

中闽百汇零售集团有限公司

ZHONGMIN BAIHUI RETAIL GROUP LTD.

2022

ANNUAL REPORT

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# Corporate Profile

## 公司简介



Zhongmin Baihui Retail Group Ltd (the “**Group**” or “**ZMBH**”) is principally engaged in the ownership, operation and management of department stores and supermarkets in Fujian Province, People’s Republic of China (“**PRC**”) under the name “中闽百汇”, and outlet mall operation and management Hunan Province, and Jiangsu Province. ZMBH was incorporated in Singapore on 17 September 2004, listed on the Catalist Board of the Singapore Exchange (“**SGX**”) on 20 January 2011 and transferred to SGX Mainboard on 3 September 2013.

The first modern 中闽百汇 store commenced operations in Anxi County, Quanzhou City, Fujian Province in 1997. As of 9 November 2022, the Group has nineteen 中闽百汇 stores, comprising sixteen self-owned stores and three managed stores, with an aggregate gross floor area (“**GFA**”) of about 200,000 sqm. Five self-owned stores are supermarkets with GFA ranging from 1,000 sqm to 4,000 sqm. The other self-owned stores, with sizes ranging from 6,000 sqm to 28,000 sqm, are large integrated stores, with large department store sections, modern supermarkets, food and beverage outlets, and other commercial services. The 中闽百汇 stores generate revenue for the Group from four sources, namely, direct sales, commissions from concessionaire sales, rental income and managed rental income.

The Group is strategically moving to become a more significant player in the operation and management of mega malls in China with two mega outlet malls in operation - Changsha Sasseur (ZMBH) Outlets in Changsha, Hunan Province and Wuxi Yueshang Outlets in Wuxi, Jiangsu Province, with an aggregate GFA of about 600,000 sqm.

With over 20 years of strong retail reputation under the “中闽百汇” brand, the Group offers a quality shopping experience with a wide variety of quality merchandise, lifestyle products and customer-oriented services catering to middle-income consumers. By developing strong relationships with well-known international and domestic brands, the Group constantly optimises its product mix to bring value to its consumers. The Group adheres to the principles of Unity, Dedication, Faithfulness, and Service (团结、敬业、忠诚、服务) to our employees, customers, and community.

# Corporate Profile

## 公司简介

中闽百汇零售集团（以下简称“本集团”或“ZMBH”）主要从事中华人民共和国福建省百货公司和超市的所有权、经营和管理，名称为“中闽百汇”，以及运营和管理湖南省和江苏省的超级奥德莱斯。中闽百汇于2004年9月17日在新加坡注册成立，于2011年1月20日在新加坡交易所（“SGX”）的Catalist Board上市，并于2013年9月3日转移至SGX主板。

本集团在1997年，福建省泉州市安溪县开设了第一家现代化门店。截至2022年11月9日，该集团已有19家中闽百汇门店，包括16家自营店和3家管理店，商业面积（“GFA”）约为200000平方米。自营店中，5家以超市为主，营业面积从1000平方米至4000平方米不等，其余为大型综合性商店，设有大型百货商店、现代超市、餐饮店和其他商业服务。中闽百汇门店提供四个收入来源—自营销售，联营销售，租赁收入和承包收入。

该集团正从战略上转型，成为中国超大型购物中心运营和管理的重要参与者。目前集团运营两家超级奥莱，分别是湖南长沙的长砂子船（中闽百汇）奥特莱斯和江苏无锡的无锡悦尚奥莱，总商业面积约为600000平方米。

集团经营“中闽百汇”品牌将近20年，期间不断为中等收入顾客提供多元化的优质商品、生活用品，为顾客带来了舒适的购物体验。集团不断优化产品组合，为消费者带来更多价值。集团本着“团结、敬业、忠诚、服务”的原则，善待员工、服务顾客、回报社会。ZMBH以创新精神为客户提供优质的产品和服务。



# Location of Stores 商场位置分布图



# Store Opening Timeline

## 开业进程



- 2022/09/09 · 无锡中闽百汇悦尚奥特莱斯 Wuxi Yuechang Outlets ☆
- 2021/12/28 · 漳州漳州港商场 Zhangzhou Port Store ☆
- 2021/08/20 · 泉州泉港南山超市 Quangan Nanshan Store ☆
- 2020/01/01 · 泉州安溪官桥商场 Anxi Guanqiao Store ☆
- 2019/08/23 · 漳州金峰超市 Jinfeng Store ☆
- 2019/07/19 · 南安仑苍超市 Lun Cang Store ☆
- 2019/06/28 · 泉州永春商场 Yongchun Store ☆
- 2019/05/25 · 厦门马銮湾超市 Maluanwan Store ☆
- 2018/12/22 · 长沙砂之船中闽百汇奥特莱斯 CS Sasseur ZMBH Outlets ☆
- 2016/11/18 · 安溪火车站商场 Anxi Station Store ☆
- 2016/09/30 · 泉州泉港新店 Quangan Store ☆
- 2016/01/01 · 泉州万祥超市 Wanxiang Store ☆
- 2014/09/05 · 泉州惠安城南商场 Huian Chengnan Store ☆
- 2014/09/05 · 泉州桥南商场 Qiaonan Store ☆
- 2013/09/03 · 新加坡主板上市 SGX Mainboard Listing ☆
- 2013/04/28 · 泉州新华商场 Xinhua Store ☆
- 2011/01/20 · 新加坡凯利板挂牌上市 Singapore Catalist IPO ☆
- 2009/12/19 · 厦门梧村商场开业 Wucun Store ☆
- 2006/09/30 · 泉州泉秀商场开业 Quanshiu Store ☆
- 1999/10/01 · 泉州涂门商场开业 Tumen Store ☆
- 1997/10/01 · 泉州安溪商场开业 Anxi Store ☆



## 福建省厦门市梧村店 Xiamen Wucun Store

商业面积 : 28,746 平方米

开业年份 : 2009 年 12 月 (租赁终止 2025 年 9 月)

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

Gross floor area : 28,746 sqm

Commencement : Dec 2009 (lease ends in Sep 2025)

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



## 福建省厦门市马銮湾店 Xiamen Maluanwan Store

商业面积 : 1,400 平方米

开业年份 : 2019 年 5 月 (租赁终止 2031 年 7 月)

项目介绍 : 马銮湾店是间超市, 位于人口密集的厦门市海沧区马銮湾生活广场。

Gross floor area : 1,400 sqm

Commencement : May 2019 (lease ends in Jul 2031)

Description : Maluanwan Store is a supermarket in Maluanwan Square in Haicang District, Xiamen City, a densely populated region.

## 福建省厦门市海沧项目 Xiamen Haicang Commercial Project

项目介绍 : 港基百汇商业物流(厦门)有限公司(控股 30%), 建立了超过 100000 平方米的出租商业单位, 位于海沧区繁华的商业区。

Description : Citi-base Commerce Logistics (Xiamen) Co, a 30%-owned associate, has over 100,000 sqm of commercial space for rent. The complex is situated in a busy part of Haicang District in Xiamen.







## 福建省泉州市安溪火车站店 Quanzhou Anxi Railway Station Store

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

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

## 福建省泉州市泉港店 Quanzhou Quangang Store

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

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



## 福建省泉州市涂门店 Quanzhou Tumen Store

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

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





## 福建省泉州市泉秀店 Quanzhou Quaxiu Store

商业面积：10,404 平方米  
 开业年份：2006 年 10 月（租赁终止 2025 年 4 月）  
 项目介绍：泉州泉秀店位于人口密集的泉州市市中心，连接公交网络，人流稠密。

Gross floor area : 10,404 sqm  
 Commencement : Oct 2006 (lease ends in Apr 2025)  
 Description : This store serves a densely populated area in the city centre of Quanzhou City.



## 福建省泉州市新华店 Quanzhou Xinhua Store

商业面积：8,873 平方米  
 开业年份：2013 年 4 月（租赁终止 2024 年 6 月）  
 项目介绍：泉州新华店位于泉州市的一个老城区里，紧邻几个旅游景点和住宅区。

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

## 福建省泉州市桥南店 Quanzhou Qiaonan Store

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

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





## 福建省泉州市惠安城南店 Quanzhou Hui'an Chengnan Store

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

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



## 中国百汇超市 (万祥店)



## 福建省泉州市万祥店 Quanzhou Wanxiang Store

商业面积：1,000 平方米  
开业年份：2016 年 1 月（租赁终止 2026 年 1 月）  
项目介绍：万祥店位于繁华的住宅区，是我们的第一家社区超市。主要以生鲜和超市业态为主，满足当地社区居民购物需求。

Gross floor area : 1,000 sqm  
Commencement : Jan 2016 (lease ends in Jan 2026)  
Description : Wanxiang Store is the Group's first supermarket-only store, catering to the needs of the local community.

