets and its ancillary business is in the supply of food ingredients to its sub-franchisees and franchisee.

Sales between segments are carried out at the normal business terms and conditions. The revenue from external parties reported to the CEO is measured in a manner consistent with that in the statement of comprehensive income.

The CEO assesses the performance of the operating segments based on a measure of segment results before interest (net), loss allowance on loan to a joint venture, share of results of associated companies and income tax expenses. Interest income and finance expenses are not allocated to segments, as this type of activity is driven by the Group finance team, which manages the cash position of the Group.

35 SEGMENT INFORMATION (CONTINUED)

Reconciliations

(i) Segment profits

A reconciliation of reported segment results to (loss)/profit before tax is provided as follows:

	The Group	
	2024	2023
	$'000	$'000
Reported segments	30,337	28,976
Amortisation of intangible assets	(69)	(62)
Depreciation of plant and equipment	(4,625)	(3,383)
Depreciation of right-of-use assets	(24,791)	(20,259)
Allowance for impairment of plant and equipment	(523)	(350)
Allowance for impairment of right-of-use assets	(546)	(398)
Allowance for impairment on loan to a joint venture	(791)	–
Interest income	129	128
Share of profit of associated companies	254	205
(Loss)/profit before income tax	(625)	4,857

(ii) Segment assets

The amounts provided to the CEO with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the CEO monitors the plant and equipment, intangible assets, inventories, receivables and operating cash attributable to each segment. All assets are allocated to reportable segments other than short-term bank deposits and other investments at amortised cost and deferred income tax assets.

	The Group	
	2024	2023
	$'000	$'000
Segment assets for reportable segments	80,883	84,626
Unallocated:		
Short-term bank deposits	3,741	5,459
Other investments at amortised cost	531	534
Deferred income tax assets	7,956	–
	93,111	90,619

35 SEGMENT INFORMATION (CONTINUED)

Reconciliations (continued)

(iii) Segment liabilities

The amounts provided to the CEO with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than current income tax and deferred income tax liabilities.

	The Group	
	2024	2023
	$'000	$'000
Segment liabilities for reportable segments	55,019	56,834
Unallocated:		
Current income tax liabilities	304	538
Deferred income tax liabilities	8,030	527
	63,353	57,899

36 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2024 and which the Group has not early adopted:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 Jan 2024
Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*	1 Jan 2024
Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 Jan 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*	1 Jan 2024
Amendments to SFRS(I) 1-21: Lack of Exchangeability	1 Jan 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

36 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

- **Amendments to SFRS(I) 1-1 Presentation of Financial Statements:**

  Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024) Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024).

  The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

  Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

  The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

  - the carrying amount of the liability
  - information about the covenants, and
  - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

  The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

  The Group does not expect any significant impact arising from applying these amendments.

- **Amendments to SFRS(I) 1-7 Statement of Cash Flows and SFRS(I) 7 Financial Instruments: Disclosures:**

  Supplier finance arrangements (effective for annual periods beginning on or after 1 January 2024)

  The amendments clarify the characteristics of supplier finance arrangements ("SFA") and introduce new disclosures of such arrangements. The objective of the new disclosures is to provide information about supplier finance arrangements that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk.

  There is a transitional relief of not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

  The amendments will be effective for annual periods beginning on or after 1 January 2024. Early adoption is permitted.

  The Group does not expect any significant impact arising from applying these amendments.

36 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

- **Amendments to SFRS(I) 16 Leases:**

  Lease liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

  The narrow-scope amendments to SFRS(I) 16 explain how an entity accounts for a sale and leaseback after the date of the transaction.

  The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

  The Group does not expect any significant impact arising from applying these amendments.

37 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Japan Foods Holding Ltd. on 28 June 2024.