## 福建省漳州市金峰店 Zhangzhou Jinfeng Store

商业面积：1,400 平方米  
开业年份：2019 年 8 月（租赁终止 2024 年 8 月）  
项目介绍：位于人口密集的住宅区和教育。

Gross floor area : 1,400 sqm  
Commencement : Aug 2019 (lease ends in Aug 2024)  
Description : Jinfeng Store is located near residential and educational districts.







## 福建省泉州市永春店 Quanzhou Yongchun Store

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

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

## 福建省泉州市南安仑苍店 Quanzhou Nanan Luncang Store

商业面积：4,000 平方米  
 开业年份：2019 年 7 月（租赁终止 2034 年 7 月）  
 项目介绍：仑苍店是间南安市仑苍镇的社区超市。

Gross floor area : 4,000 sqm  
 Commencement : Jul 2019 (lease ends in Jul 2034)  
 Description : Luncang Store caters to the needs of residents in Luncang town in the county-level city of Nan'an.



## 福建省泉州市安溪官桥店 Quanzhou Anxi Guanqiao Store

商业面积：6,416 平方米  
 开业年份：2020 年 1 月（租赁终止 2038 年 12 月）  
 项目介绍：位于人口密集的官桥镇中心。

Gross floor area : 6,416 sqm  
 Commencement : Jan 2020 (lease ends in Dec 2038)  
 Description : The store is situated in the densely populated town of Guanqiao Town, Anxi County.







### 福建省泉州市泉港南山超市 Quanzhou Nanshan Supermarket

商业面积：1,220 平方米  
开业年份：2021 年 8 月（租赁终止 2023 年 1 月）  
项目介绍：位于人口密集的官桥镇中心。

Gross floor area : 1,220 sqm  
Commencement : Aug 2021 (lease ends in Jan 2023)  
Description : This supermarket is situated in the busy Quanguang downtown area at the intersection of Zhongxin Road and Nanshan Zhong Road.

### 福建省漳州市漳州港店 Zhangzhou Zhangzhou Port Store

商业面积：15,152 平方米  
开业年份：2021 年 12 月（租赁终止 2035 年 7 月）  
项目介绍：位于永鸿商业广场，南厦门中央核心位置，漳州招商局经济技术开发区，漳州港行政科教商住区中心，是漳州港的行政、文化、商业中心。

Gross floor area : 15,152 sqm  
Commencement : Dec 2021 (lease ends in Jul 2035)  
Description : The store is situated in Zhangzhou CMZD, the state economic development zone in Zhangzhou City, which was created to serve as the administrative, cultural, and commercial centre of Zhangzhou Port. The store occupies four floors of the Yonghong Commercial Plaza.



### 福建省泉州市安溪店(管理店) Quanzhou Anxi Store (managed store)

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

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



### 福建省泉州市惠安惠兴店(管理店) Quanzhou Hui'an Huixing Store (managed store)

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

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





## 福建省漳州市中山店(管理店) Zhangzhou Zhongshan Store (managed store)

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

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

## 长沙砂之船 (中闽百汇) 奥莱

Changsha Sasseur (ZMBH) Outlets

商业面积：210,600 平方米  
 开业年份：2018 年 12 月 (合约终止 2038 年 12 月)  
 项目介绍：该项目是与砂之船 (奥莱) 集团合作的超大型奥特莱希，位于湖南省长沙市望城区，金星路与月亮岛路交汇处，临近城市三环线，交通便捷，人口稠密。

Gross floor area : 210,600 sqm  
 Commencement : Dec 2018 (contract ends in Dec 2038)  
 Description : This mega outlet mall is located at the junction of Jinxing Road and Yueliangdao Road in Wangcheng District, Changsha City, Hunan Province, in a densely populated region.



## 中闽百汇无锡悦尚奥莱

Wuxi Yueshang Outlets

商业面积：368,000 平方米  
 开业年份：2022 年 9 月 (合约终止 2042 年)  
 项目介绍：悦尚奥莱位于江苏省无锡市惠山区惠山大道与北环路交汇处，总建筑面积 50 万方，商业面积 36.8 万方，设有 20000 多个停车位。项目将以优质生活为核心打造超级奥特莱城，将以国际、国内的顶级名品折扣中心、餐饮美食、大型超市、儿童主题馆、休闲健身娱乐等。

Gross floor area : 368,000 sqm  
 Commencement : Sep 2022 (contract ends in 2042)  
 Description : Yueshang Outlets is situated at the intersection of Huishan Avenue and Beihuan Road in Huishan District, Wuxi City, Jiangsu Province. It is a mega outlet mall with a gross floor area of 368,000 sqm, and a built-up area of 500,000 sqm. Over 20,000 parking spaces are available for visitors. The mega outlet mall offers a lifestyle-based shopping experience with a good selection of international and domestic branded goods plus other leisure, entertainment, and dining options.





# Chairman's Statement

## 主席致词



On behalf of the Board of Directors of Zhongmin Baihui Retail Group Ltd, I am pleased to present to you the Company's Annual Report for the eighteen-month financial period from 1 January 2021 to 30 June 2022. The Company changed its financial year from December to June beginning from the current financial year to ease the peak workload for our staff.

The zero-COVID policy implemented by the Chinese authorities to control the spread of COVID-19 infections has resulted in disruptions to economic activities and restrictions on the movements of the residents in China. According to the National Bureau of Statistics of China, the real GDP in China grew 0.4% year-on-year in the second quarter of 2022 and 2.5% in the first half of 2022. The growth trajectory in 2022 appears to be significantly slower as compared to the growth rate of 8.1% in 2021. Retail sales data in China is also cooling off from earlier periods. In the first eight months of 2022, retail sales of consumer products excluding automobiles increased by 0.7% year-on-year, a level which is significantly weaker than the 12.9% growth recorded in the whole of 2021. In the first eight months of 2022, supermarket sales grew by 4.2% while department store sales fell by 8.4%. However, there are signs that the zero-COVID policy in China may be working as more and more cities are coming out of lockdowns. We are confident that economic activities and restrictions on movements will revert to normality over time.

The Group remained resilient against the short-term challenging environment. Even so, we recorded our first fiscal year loss of RMB33.0 million for the eighteen-month period to June 30, 2022. As we navigate the difficult period, we are making some necessary adjustments. We closed two underperforming stores, namely, Lvcuo Store and Qingyang Store, in August 2022 so that our resources can be redeployed elsewhere. We will constantly review the viability of our current stores even as we are looking for other opportunities.

China's dynamic retail landscape is constantly evolving and retail malls as lifestyle destinations are becoming attractive. Our Wuxi Yueshang Outlets, which commenced operations in September 2022, offers an attractive mix of shopping, dining, relaxation, leisure and entertainment activities to cater to the needs of a growing number of middle-class families in Wuxi. Together with Sasseur (ZMBH) Outlets, which commenced operations in December 2018, the Group has a footprint in the outlet mall business of nearly 600,000 sqm. Even though we are not expecting any significant large store opening in the near future, we remain opportunistic and optimistic in our long-term strategy.

We strive to emerge stronger in a post-COVID-19 environment. We hope to deliver better performance in the future. On behalf of the Board, I want to thank all our shareholders for your support.

Mr. Lee Swee Keng  
Executive Chairman  
9 November 2022



# Chairman's Statement

## 主席致词

我谨代表中闽百汇零售集团有限公司董事会，高兴在此呈现公司 2021 年 1 月 1 日至 2022 年 6 月 30 日的 18 个月财政期间的年度报告。该公司从当前财政年度开始，将其财政年度从 12 月改为 6 月，以缓解员工的高峰工作量。

中国当局为了控制新冠肺炎感染的传播而实施的零 COVID 政策导致经济缓慢。根据中国国家统计局的数据，中国 2022 年第二季度的实际 GDP 同比增长 0.4%，2022 年上半年为 2.5%。与 2021 年度 8.1% 的增长率相比，2022 年的增长轨迹似乎要慢得多。中国的零售销售数据也开始降温。2022 年前 8 个月，不包括汽车在内的消费品零售额同比增长 0.7%，明显低于 2021 年全年 12.9% 的增长率。在 2022 年的前 8 个月中，超市销售额增长了 4.2%，而百货商店销售额下降了 8.4%。然而，有迹象表明，随着越来越多的城市摆脱封锁，中国的零覆盖政策可能正在发挥作用。我们相信，随着时间的推移，经济活动和行动限制将恢复正常。

该集团在一个具挑战性的经济环境中保持业务弹性。尽管如此，截至 2022 年 6 月 30 日的 18 个月期间，我们的第一个财政年度亏损人民币 3.30 千万元。随着度过困难时期，我们正在进行一些必要的调整。2022 年 8 月，我们关闭了两个表现不佳的门店，即吕厝店和青阳店，以便我们的资源可以重新部署到其他地方。即使我们正在寻找其他机会，我们也会不断审查现有门店的生存能力而做出适当的调整。

中国零售业正在不断发展，作为生活方式目的地的零售商场正变得越来越有吸引力。无锡悦尚奥特莱斯于 2022 年 9 月开业，提供购物、餐饮、休闲、休闲和娱乐活动，以满足无锡越来越多中产阶级家庭的需求。该集团在奥特莱斯总商业面积约为 600000 平方米。尽管我们预计在不久的将来不会有任何大型店铺开业，但我们对长期战略仍持机会主义和乐观态度。

我们努力在新冠肺炎环境之后变得更加强大。我们相信，集团今年将继续取得令人满意的业绩，我感谢股东的耐心和支持。

李瑞庆

执行主席

2022 年 11 月 9 日



# CEO's Statement

## 总裁致词



The Group changed its financial year end from 31 December to 30 June and the latest audited financial report covers the eighteen-month period from 1 Jan 2021 to 30 June 2022. During this financial reporting period to 30 June 2022, the Chinese economy was affected by temporary lockdowns in certain cities or districts and restrictions on certain activities in order to contain the spread of COVID-19 infections. The Group's performance was inevitably affected. For instance, we experienced temporary partial or total closure of some of our stores due to COVID-19 measures. The control measures undertaken by the government authorities have been effective as the spread of COVID-19 is abating. Although it may take time to fully combat COVID-19 based on the zero-tolerance policy, we are confident that the resumption of normality will happen eventually.

The Group recorded a net loss after taxation of RMB33.0 million from revenue of RMB1,609.6 million for the eighteen-month period ended 30 June 2022 compared to a net profit after taxation of RMB55.2 million from revenue of RMB1,230.2 million for the twelve-month period ended 31 December 2020. Over the same periods of comparison, net cash flow from operating activities was RMB135.0 million in the period ended 30 June 2022 versus RMB133.3 million.

The Group's associate operating the mega outlet mall in Changsha City in Hunan Province recorded positive earnings growth - attributable profit after taxation for the twelve-month period to 31 Dec 2021 was RMB16.5 million versus RMB15.5 million for the previous twelve-month period to 31 Dec 2020 and attributable profit after taxation was RMB10.3 million for the six-month period to 30 June 2022 versus RMB8.6 million for the previous six-month period to 30 June 2021.

Whilst we expect the macroeconomic environment to improve with the relaxation of COVID-19 pandemic restrictions, which should help improve the financial performance of the Group's stores, the Group is taking efforts to better manage its resources. We closed two underperforming stores, Lvcoo Store and Jinjiang Qingyang Store, in August 2022. At the same time, we are putting efforts into getting better tenants and as well as getting the right tenant mix in preparation for the recovery in consumer consumption.

In the evolving China retail scene, mega malls as lifestyle destinations, which offer a pleasant environment with a compelling mix of shopping, dining, entertainment, leisure, fun, and relaxation activities are attractive to middle-class consumers. After years of preparation, we commenced the operation of our second mega outlet mall, Wuxi Yueshang Outlets, in Wuxi City, Jiangsu Province, in September 2022. We are cautiously optimistic that Wuxi Yueshang Outlets will be able to contribute positively to the Group's performance based on its satisfactory opening performance. Operating mega malls has become an important part of the Group's strategy.

The Group will remain cautious but opportunistic in our expansion plan. We intend to open stores and/or mega outlet malls in attractive locations in the future.

Mr. Chen Kaitong  
CEO  
9 November 2022



# CEO's Statement

## 总裁致词

该集团公司将其财政年度结束日期从12月31日改为6月30日，最新经审计的财务报告涵盖了从2021年1月1日至2022年6月30日的18个月期间。在此财务报告期间，截至2022年6月30日，为了控制新冠肺炎的传播，中国经济受到了城市和地区封锁和活动减少的影响。集团公司的业绩不可避免地同样受到影响。例如，由于抗击新冠肺炎措施，我们的一些门店暂时部分或全部关闭。随着新冠肺炎的传播正在减缓，政府当局采取的控制措施已经有效。尽管在防控政策的基础上全面抗击新冠肺炎可能需要时间，但我们相信最终经济活动会恢复正常。

该集团公司报告截至2022年6月30日的18个月期间的税后净亏损为人民币3.30千万元，收入为人民币16.09亿元，而截至2020年12月31日的12个月期间，税后净利润为人民币5.52千万元，收入为人民币12.30亿元。截至2022年6月30日的18个月期间经营活动带来的净现金流为人民币1.35亿元对比截至2021年12月31日12个月期间的人民币1.33亿元。

该集团公司团在湖南省长沙市经营超级奥莱取得正收益增长：截至2021年12月31日12个月期间的人民币1650万元税后利润，多于截至2020年12月31日期间的人民币1550万元；截至2022年6月30日6个月期间的人民币1030万元，多于截至2021年6月30日6个月期间的人民币860万元。

随着抗击新冠肺炎的精准，宏观经济环境将得到改善，这应有助于改善集团公司门店的财务表现。但集团公司正在努力更好地管理其资源。我们在2022年8月关闭了两个表现不佳的门店——厝店和青阳店。我们会努力争取更好的租户和联营品牌，准备消费活动的回复。

随着中国零售消费观的转变和消费的升级，生活方式目的地的超级奥莱对中产阶级消费者具有很好的吸引力。这些超级奥莱提供超大的舒适环境让消费者可以享受购物、餐饮、娱乐、休闲、娱乐和休闲活动。集团经过多年的准备，于2022年9月在江苏省无锡市开始运营我们的第二家超大购物中心——无锡悦尚奥莱。无锡悦尚奥莱开业表现较好可以为集团的业绩做出良好的贡献。经营超大购物中心已成为集团公司战略的重要组成部分。

集团在扩张计划中将保持谨慎，但也会在控制风险的情况下。我们打算在未来在有吸引力的地点开设新店或大型的购物中心。

陈开通

总裁

2022年11月9日

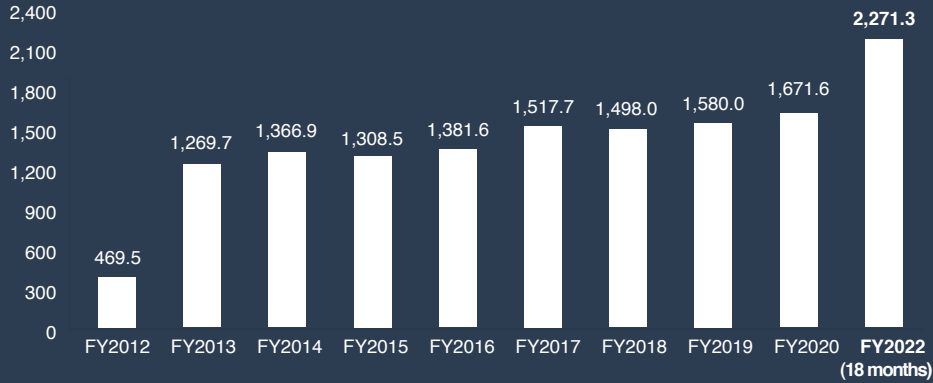


# Financial Highlights

## 财务摘要

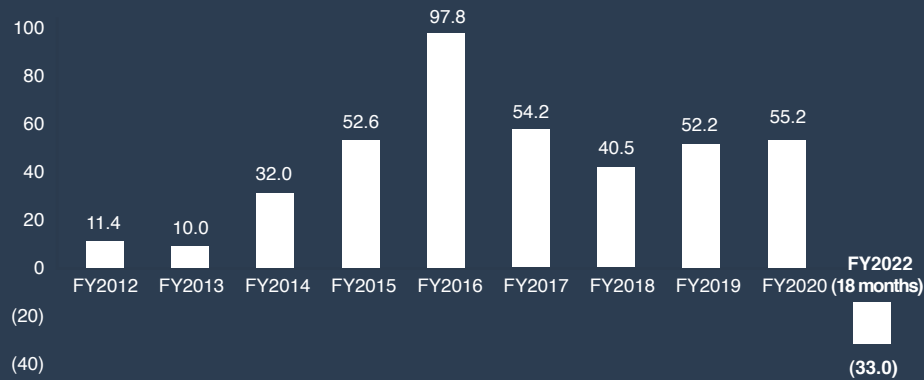
### Gross sales proceeds (RMB Million)