STATISTICS OF SHAREHOLDINGS

As at 14 June 2024

Class of shares	:	Ordinary Shares
Number of shares issued (including Treasury Shares)	:	174,436,000
Number of shares issued (excluding Treasury Shares)	:	173,686,200
Number/Percentage of Treasury Shares	:	749,800 (0.43%)
Number/Percentage of Subsidiary Holdings	:	NIL
Voting rights (excluding Treasury Shares)	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS AS AT 14 JUNE 2024

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 - 99	3	0.51	77	0.00
100 - 1,000	91	15.37	54,188	0.03
1,001 - 10,000	271	45.78	1,440,830	0.83
10,001 - 1,000,000	218	36.82	14,694,475	8.46
1,000,001 and above	9	1.52	157,496,630	90.68
Total	592	100.00	173,686,200	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 14 JUNE 2024

No.	Name of shareholders	No. of shares	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	115,153,630	66.30
2	HSBC (SINGAPORE) NOMINEES PTE LTD	8,177,100	4.71
3	CHAN CHAU MUI	8,100,000	4.66
4	DBS NOMINEES PTE LTD	7,381,000	4.25
5	SIRIUS VENTURE CAPITAL PTE LTD	7,165,800	4.13
6	NOMURA SINGAPORE LIMITED	3,360,600	1.93
7	SHIGEMITSU INDUSTRY CO. LTD.	3,360,600	1.93
8	CHIN MAY YEE EMILY	2,543,500	1.46
9	YU HEA RYEONG	2,254,400	1.30
10	YAP KWOK KHUEN OR GOH POH LIAN	927,800	0.53
11	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	586,800	0.34
12	OCBC SECURITIES PRIVATE LTD	579,100	0.33
13	PHILLIP SECURITIES PTE LTD	565,525	0.33
14	YEO WEI HUANG	420,000	0.24
15	HO JUAT KENG	419,800	0.24
16	TAN BEE KIA (CHEN MEIJING)	400,000	0.23
17	CHRISTELLA CHUAH POH CHOO	320,000	0.18
18	YAP ENG KIAN ADRIAN (YE YONGJIAN)	265,000	0.15
19	TAN BEE YING (CHEN MEIYING)	254,000	0.15
20	LOH NGIANG GUAN	204,300	0.12
	Total:	162,438,955	93.51

STATISTICS OF SHAREHOLDINGS

As at 14 June 2024

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 14 June 2024, approximately 23.64 % of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the SGX-ST Listing Manual Section B : Rules of Catalist is complied with.

SUBSTANTIAL SHAREHOLDERS

Name of shareholder	No. of shares (Direct interest)	%	No. of shares (Deemed interest)	%
Takahashi Kenichi	114,814,800[(1)]	66.11%	8,100,000[(2)]	4.66%
Wong Hin Sun, Eugene[(3)]	–	–	9,709,300	5.59%

Notes:

(1) These are held through nominee.

(2) Takahashi Kenichi is deemed interested in the 8,100,000 shares held by his deemed associate, Chan Chau Mui.

(3) Mr Wong Hin Sun, Eugene is the founder and Managing Director of Sirius Venture Capital Pte Ltd. and he is deemed to be interested in 7,165,800 shares and 2,543,500 shares respectively held through Sirius Venture Capital Pte Ltd. and through his spouse, Chin May Yee, Emily.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Japan Foods Holding Ltd. (the "**Company**") will be held at Jasmine Room, ibis Singapore on Bencoolen, 170 Bencoolen Street, Singapore 189657 on Thursday, 25 July 2024 at 3.00 p.m., for the purpose of transacting the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2024 together with the Independent Auditors' Report thereon. **(Resolution 1)**

2. To declare a final tax-exempt one-tier dividend of 0.20 Singapore cent per ordinary share for the financial year ended 31 March 2024. **(Resolution 2)**

3. To approve the payment of S$162,068 as fees to the Directors of the Company ("**Directors**") for the financial year ended 31 March 2024 (2023: S$164,000). **(Resolution 3)**

4. To re-elect Mr Kenichi Takahashi, who is retiring under Regulation 101 of the Company's Constitution, and who, being eligible, offers himself for re-election as a Director of the Company. **(Resolution 4)**

   [See Explanatory Note (a)]

5. To note the retirement of Mdm Lee Sok Koon, Constance as a Director of the Company upon the conclusion of this AGM, under Regulation 101 of the Company's Constitution.