销售所得款项总额 (人民币百万元)



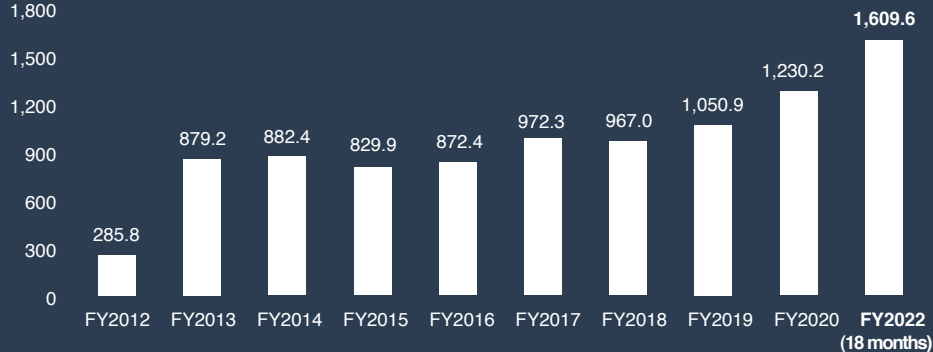
### Profit/(loss) for the year (RMB Million)

年内利润/(亏损) (人民币百万元)



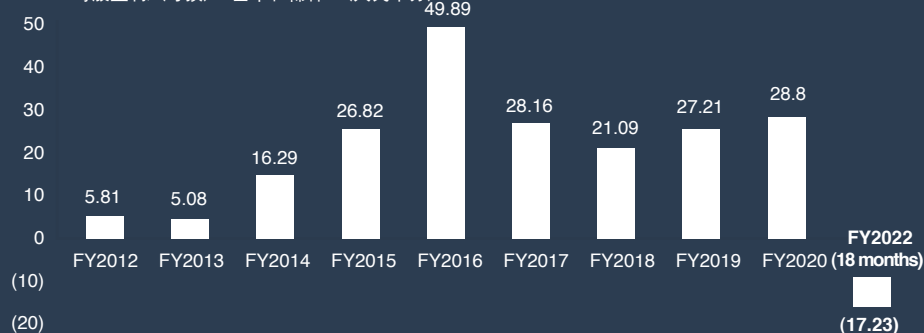
### Revenue (RMB Million)

收入 (人民币百万元)



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

每股盈利/(亏损) - 基本和稀释 (人民币分)





# Financial Highlights

## 财务摘要

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2022 (18 months)
<b>Financial Results</b> (RMB'000) 财务业绩 (人民币'000)										
Gross sales proceeds 销售所得款项总额 *	469,541	1,269,709	1,366,916	1,308,535	1,381,641	1,517,687	1,498,022	1,580,035	1,671,578	<b>2,271,299</b>
Revenue 收入	285,795	879,188	882,350	829,924	872,400	972,340	966,975	1,050,935	1,230,234	<b>1,609,606</b>
Profit/(loss) before taxation 税前利润/(亏损)	22,991	28,277	50,476	77,393	149,093	82,132	65,169	77,832	77,924	<b>(268)</b>
Profit/(loss) for the year 年内利润/(亏损)	11,406	9,982	31,983	52,644	97,823	54,200	40,458	52,187	55,236	<b>(33,044)</b>
Total comprehensive income for the year attributable to equity holders of the Company 公司权益所有者应占全面收入总额	10,803	10,775	31,803	53,062	97,201	55,500	40,922	52,622	54,704	<b>(33,861)</b>
<b>Financial Position</b> (RMB'000) 财务状况 (人民币'000)										
Non-current assets 非流动资产	50,079	87,743	110,059	118,120	97,752	212,814	200,128	491,932	443,829	<b>607,170</b>
Current assets 流动资产	210,462	374,819	395,785	425,917	463,099	361,203	394,368	457,013	648,470	<b>669,635</b>
Current liabilities 流动负债	(119,835)	(295,597)	(322,646)	(317,723)	(339,278)	(350,952)	(363,435)	(505,856)	(622,989)	<b>(751,890)</b>
Net current assets/(liabilities) 净流动资产/(负债)	90,627	79,222	73,139	108,194	123,821	10,251	30,933	(48,843)	25,481	<b>(82,255)</b>
Non-current liabilities 非流动负债	(62,022)	(77,505)	(81,183)	(111,543)	(55,862)	(50,772)	(36,607)	(260,409)	(256,163)	<b>(364,037)</b>
Total equity 总权益	78,684	89,460	102,015	114,771	165,711	172,293	194,454	182,680	213,147	<b>160,878</b>
<b>Financial Ratios</b> (RMB cents) 财务比率 (人民币分)										
Earning/(loss) per share 每股盈利/(亏损)										
- Basic and diluted 基本和稀释	5.81	5.08	16.29	26.82	49.89	28.16	21.09	27.21	28.80	<b>(17.23)</b>
Net asset value per share 每股净资产值	40.08	45.57	51.96	58.46	82.37	89.81	101.37	95.23	111.15	<b>83.91</b>

\* Gross sales proceeds represents the aggregate sum of net amount received and receivable for goods sold by direct sales, gross amount of concessionaire sales, rental income and income from managed rental.  
销售所得款项总额指来自自营及联营的销售所得款项、出租及承包的租金收入。

## 福建省内筹备项目 Expansion Plan



### 漳州悦尚奥特莱斯

Zhangzhou Yueshang Outlets Project

此项目位于福建省漳州市龙文区漳州明发商业广场，漳州东部新区核心位置。

This project is in Zhangzhou Mingfa Commercial Square, Longwen, Zhangzhou City, Fujian Province, which is in the new district in the eastern part of Zhangzhou City.

### 泉州悦尚奥特莱斯

Quanzhou Yueshang Outlets Project

本项目位于福建省泉州市南安市福建南安官桥华昌国际城。

This project is in Fujian Nan'an Guanqiao Huachang International Complex, Nan'an, Quanzhou City, Fujian Province.







## 中闽百汇——漳州龙海明发项目 Zhangzhou Longhai Mall Project

此项目位于福建省漳州市龙海区龙海明发商业广场。

This project is in Longhai Mingfa Commercial Square, Longhai, Zhangzhou City, Fujian Province.

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# Board of Directors

## 董事会



**Lee Swee Keng**  
*Executive Chairman*

Mr Lee Swee Keng was appointed to the Board in September 2004 as a Director and Executive Chairman. Mr Lee is responsible for charting and steering the Group's business direction, overall management, strategic planning and business development of the Group. He possesses over 30 years of experience as an entrepreneur, establishing and managing businesses in industries ranging from food and beverage to construction machinery and equipment. As a key founder of the Group, Mr Lee partnered with Mr Chen Kaitong in setting up and operating small-scale department stores in Anxi, Fujian, before they collaborated to establish Zhongmin Baihui. Mr Lee was conferred the Public Service Medal (Pingat Bakti Masyarakat or "PBM") in 2014.



**Chen Kaitong**  
*Chief Executive Officer  
and Executive Director*

Mr Chen Kaitong is a key founder of the Group and was appointed as a Director and Chief Executive Officer of the Group in December 2008. He is also a director of various companies of the Group. Mr Chen is instrumental to the Group's growth, operations and direction. He is responsible for strategic corporate planning, business development and overseeing the key day-to-day operations of the Group. Mr Chen has more than 30 years of experience in the retail industry in China. He was involved in the early stages of setting up and running the first modern department store of the Group in Anxi. He has received numerous awards for his contributions to the sector. In 2010, he was elected Chairman of Quanzhou City Chain Store & Franchise Association. He was also a member of the National People's Congress ("NPC") representing Quanzhou City from 2002 to 2016 and was elected in 2017 to serve as the Quanzhou City representative in the 16th NPC. He was re-elected as Executive Vice President of Quanzhou Federation of Overseas Chinese merchants in 2018.



**Choy Bing Choong**  
*Independent Director*

Mr Choy Bing Choong was appointed to the Board as an Independent Director in December 2019. He is the Chairman of the Audit Committee and Lead Independent Director. Mr Choy is a Fellow Chartered Accountant of Singapore, a member of the Singapore Institute of Directors, and holds a Bachelor of Accountancy Degree from The National University of Singapore. He also completed a post graduate diploma in Strategic Human Capital Management (Organizational Development & Psychology) for which he was awarded a gold medal. Mr Choy has more than 30 years of experience in a variety of roles in multiple industries and countries. He is currently a Director and Group Chief Operating Officer at Natural Cool Holdings Limited where he has been since 2014. Before that, he spent 8 years with the corporate finance department at CIMB Bank Berhad, Singapore Branch where he last held the position of Director, Corporate Finance. Before CIMB Bank Berhad, he served 3 years in the Corporate and Capital Markets Group at Rajah & Tann. Apart from his home base in Singapore, he has also worked in China, the United Kingdom and Indonesia. Mr Choy is also an Independent Director at Hiap Tong Corporation and Hoe Leong Corporation Ltd.