   [See Explanatory Note (b)]

6. To re-elect Mr Lee Soon Sin Jason who is retiring under Regulation 105 of the Company's Constitution, and who, being eligible, offers himself for re-election as a Director of the Company. **(Resolution 5)**

   [See Explanatory Note (c)]

7. To re-appoint CLA Global TS Public Accounting Corporation as the auditor of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

8. To transact any other business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

9. **Authority to allot and issue shares in the capital of the Company and/or Instruments (as defined hereinafter)** **(Resolution 7)**

   THAT pursuant to Section 161 of the Companies Act 1967 of Singapore ("**Companies Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), the Directors be and are hereby authorised and empowered to:

   (a) (1) allot and issue new ordinary shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(2) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Ordinary Resolution is in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Ordinary Resolution) and Instruments to be issued pursuant to this Ordinary Resolution shall not exceed 100% of the total issued Shares at the time of passing of this Ordinary Resolution (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to existing shareholders of the Company shall not exceed 30% of the total issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(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 Instruments that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the Company's total issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Ordinary Resolution, after adjusting for:

(i) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;

(ii) new Shares arising from exercising of any share options or vesting of share awards outstanding and/or subsisting at the time of the passing of this Ordinary Resolution provided that share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or sub-division of Shares;

(3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (d)]

10. **Renewal of the Share Buyback Mandate** **(Resolution 8)**

THAT:

(a) for the purposes of the Catalist Rules and the Companies Act, the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Maximum Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

(1) market purchase(s) (each a "**Market Purchase**") on the SGX-ST; and/or

(2) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act; and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**").

(b) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(1) the date on which the next AGM is held or required by law to be held;

(2) 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

(3) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked.

(c) in this Resolution 8

"**Maximum Limit**" means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the 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 event the total number of Shares shall be taken to be the total number of Shares as altered. Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit;

"**Relevant Period**" means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution; and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(1) in the case of a Market Purchase, 105% of the Average Closing Price; and

(2) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

where:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last 5 consecutive market days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5 market-day period;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase 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 necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

[See Explanatory Note (e)]

11. **Authority to grant awards and issue shares under the Japan Foods Performance Share Plan** **(Resolution 9)**

That approval be given to the Directors to grant awards from time to time in accordance with the provisions of the Japan Foods Performance Share Plan 2023 ("**Share Plan**"), and under section 161 of the Companies Act, to allot and issue from time to time such number of fully-paid Shares in the capital of the Company as may be required to be alloted and issued pursuant to the vesting of awards under the Share Plan, provided that the aggregate number of Shares to be allotted and issued pursuant to the Share Plan, when added to the number of Shares issued and issuable in respect of all options granted or awards granted under any other share-based incentive schemes adopted by the Company, and for the time being in force, shall not exceed 15% of the total issued and paid-up Shares (excluding treasury shares) from time to time, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (f)]

By Order of the Board

Chew Pei Tsing
Company Secretary

Singapore
10 July 2024

Explanatory Notes:

(a) Ordinary Resolution 4 is to re-elect Mr Kenichi Takahashi ("**Mr Takahashi**") who will be retiring by rotation under Regulation 101 of the Constitution of the Company.

Mr Takahashi, will upon re-election as a Director, remain as an Executive Chairman and Chief Executive Officer of the Company.

Detailed information of Mr Takahashi (including information as set out in Appendix 7F of the Catalist Rule) can be found under the "Board of Directors" and "Additional Information on Directors' Re-election and Continual Appointment" in the Company's Annual Report.

(b) Item 5 is to note the retirement of Mdm Lee Sok Koon, Constance ("**Mdm Lee**") as a Director under Regulation 101 of the Constitution of the Company.

Mdm Lee, will upon her retirement as a Director of the Company, cease to be the Chairperson of the Audit and Risk Committee, and a member of the Nominating Committee and Remuneration Committee respectively.

(c) Ordinary Resolution 5 is to re-elect Mr Lee Soon Sin Jason ("**Mr Lee**") who will be retiring by rotation under Regulation 105 of the Constitution of the Company.

Mr Lee will, upon re-election as a Director, remain as a member of each of the Audit and Risk Committee, Nominating Committee and Remuneration Committee respectively. Mr Lee is considered independent by the Board of Directors for the purposes of Rule 704(7) of the Catalist Rules.

Detailed information of Mr Lee (including information as set out in Appendix 7F of the Catalist Rule) can be found under the "Board of Directors" and "Additional Information on Directors' Re-election and Continual Appointment" in the Company's Annual Report.

(d) Ordinary Resolution 7 will empower the Directors (from the date of this AGM of the Company until the date of the next AGM of the Company, or the date which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company in general meeting, whichever is the earlier), to allot and issue Shares, make or grant instruments convertible into Shares pursuant to such instruments, up to a number not exceeding, in total, 100% of the issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing of this Resolution, of which up to 30% may be issued other than on a *pro-rata* basis to existing shareholders of the Company.

(e) Ordinary Resolution 8 is to renew the Share Buyback Mandate (which was first approved by shareholders at an extraordinary general meeting on 21 July 2015).

The Company intends to use internal sources of funds or borrowings or a combination of both to finance the Company's purchase or acquisition of Shares. The amount of financing required for the Company to purchase or acquire its Shares and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of AGM as these will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, and the consideration paid at the relevant time. The financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial statements of the Group for the financial year ended 31 March 2024, based on certain assumptions, are set out in the Appendix to this Annual Report. Please refer to the Appendix to this Annual Report for details.

(f) Ordinary Resolution 9 will empower the Directors (from the date of this AGM of the Company until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier) to offer and grant awards under the Share Plan (which was approved at the extraordinary general meeting of the Company held on 20 July 2023), and to allot and issue shares in the capital of the Company pursuant to the Share Plan provided that the aggregate number of shares to be issued under the Share Plan and other share scheme(s) to be implemented by the Company (if any) does not exceed 15% of the total number of issued Shares (excluding treasury shares).

Important Notes:

1. The AGM will be held, in a wholly physical format, at Jasmine Room, ibis Singapore on Bencoolen, 170 Bencoolen Street, Singapore 189657 on Thursday, 25 July 2024 at 3.00 p.m. **There will be no option for Shareholders to participate virtually**.

2. The Company's Annual Report for the financial year ended 31 March 2024, Sustainability Report, Notice of AGM and the accompanying proxy form will be published on the Company's website at https://www.jfh.com.sg//html/ir_announcements.php and/or the SGX website at https://www.sgx.com/securities/company-announcements. Printed copies of this Notice of AGM and the accompanying Proxy Form will be sent to members via post. Printed copies of the Annual Report will not be sent to members.

   A member who wishes to obtain a printed copy of the Annual Report should request the same via email to main@zicoholdings.com no later than **5.00 p.m., on 16 July 2024 (Tuesday)**.

3. **A Shareholder (whether individual or corporate) may vote live at the AGM or may appoint a proxy, including the Chairman of the AGM, to attend, speak and vote on his/her/its behalf at the AGM if such Shareholder wishes to exercise his/her/its voting rights at the AGM**. The Proxy Form for the AGM will be sent to members via post and may be accessed at the Company's website at https://www.jfh.com.sg//html/ir_announcements.php or also at the SGXNet at https://www.sgx.com/securities/company-announcements. Where a Shareholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of proxy for that resolution will be treated as invalid. In addition, if no specific direction as to voting is given for the individual(s) named above, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM or at any adjournment thereof.