# Board of Directors

## 董事会



**Goh Poh Kee**  
*Independent Director*

Ms Goh Poh Kee was appointed to the Board as an Independent Director in December 2018. She is the Chairman of the Nominating Committee. She is a corporate service provider providing business and management consulting services as well as corporate compliance services. Between 2012 to 2016, she was a director in KPMG Singapore's Advisory unit and moved on to head the Finance and Administration functions of KPMG Singapore firm. Before that, Ms Goh was the Chief Financial Officer at SGX Catalist firm Equation Corp Ltd from 2005 to 2009 and a Special Assistant to the CEO from 2009 to 2012. She has over 30 years of finance, accounting and business management related work experiences with various corporations throughout her career. Ms Goh holds a Bachelor of Accountancy degree from The National University of Singapore and she is a Fellow Chartered Accountant of Singapore.



**Kho Kewee**  
*Independent Director*

Mr Kewee Kho was appointed to the board as Independent Director in July 2021. He is member of the Audit, Remuneration and Nomination committees. He is focused on investments, corporate and financial advisory to institutional and private clients. His work experience over the last 25 years accumulated in the US and Asia-Pacific is multi-rolled which include investment banking, private equity, venture capital, investments, corporate and business development, corporate finance, entrepreneur, and business management, covering a broad spectrum of industries.

Mr Kho is currently senior consultant (non-legal) with GGCLaw and director at Nautilus Maritime Pte Ltd. Previously, he was co-founder and executive director of Castell Logistics Pte Ltd; vice-chairman of Roadbull Logistics Pte Ltd; director at SBI Ven Capital Pte Ltd (formerly

SoftBank Investments), corporate advisor at JSCL Investments Pte Ltd/Homestay Residences Pte Ltd; managing director at Alpha Advisory Pte Ltd, head of capital markets, investment banking, at Hong Leong Bank, Singapore; and vice-president of business development at Kim Eng Securities Pte Ltd. Before returning to Asia, he was in Chicago with Deloitte & Touche LLP.

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

# Key Management

## 高级管理层

### **Su Jianli**

***Deputy Chief Executive Officer  
(Marketing and Operations)***

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

### **Wang Liyu**

***Deputy Chief Executive Officer  
(Administration and Human Resources)***

Ms Wang Liyu joined the Group in 2010 and is responsible for managing the Group's administration matters as well as overseeing the full spectrum of human resource-related matters including employee recruitment, training, relations and welfare. Prior to joining the Group, Ms Wang was an accountant at the Fujian Motor Industry Group Co., Ltd, and the Financial Controller of Quanzhou Zhongmin Baihui from 2000 to 2010. Ms Wang holds a Diploma in Finance and Accounting from Fujian Commercial College.

### **Serine Yeo Ngen Huay**

***Chief Financial Officer***

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

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

### **Andrew Lim Kok-Kin**

***Director-Investor Relation***

Mr Andrew Lim Kok-Kin was appointed to the Board as a Non-Executive Director in January 2012 and re-designated as Executive Director in May 2015. On 29 July 2021, Mr Lim ceased his role as an Executive Director and holds a key appointment, the Director-Investor Relation of the Group. Mr Lim is a Chartered Financial Analyst ("CFA") charter holder since 1993. He has over 18 years of working experience in the investment industry, which includes serving as a Director at Azure Capital Pte Ltd, Chief Investment Officer at S.E.A. Asset Management Pte Ltd, Senior Fund Manager at Pheim Asset management (Asia) Pte Ltd and Senior Portfolio Manager at MMG investment (Dubai, UAE). Mr Lim also taught at the School of Business, Singapore Polytechnic. Mr Lim graduated with a B Sc (Hons) (Industrial Engineering) degree from the University of Texas (El Paso) and an MBA from the University of Texas (Austin).





*FASHION  
SHOPPING*





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# Corporate Governance Report

## 企业治理

**Zhongmin Baihui Retail Group Ltd.** (the “**Company**”), together with its subsidiaries (the “**Group**”), recognises the importance and is committed to maintaining a high standard of corporate governance. Good corporate governance provides the framework for an ethical and accountable corporate environment, which will protect the interests of the Company’s shareholders and promote investor confidence. This report outlines the Company’s corporate governance practices and structures in the financial year ended 30 June 2022 (“**FY2022**”), with specific reference made to each of the principles of the Code of Corporate Governance 2018 (the “**Code**”). Deviations from the Code are explained. The Company has complied with the principles and guidelines of the Code where appropriate.

### BOARD MATTERS

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

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

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

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

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

	AGM held on 29 July 2021	Board	Board Committees		
			Audit	Nominating	Remuneration
<b>Number of meetings held</b>	<b>1</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>3</b>
			<b>Number of meetings attended</b>		
Mr. Lee Swee Keng	1	5	5*	2*	3*
Mr. Chen Kaitong	1#	5#	5**	2**	3**
Mr. Choy Bing Choong	1	5	5	3	3
Ms. Goh Poh Kee	1	5	5	3	3
Mr. Kho Kewee <sup>(1)</sup>	0	4	4	2	2
Dr. Ong Seh Hong <sup>(2)</sup>	0	1#	1#	1#	1#
Mr. Su Caiye <sup>(3)</sup>	0	1#	1#	1#	0

\* By Invitation

# Attended via teleconference

(1) The first board meetings of FY2022 were held on 26 February 2021. Mr. Kho Kewee was appointed as an Independent Director on 29 July 2021.

(2) With effect from 29 July 2021, Dr. Ong Seh Hong resigned as Independent Director.

(3) With effect from 29 July 2021, Mr. Su Caiye resigned as Non-Executive Non-Independent Director.

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

# Corporate Governance Report

## 企业治理

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

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

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

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

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

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



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

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

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

As a general rule, notices are sent to the Directors at least one (1) week in advance of Board meetings, followed by the Board papers in order for the Directors to be adequately prepared for the meetings. Senior management personnel will attend Board meetings to address queries from the Directors, if required. The Directors also have unrestricted access to senior members of the Management. Requests for the Company's information by the Board are dealt with promptly.

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

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

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

In FY2022, the Board comprised five (5) members, two (2) of whom hold executive positions and three (3) of whom are Independent Directors.

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

Mr. Lee Swee Keng	Executive Chairman
Mr. Chen Kaitong	Executive Director and Chief Executive Officer
Mr. Choy Bing Choong	Lead Independent Director
Ms. Goh Poh Kee	Independent Director
Mr. Kho Kewee	Independent Director

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

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As at the date of this Annual Report, the current Board comprises five members, with three (3) out of five (5) being Independent Directors, who are business leaders and professionals in their respective fields. These Directors are individuals with experience and professional qualifications in the fields of retail, accounting, audit, investments, corporate management and marketing, and have managed big multinational corporations and worked in international firms during their careers. Further, the Board not only has female representation but also Directors of different ages, ranging from 52 years old to 61 years old, to allow for a more diversified contribution to the Board.

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

Each of the Independent Directors has confirmed that he/she does not have any relationship with the Company or its related corporations, its officers or its shareholders with shareholdings of 5% or more in the voting shares of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of his/her independent business judgement. The Nominating Committee has reviewed and determined that the said Directors are independent. The independence of each Director has been and will be reviewed annually by the Nominating Committee based on the guidelines set forth in the Code.

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

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

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

The Independent Directors, led by the Lead Independent Director when necessary, will have discussions amongst themselves without the presence of the Management and provide feedback to the Board and/or Chairman as appropriate.

While the Company has not adopted a formal board diversity policy, it has embraced all aspects of diversity in the current Board composition and takes into consideration various factors of diversity in reviewing the Board composition as mentioned above.

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

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



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

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

The Chief Executive Officer, Mr. Chen Kaitong, is a distant relative of the Executive Chairman, Mr. Lee Swee Keng. The brother of Mr. Lee Swee Keng's grandmother is the father of Mr. Chen Kaitong. The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence. In view that the Executive Chairman, Mr. Lee Swee Keng, is part of the Management, the Company has appointed Mr. Choy Bing Choong, an Independent Director, to be the Lead Independent Director. The Independent Directors will be available to the shareholders where they have concerns and for which contact through the normal channels of communication with the Executive Chairman, the Chief Executive Officer or the Chief Financial Officer are inappropriate or inadequate.