   Only Shareholders of the Company or their appointed proxy(ies) who have been successfully verified will be entitled to attend the AGM.

4. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's Proxy Form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. If no such proportion or number is specified, the first named proxy shall be deemed to represent 100% of his/her shareholding and the second named proxy shall be deemed an alternate to the first named.

5. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's Proxy Form appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

6. "**Relevant intermediary**" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967.

7. CPF / SRS investors who wish to exercise their votes should approach the CPF Agent Bank or SRS Operators (as the case may be) to submit their votes at least seven (7) working days before the AGM (i.e. by **5.00 p.m., on 15 July 2024**) in order to allow sufficient time for their respective relevant intermediaries to submit a Proxy Form to vote on their behalf by the cut-off date.

8. Shareholders or their appointed proxy (other than the Chairman of the AGM) may speak and raise questions at the AGM. Shareholders of the Company (including CPF and SRS investors) are also encouraged to submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM in the following manner no later than **5.00 p.m., on 17 July 2024 (Wednesday)**:

   (a) by email to the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com; or

   (b) by post and be deposited with the Company's Share Registrar at 77 Robinson Road #06-03, Robinson 77, Singapore 068896.

9. Shareholders who submit questions via email or by post to the Company must provide the following information:

   (a) the Shareholder's full name;

   (b) the Shareholder's identification number (ie NRIC/Passport Numbers/Company Registration Numbers);

   (c) the Shareholder's contact number and email address; and

   (d) the number and manner in which the Shareholder holds shares in the Company (e.g. via CDP, CPF or SRS).

   Any question without these identification details will not be entertained.

10. The Company will endeavour to address the substantial and relevant questions received from Shareholders in advance of the AGM by publishing its responses on SGXNet and the Company's website at https://www.jfh.com.sg//html/ir_announcements.php, on **19 July 2024 (Friday) after trading hours**.

11. The Company's responses to other questions addressed during the AGM, or follow-up questions on substantial and relevant matters received prior to the AGM will be published on SGXNet and the Company's corporate website at https://www.jfh.com.sg//html/ir_announcements.php, together with the minutes of the AGM within one (1) month after the date of the AGM.

12. A proxy, including the Chairman of the AGM, need not be a Shareholder of the Company.

13. The Proxy Form must be submitted through any one of the following means:

   (a) by depositing a physical copy at the Company's Share Registrar's office at B.A.C.S. Private Limited, 77 Robinson Road #06-03, Robinson 77, Singapore 068896; or

   (b) by sending a copy of the completed and executed Proxy Form via email to the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com, in each case, **no later than 3.00 p.m., on 22 July 2024 (Monday)** (being not less than seventy-two (72) hours before the time fixed for the AGM).

14. In the case of submission of the Proxy Form, the Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

15. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative with respect to the AGM, in accordance with Section 179 of the Companies Act and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

16. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form.

17. In the case of a Shareholder of the Company whose shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form if the Shareholder, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company 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 the appointment of proxy(ies) and/or representative of the AGM (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 or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

RECORD DATE AND PAYMENT DATE OF THE 2024 DIVIDEND

Subject to the approval of the shareholders of the Company ("**Shareholders**") to be obtained for the proposed final tax-exempt one-tier dividend of 0.20 Singapore cent per ordinary share ("**2024 Dividend**") for the financial year ended 31 March 2024, the Share Transfer Books and Register of Members of the Company will be closed on **1 August 2024** for the purpose of determining Shareholders' entitlements to the 2024 Dividend.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road #06-03, Robinson 77, Singapore 068896 up to **5.00 p.m., on 31 July 2024** will be registered to determine Shareholders' entitlements to the 2024 Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with the Shares as at **5.00 p.m., on 31 July 2024** will be entitled to the 2024 Dividend.

Payment of the 2024 Dividend, if approved by Shareholders at the AGM of the Company, will be made on **14 August 2024**.

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JAPAN FOODS HOLDING LTD.

(UEN 200722314M)
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING
(Please see notes overleaf before completing this Form)

IMPORTANT
This Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967) including CPF/SRS Investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors (including CPF/SRS Investors), if they wish to vote, should contact their respective relevant intermediaries as soon as possible to specify voting instructions. CPF/SRS Investors should approach their respective CPF Agent Bank or SRS Agent Bank (as the case may be) at least 7 working days before the AGM (i.e. by 5.00 p.m. on 15 July 2024) to specify voting instructions

I/We, ____________________ (Name), NRIC/Passport No./Company Registration No. ____________________

of ____ (Address)

being a *Shareholder/Shareholders of **Japan Foods Holding Ltd.** (the "**Company**") hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or*

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Annual General Meeting (the "**AGM**") of the Company as *my/our proxy/proxies to attend and to vote for *me/us on *my/our behalf at the AGM of the Company to be held at **Jasmine Room, ibis Singapore on Bencoolen, 170 Bencoolen Street Singapore 189657 on Thursday, 25 July 2024 at 3.00 p.m.** and at any adjournment thereof.

Please note that where the Chairman of the AGM is appointed as proxy, the Proxy Form appointing the Chairman of the AGM must be directed, i.e., the member must indicate for each resolution whether the Chairman of the AGM is directed to vote "for" or "against" or "abstain" from voting. If no specific direction as to voting is given, the appointment of the Chairman of the AGM as proxy for the resolution will be treated as invalid at the AGM and at any adjournment thereof. In addition, if no specific direction as to voting is given for the individual(s) named above, 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 and at any adjournment thereof.

The Ordinary Resolutions put to the vote at the AGM shall be decided by way of poll.

No.	Resolutions Relating to:	For**	Against**	Abstain**
	Ordinary Business			
1.	Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2024, together with the Independent Auditor's Report.			
2.	Approval of payment of final dividend of 0.20 Singapore cent per ordinary share.			
3.	Approval of payment of Directors' fees of S$162,068 (2023: S$164,000).			
4.	Re-election of Mr Kenichi Takahashi as a Director.			
5.	Re-election of Mr Lee Soon Sin Jason as a Director.			
6.	Re-appointment of CLA Global TS Public Accounting Corporation as auditor of the Company.			
	Special Business			
7.	Authority to allot and issue shares in the capital of the Company and/or instruments pursuant to Section 161 of the Companies Act 1967 of Singapore.			
8.	Renewal of the Share Buyback Mandate.			
9.	Authority to grant awards and issue shares under the Japan Foods Performance Share Plan.			

* *Delete where inapplicable*
** *If you wish to exercise all your votes "**For**" or "**Against**", please indicate with a tick (✓) in the "**For**" or "**Against**" box. Alternatively, please indicate the number of votes "**For**" or "**Against**" as appropriate in each resolution. If you wish to "**Abstain**" from voting on a resolution, please indicate with a tick (✓) in the "**Abstain**" box. Alternatively, please indicate the number of shares which you wish to abstain from voting.*

Dated this __________ day ________________ 2024

Total Number of Shares in:	No. of Shares
CDP Register	
Register of Members	

____
Signature of Shareholder(s)/Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes: -

1. The Annual General Meeting (the "**AGM**") of the Company will be held at Jasmine Room, ibis Singapore on Bencoolen, 170 Bencoolen Street Singapore 189657 on Thursday, 25 July 2024 at 3.00 p.m. **There will be no option for Shareholders to participate virtually**.

2. 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 Securities and Futures Act 2001 of Singapore or any statutory modification thereof, as the case may be), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman as proxy shall be deemed to relate to all the shares held by you.