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

In FY2022, the members of the Company's Nominating Committee during the financial period under review are Ms. Goh Poh Kee, Mr. Choy Bing Choong and Mr. Kho Kewee. As at the date of this Annual Report, there are three (3) Independent Directors, all of whom, including the Lead Independent Director being Mr. Choy Bing Choong, comprise the Nominating Committee. The Nominating Committee meets at least once a year.

The Nominating Committee is responsible for the following:

- (a) the review of board succession plans for Directors and key management personnel;
- (b) to decide how the Board, its board committees and directors' performance may be evaluated and propose objective performance criteria, as approved by the Board that allows comparison with its industry peers, and address how the Board has enhanced long term shareholders' value;
- (c) the review of training and professional development programmes for the Board;
- (d) to make recommendations to the Board on all board appointments, including re-nominations, having regard to the Director's contribution and performance (for example, attendance, preparedness, participation and candour);
- (e) to determine annually whether or not a Director is independent;
- (f) in respect of a Director who has multiple board representations on various companies, to decide whether or not such Director is able to and has been adequately carrying out his/her duties as Director, having regard to the competing time commitments that are faced when serving on multiple boards; and
- (g) to assess the performance of the Board and contribution of each Director to the effectiveness of the Board.

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

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

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

To address the competing time commitments that are faced when Directors serve on multiple boards, the Nominating Committee has reviewed, and the Board has determined and set that as a general rule, the maximum number of listed company board appointments be not more than five (5) companies. However, any Director may hold more than five (5) listed company board representations should the Nominating Committee be satisfied and is of the view that such Directors are able to devote sufficient time and attention to the affairs of the Company after taking into account their individual circumstances, contributions, responsibilities and other principal commitments. Non-executive Directors may consult the Chairman of the Nominating Committee before accepting any appointments as Directors. Currently, none of the Directors hold more than five (5) directorships in listed companies.

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

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

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

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

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

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



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

Name	Age	Appointment	Date of initial appointment	Date of last re-election or re-appointment	Directorship in other listed companies	Principal Commitments <sup>2</sup>
LEE SWEE KENG	63	Executive Chairman	17 September 2004	29 July 2021	NIL	<ol style="list-style-type: none"> <li>1. Singapore Hokkien Huay Kuan</li> <li>2. The Hokkien Foundation</li> <li>3. Singapore Hokkien Huay Kuan Cultural Academy Pte Ltd</li> <li>4. Ee Hoe Hean Club</li> <li>5. Yunnan Realty Pte Ltd</li> <li>6. Lee Bin Hong Pigs Supplier Pte Ltd</li> </ol>
CHEN KAITONG	56	Chief Executive Officer and Executive Director	9 December 2008	29 June 2020	NIL	NIL
CHOY BING CHOONG <sup>3</sup>	56	Lead Independent Director	31 December 2019	29 June 2020	<ol style="list-style-type: none"> <li>1. Hiap Tong Corporation Ltd</li> <li>2. Hoe Leong Corporation Ltd</li> <li>3. Natural Cool Holdings Limited</li> </ol>	Natural Cool Holdings Limited
GOH POH KEE	56	Independent Director	31 December 2018	29 July 2021	NIL	AboveTrust Partners Pte Ltd
KHO KEWEE	52	Independent Director	29 July 2021	29 July 2021	<ol style="list-style-type: none"> <li>1. MS Holdings Limited</li> </ol>	Pillars & Woggs LLP

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

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

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

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

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

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

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

### REMUNERATION MATTERS

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

In FY2022 and as at the date of this Annual Report, the members of the Company's Remuneration Committee during the financial period under review are Mr. Choy Bing Choong, Ms. Goh Poh Kee and Mr. Kho Kewee. The Remuneration Committee is entirely constituted by Independent Directors, and the Chairman of the Remuneration Committee is Mr. Choy Bing Choong.

The Remuneration Committee will review and recommend to the Board a framework of remuneration for the Directors and key management personnel and determine specific remuneration packages for each Director as well as for the key management personnel. The recommendations of the Remuneration Committee should be submitted for endorsement by the Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives, awards, benefits-in-kind shall be covered by the Remuneration Committee to ensure that they are fair. In addition, the Remuneration Committee will perform an annual review of the remuneration of employees related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scope and level of responsibilities. They will also review and approve any bonuses, pay increases and/or promotion for these employees. Each member of the Remuneration Committee shall abstain from voting on any resolution in respect of his remuneration package. The Remuneration Committee shall also review the Company's obligations arising in the event of termination of the employment of Directors and key management personnel to ensure that they are fair. The Remuneration Committee may access expert advice regarding executive compensation matters relating to Directors and key management personnel if required. There was no necessity for the engagement of an external remuneration consultant in FY2022.



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

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

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

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

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

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

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

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

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

### Financial Period Ended 30 June 2022 (18 Months' Period)

Remuneration Band and Name of Director	Base / Fixed salary	Directors' fees	Variable or performance benefits related income / Bonus	Other Benefits
<b>Above S\$500,000</b>				
Mr. Lee Swee Keng	68%	–	29%	3%
<b>Above S\$250,000 and below S\$500,000</b>				
Mr. Chen Kaitong	100%	–	–	–
<b>Below S\$250,000</b>				
Mr. Choy Bing Choong	–	100%	–	–
Ms. Goh Poh Kee	–	100%	–	–
Mr. Kho Kewee	–	100%	–	–
Dr. Ong Seh Hong <sup>(1)</sup>	–	100%	–	–
Mr. Su Caiye <sup>(2)</sup>	–	100%	–	–

### Financial Period Ended 31 December 2021 (12 Months' Period)

Remuneration Band and Name of Director	Base / Fixed salary	Directors' fees	Variable or performance benefits related income / Bonus	Other Benefits
<b>Above S\$250,000 and below S\$500,000</b>				
Mr. Lee Swee Keng	75%	–	23%	2%
Mr. Chen Kaitong	100%	–	–	–
<b>Below S\$250,000</b>				
Mr. Choy Bing Choong	–	100%	–	–
Ms. Goh Poh Kee	–	100%	–	–
Mr. Kho Kewee	–	100%	–	–
Dr. Ong Seh Hong <sup>(1)</sup>	–	100%	–	–
Mr. Su Caiye <sup>(2)</sup>	–	100%	–	–

(1) With effect from 29 July 2021, Dr. Ong Seh Hong resigned as Independent Director.

(2) With effect from 29 July 2021, Mr. Su Caiye resigned as Non-Executive Non-Independent Director.

During the financial period ending on 30 June 2022, there were five (5) management personnel whom the Company considered to be key management personnel (who are not Directors or the Chief Executive Officer). Accordingly, these five (5) key management personnel of the Group during the financial year under review fell within the remuneration band of below S\$250,000:

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### Financial Period Ended 30 June 2022 (18 Months' Period)

Remuneration Band and Name of Director	Base / Fixed salary	Directors' fees	Variable or performance benefits related income / Bonus	Other Benefits
Mr. Su Jianli	83%	–	–	17%
Ms. Wang Liyu	81%	–	–	19%
Ms. Serine Yeo Ngen Huay <sup>(1)</sup>	93%	–	–	7%
Mr. Andrew Lim Kok-Kin	74%	–	16%	10%
Mr. Jeffrey Kan Kah Hi <sup>(2)</sup>	70%	–	23%	7%

### Financial Period Ended 31 December 2021 (12 Months' Period)

Remuneration Band and Name of Director	Base / Fixed salary	Directors' fees	Variable or performance benefits related income / Bonus	Other Benefits
Mr. Su Jianli	82%	–	–	18%
Ms. Wang Liyu	81%	–	–	19%
Mr. Andrew Lim Kok-Kin	78%	–	14%	8%
Mr. Jeffrey Kan Kah Hi <sup>(2)</sup>	73%	–	20%	7%

(1) With effect from 4 May 2022, Ms. Serine Yeo Ngen Huay was appointed as Chief Financial Officer.

(2) With effect from 26 April 2022, Mr. Jeffrey Kan Kah Hi resigned as Chief Financial Officer.

In considering the disclosure of remuneration of these five (5) key management personnel of the Company, the Company considered the overall quantum received by each individual executive as well as the confidential nature of each key management personnel's remuneration and believes that a full disclosure as recommended by the Code would be prejudicial to the Company's interest. The annual aggregate remuneration paid to these five (5) key management personnel of the Company (who are not Directors or the Chief Executive Officer) for FY2022 (18 Months' Period) is approximately S\$914,262.

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

While the exact remuneration of the Directors cannot be shared, the Company has disclosed, the level and mix remuneration, in percentage terms in bands of S\$250,000, of the Directors and CEO into various categories of compensation, namely, fixed salary, Directors' fees, allowance and others and variable or performance related income for the 18 months' and 12 months' period. The Company has also disclosed the level and mix remuneration of the five (5) key management personnel (who are not Directors or the Chief Executive Officer), in percentage terms in a single band of S\$250,000 for the 18 months' and 12 months' period. The total remuneration paid to these key management personnel were also disclosed. Taking in consideration of the abovesaid, the Company is of the view that such disclosure provides a balance between detailed disclosure and confidentiality.

Other than a fixed salary component, one (1) Executive Director and two (2) key management personnel are given variable performance related bonus which will take into account the profitability of the Company, contributions from the individuals and the scope of responsibilities assigned to those individuals. The total remuneration given to these individuals aims to attract, retain and motivate them so as to achieve sustainability and business growth.



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

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

No employee who was an immediate family member of a Director was paid more than S\$100,000 during FY2022. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister, and parent of such person.

No employee who is a substantial shareholder of the Company was paid more than S\$100,000 during FY2022. Pursuant to Division 4 of Part IV of the Companies Act 1967, a person is considered as having substantial shareholding in a company if he has an interest in 5% or more of the voting shares of that company.

### ACCOUNTABILITY AND AUDIT

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

In line with the continuing disclosure obligations of the Company under the Listing Manual, the Board's policy is that shareholders shall be informed of all major developments of the Company. Information is presented to shareholders on a timely basis through SGXNet and/or the press. In presenting the annual financial statements and 6 months, 12 months and 18 months result announcements to its shareholders, it is the objective of the Board to provide its shareholders with a reasonable understanding of the Group's financial position, performance and prospects.

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

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

Accordingly, to facilitate compliance with Rule 1207(10) of the Listing Manual, the Board has engaged an external consultant to review the adequacy and effectiveness of the Company's internal control system in FY2022 to assist the Board and the Audit Committee in their review of the Group's risk management and internal control systems focusing on financial, operational and compliance controls.

The Executive Chairman and the Chief Financial Officer have provided assurance that as at the end of FY2022 (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the Company's risk management and internal control systems are effective.

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

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### **Principle 10: The Board has an Audit Committee (“AC”) which discharges its duties objectively.**

In FY2022 and as at the date of this Annual Report, the members of the Company’s Audit Committee during the financial period under review are Mr. Choy Bing Choong, Ms. Goh Poh Kee and Mr. Kho Kewee. The Audit Committee is entirely constituted by Independent Directors who do not have any financial interest in and are not former partners or directors of the Company’s Auditor, Ernst & Young LLP, and the Chairman of the Audit Committee is Mr. Choy Bing Choong, an Independent Director. At least two (2) members of the Audit Committee, including the Chairman of the Audit Committee, have recent and relevant accounting or related financial management expertise or experience.

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

- (a) review the annual consolidated financial statements and the external auditors’ report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with international financial reporting standards, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;
- (b) review and report to the Board at least annually the adequacy and effectiveness of the Company’s risk management systems and internal controls, including financing, operational, compliance and information technology controls;
- (c) review the periodic consolidated financial statements comprising the assurance from CEO and CFO, the profit and loss statements and the balance sheets and such other information required by the Listing Manual, before submission to the Board for approval;
- (d) consider the appointment and re-appointment of the external auditors including matters relating to resignation or dismissal thereof and the remuneration and terms of engagement of the external auditors;
- (e) review the audit plans of the external auditors and the internal auditors, including the results of the external and internal auditors’ review and evaluation of the system of internal controls in the course of the audit of the Group’s financial statements and internal control audit respectively;
- (f) review the procedures by which employees of the Group may, in confidence, report to the Chairman of the Audit Committee, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions in relation thereto;
- (g) review and discuss with external and internal auditors (if any), any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group’s operating results or financial position and the Management’s response;
- (h) review the co-operation given by the management to the external auditors;
- (i) review and ratify any interested person transactions falling within the scope of Chapter 9 of the Listing Manual;
- (j) review the guidelines and review procedures set out in the “Interested Person Transactions and Potential Conflicts of Interests” section of the Company’s Offer Document and future interested person transactions, if any;
- (k) monitor the undertaking described in the “Interested Person Transactions and Potential Conflicts of Interests – Potential Conflicts of Interest” section of the Company’s Offer Document;
- (l) review any potential conflicts of interest;

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- (m) review the adequacy and supervision of the finance and accounting team on a regular basis;
- (n) undertake such other reviews and projects as may be requested by the Board, and will report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee; and
- (o) undertake generally such other functions and duties as may be required by law or the Listing Manual, and by such amendments made thereto from time to time.

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

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

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

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

The Audit Committee met five (5) times during the year under review. Details of members' attendance at the meetings are set out under Principle 1. The Chief Financial Officer, Company Secretary, internal auditors and external auditors (as appropriate) are invited to these meetings. Other senior members of the Management are also invited to attend as appropriate to present reports.

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

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

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

The Audit Committee also reviewed the annual financial statements and discussed with the Management, the Chief Financial Officer and the external auditors the significant accounting policies, judgement and estimate applied by the Management that might affect the integrity of the financial statements and considered the clarity of key disclosures in the financial statements. The Audit Committee reviewed, amongst other matters, the following significant matters identified by the external auditors for FY2022.



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Key audit matters	How the issues were addressed by the Audit Committee
Cash and bank balances	The Audit Committee reviewed and discussed with the Management and the external auditors the key internal and financial controls in this area, in particular the cash and bank reconciliations, cash counting and handling procedures, authorisation and segregation of duties, as well as security and surveillance measures. No significant issue came to the attention of the Audit Committee in the course of its review.
Gold inventories	The Audit Committee reviewed and discussed with the Management and the external auditors the key internal and financial controls in this area, in particular periodic and random stock-taking procedures, inventory reconciliations, security and surveillance measures, inventory level control, as well as the cost recognition at net realisable value against market price. No significant issue came to the attention of the Audit Committee in the course of its review.
Impairment assessment of non-current assets	The Audit Committee reviewed and discussed with the Management and the external auditors the approach and methodology being used in this area, in particular the cash flows projections, growth rate and discount rate. No significant issue came to the attention of the Audit Committee in the course of its review.

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

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

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

### *Internal Audit Function*

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

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

In order to strengthen further the Group's internal audit function, the Audit Committee has recommended and the Board has approved the appointment of an external audit professional firm to undertake the internal audit function of the Group. The Company has outsourced its internal audit function to BDO LLP, which is an established international auditing firm. BDO LLP conducts their internal audits based on the BDO Global Internal Audit Methodology which is consistent with the International Professional Practices Framework established by the Institute of Internal Auditors. The BDO LLP Engagement Partner, Willy Leow, has more than 20 years of audit and advisory experience and is a Chartered Accountant (Singapore), Certified Internal Auditor and Certified Information System Auditor. As Head of Risk Advisory Services in BDO Singapore, Mr. Leow manages a portfolio of outsourced internal audits of several listed companies and other organisations such as government bodies and regulated entities. Members of the internal audit team also have relevant

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academic qualifications, professional certifications and internal audit experience. The Audit Committee is hence satisfied that the outsourced internal audit function is adequately staffed by suitably qualified and experienced professionals based on the internal audits conducted for FY2022.

The internal auditors conduct their work in accordance with the BDO Global Internal Audit methodology which is consistent with the International Standards for the Professional Practice of Internal Auditing adopted by the Institute of Internal Auditors as a reference and guide when performing their reviews.

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

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

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

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

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

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

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

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

Pertinent information is communicated to shareholders through:

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

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

AGMs are the main forum for communication with shareholders. Annual reports and notices of the AGMs are sent to all shareholders. Printed copies of the Notice of AGM and the Annual Report for FY2022 will not be sent to shareholders. Instead, the Notice of AGM and the Annual Report for FY2022 have been made available on the Company's website at [www.zhongminbaihui.com.sg/NewsList.aspx](http://www.zhongminbaihui.com.sg/NewsList.aspx) and the SGXNet. The members of the Audit Committee, Nominating Committee and Remuneration Committee will be present at AGMs to answer questions relating to the work of these committees. The external auditors will also be present to assist the Directors in addressing any relevant queries by shareholders. The Board welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad hoc basis.

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

Shareholders are given the opportunity to vote at general meetings. Previously, the voting for FY2020 annual general meeting was done by way of proxy and all shareholders who wish to vote on any or all of the resolutions at the annual general meeting for FY2020 must appoint the Chairman of the Meeting as their proxy to do so on their behalf pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Board has decided to revert to the holding of a physical annual general meeting for this FY2022 AGM due to Singapore's further easing of the Covid-19 control orders and to enhance engagement with the shareholders of the Company.