3. The Notice of AGM, this Proxy Form and the Annual Report 2024 may be accessed on SGXNet at https://www.sgx.com/securities/company-announcements or the Company's corporate website at https://www.jfh.com.sg//html/ir_announcements.php. Printed copies of the Notice of AGM and this Proxy Form will be sent to members via post.

4. A Shareholder (whether individual or corporate) may vote live at the AGM or may appoint a proxy, including the Chairman of the AGM, to attend, speak and vote on his/her/its behalf at the AGM if such Shareholder wishes to exercise his/her/its voting rights at the AGM. Where a Shareholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of proxy for that resolution will be treated as invalid. In addition, if no specific direction as to voting is given for the individual(s) named above, the proxy/ proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM or at any adjournment thereof.

   Only Shareholders of the Company or their appointed proxy(ies) who have been successfully verified will be entitled to attend the AGM.

5. A member who is not a Relevant Intermediary* is entitled to appoint not more than two (2) proxies. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. If no such proportion or number is specified, the first named proxy shall be deemed to represent 100% of his/her shareholding and the second named proxy shall be deemed an alternate to the first named.

6. A member of the Company who holds his/her/its shares through a Relevant Intermediary* (including CPFIS Members or SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the AGM as proxy should approach his/her Relevant Intermediary (including his/her CPF Agent Bank or SRS Approved Bank) to submit his/her voting instructions **at least seven (7) working days prior to the date of the AGM (i.e. by 5.00 p.m. on 15 July 2024 (Monday)**.

   *A Relevant Intermediary has the meaning ascribed to it in Section 181(6) of the Companies Act 1967.

7. Shareholders or their appointed proxy (other than the Chairman of the AGM) may speak and raise questions at the AGM. Shareholders of the Company (including CPF and SRS investors) are also encouraged to submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM in the following manner **no later than 5.00 p.m., on 17 July 2024 (Wednesday)**:

   (a) by email to the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com; or

   (b) by post and be deposited with the Company's Share Registrar at 77 Robinson Road #06-03, Robinson 77, Singapore 068896.

8. Shareholders who submit questions via email or by post to the Company must provide the following information:

   (a) the Shareholder's full name;

   (b) the Shareholder's identification number (i.e. NRIC/Passport Number/Company Registration Number);

   (c) the Shareholder's contact number and email address; and

   (d) the number and the manner in which the Shareholder holds shares in the Company (e.g. via CDP, CPF or SRS).

9. A proxy, including the Chairman of the AGM, need not be a Shareholder of the Company.

10. The Proxy Form must be submitted through any one of the following means:

    (a) by depositing a physical copy at the Company's Share Registrar's office at B.A.C.S. Private Limited, 77 Robinson Road #06-03, Robinson 77, Singapore 068896; or

    (b) by sending a copy of the completed and executed Proxy Form via email to the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com, in each case, **no later than 3.00 p.m., on 22 July 2024 (Monday)** (being not less than seventy-two (72) hours before the time fixed for the AGM).

11. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative with respect to the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

12. Where the Proxy Form is executed by an individual, it must be executed under the hand of the individual or his attorney duly authorised. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

13. Where the Proxy Form is executed under the hand of an attorney duly authorised, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

14. The Company shall be entitled to reject a Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy. In addition, in the case of Shareholders of the Company whose shares are entered against their names in the Depository Register, the Company may reject such Proxy Form(s) if the Shareholders are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

15. A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the AGM and vote thereat unless his/her/its name appears on the Depository Register seventy-two (72) hours before the time appointed for holding the AGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing proxy(ies) to vote at the AGM and/or any adjournment thereof, a Shareholder of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 July 2024.

BUILDING MOMENTUM
CREATING VALUE

ANNUAL REPORT 2024

JAPAN FOODS HOLDING LTD.

INCORPORATED IN THE REPUBLIC OF SINGAPORE
ON 3 DECEMBER 2007 (UEN: 200722314M)
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