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

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

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

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

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

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



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The Company has its materiality assessment process to identify its key stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. The Company engages its key stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its key stakeholders. For more information on the Company's identification and engagement with its key stakeholders and the Company's strategy and key areas of focus in relation to the management of stakeholder relationships in FY2022, please refer to the Company's Sustainability Report which was published on SGXNet on 10 November 2022.

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

### DEALINGS IN SECURITIES

The Company has adopted the best practices on dealings in securities set out in Rule 1207(19) of the Listing Manual and made known the best practices to Directors and officers. As at 26 October 2021 the Company had pursuant to the share buyback mandate given by the shareholders at the Annual General Meeting on 29 July 2021 purchased 20,000 shares of the Company by way of on-market purchases. The highest and lowest price paid was S\$0.65 and S\$0.65 per Share respectively. The total consideration (including clearing charges, etc.) paid was S\$13,044.20. The number of shares acquired by the Company was insignificant and there were no material changes of the Company's share price before and after the purchase. The Company has reviewed and updated its policies on dealings in securities that Directors and officers are not allowed to deal in the Company's shares during the two (2) weeks before the announcement of the Company's results for each of the first three quarters of its financial year and the one (1) month before the announcement of the Company's half- and full-year results, or when they are in possession of unpublished price sensitive information on the Group.

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

### AUDITOR AND AUDIT FEES

The aggregate amount of fees paid to Ernst & Young LLP in FY2022 was S\$669,423 of which audit fees amounted to approximately S\$666,663. The Group confirms that it has complied with Rule 712 and Rule 715 of the Listing Manual in relation to its auditing firms.

### NON-AUDIT FEES

Save for a fee of S\$2,760 for tax-related services, no other non-audit fees were paid to the Group's Auditor, Ernst & Young LLP for FY2022. The Audit Committee, having reviewed such non-audit services, is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

### MATERIAL CONTRACTS

Save for the following interested person transactions, there are no material contracts entered into by the Company and its subsidiaries during the FY2022 or still subsisting as at 30 June 2022 which involved the interests of the Chief Executive Officer, any of the Directors or controlling shareholders of the Company.

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### INTERESTED PERSON TRANSACTIONS

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
Management fees charged to a related party: Quanzhou Zhongmin Baihui Shopping Co., Ltd.	RMB7,372,642	–
Sales commission charged by a related party: Quanzhou Zhongmin Baihui Shopping Co., Ltd.	RMB 979,918	–
Rental agreement entered into with a related party (lessor): Quanzhou Zhongmin Baihui Shopping Co., Ltd.	RMB1,098,225	–

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

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

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

# Sustainability Report

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# ZHONGMIN BAIHUI RETAIL GROUP LTD.

## SUSTAINABILITY REPORT

FOR THE YEAR ENDED 30 JUNE 2022



# Sustainability Report

## 可持续发展报告

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# Sustainability Report

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### 1. Highlights

#### 1.1 Corporate profile

Incorporated in Singapore in 2004, Zhongmin Baihui Retail Group Ltd. (**ZMBH** or the '**Company**'), together with its subsidiaries, (the '**Group**') is engaged in the ownership, operation and management of department stores and supermarkets in Fujian Province and Hunan Province, People's Republic of China (**PRC**). The department stores and supermarkets in Fujian Province are operated under the reputable brand “中闽百汇”. The first modern “中闽百汇” store was opened in Anxi County, Quanzhou City, Fujian Province in 1997.

As of 9 November 2022, the Group has 16 self-owned stores and three managed stores, spanning an aggregate gross floor area (**GFA**) of about 200,000 sqm. Five self-owned stores are primarily supermarkets, with GFA ranging from 1,000 sqm to 4,000 sqm, while the rest are large integrated stores, with GFA ranging from 6,000 sqm to 28,000 sqm. Many of the larger stores also offer food and beverage options and other essential services to enhance our customers' shopping experience.

The Group recognises the attraction of mega malls in China and is embarking on a strategic plan to be involved in this area. The Group has an associate stake in the entity responsible for managing Changsha Sasseur (ZMBH) Outlets, a 210,600 sqm mega mall in Changsha City, Hunan Province, which was opened in December 2018.

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

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

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

# Sustainability Report

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### 1.2 Message to stakeholders

ZMBH has been committed to creating a high-quality shopping experience for its customers.

As part of ZMBH's commitment to sustainable development, we continued to strive to do business responsibly. We are committed to improving our sustainability achievements and partnering with other parties to create a green ecosphere as well as a natural and harmonious living environment. During this reporting period, we restarted the stakeholder engagement via various constructive dialogues.

The impact of the COVID-19 pandemic outbreak since 2020 has had a significant impact on lifestyles, businesses and communities globally. However, most countries are now living with COVID-19 and economic activities have gradually recovered to the pre-COVID level globally.

In this reporting period, the Group opened several new stores which included the following:

- (a) Jinjiang Qingyang Store located in Quanzhou City, Fujian Province, PRC opened on 26 March 2021
- (b) Quangang Nanshan Supermarket located in Quanzhou City, Fujian Province, PRC opened on 20 August 2021
- (c) Zhangzhou Port Store located in Zhangzhou City, Fujian Province, PRC opened on 28 December 2021

The Group reassessed and updated the material environmental, social and governance (**ESG**) factors based on the ever-changing business environment and new risks introduced by the COVID-19 pandemic outbreak in 2020. The Group's material ESG factors are Business Resiliency, Green Operations, Product Safety and Quality and Employee Development and Welfare.

The Group continues to improve the ESG performance in this reporting period. Various new initiatives are introduced to ensure the Group achieve its ESG targets. This report summarised the Group's performance on the ESG for the period from 1 July 2021 to 30 June 2022.

Lastly, we wish to confirm that the Board has considered sustainability issues as part of its strategic formulation, determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

On behalf of the Board of Directors

**Mr Chen Kaitong**  
Chief Executive Officer  
9 November 2022





# Sustainability Report

## 可持续发展报告

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### 1.3 Scope of sustainability report

The scope of the report covers information on material sustainability aspects of ZMBH from 1 January 2021 to 30 June 2022 unless otherwise specified. We believe that the report should sufficiently address stakeholders' concerns about sustainability issues arising from the Group's major business operations.

This report is prepared in accordance with the Global Reporting Initiative (**GRI**) Standards: Core Option as it provides a set of an extensive framework that is widely accepted as a global standard for sustainability reporting. It also considers the Sustainability Reporting Guide in Practice Note 7.6 of the Singapore Exchange Securities Trading Limited (**SGX-ST**) Listing Manual. In preparing our report, we applied the GRI's principles for defining report content and report quality by considering the Group's activities, impacts and substantive expectations and interests of its stakeholders.

The data and information provided within the report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy.

### 1.4 Restatements

On 15 February 2022, the Group announced the change of the Company's financial year-end from 31 December to 30 June. As a result, the coverage period for the current sustainability report has been revised to 1 January 2021 – 30 June 2022 from 1 January 2021 – 31 December 2021.

### 1.5 Sustainability contact

We welcome your views and feedback on our sustainability practices and reporting at [enquiry@zhongminbaihui.com.sg](mailto:enquiry@zhongminbaihui.com.sg).

# Sustainability Report

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## 2. Our approach to sustainability

### 2.1 Sustainability organisational structure

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



The Board of Directors formulates related sustainability strategies and guidelines, and monitors the sustainability progress of the Group.

Our CEO, Mr Chen Kaitong, chairs the Sustainability Committee and is supported by a dedicated team consisting of

- Ms Wang Liyu (Deputy CEO),
- Mr Andrew Lim Kok-Kin (Director, IR), and
- Ms Serine Yeo Ngen Huay (Chief Financial Officer).

The CEO reports on the Group’s sustainability progress, issues and stakeholder feedback to the Board.

The Sustainability Working Group supports the Sustainability Committee to implement strategies, monitor and measure performance, and helps organise and coordinate the Corporate Social Responsibility (CSR) work of all departments and subsidiaries.

It includes representatives from Human Resources, Marketing, Quality Control, Store Management and the respective heads of operating subsidiaries.

Related personnel from various departments are responsible for the organisation and implementation of CSR works.

# Sustainability Report

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### 2.2 Sustainability strategy

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



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

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

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



# Sustainability Report

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### 2.3 Consulting our stakeholders

We recognise the need to continuously develop our responsible business approach to address growing stakeholder expectations around our impact on the economy, environment and society. As such, we periodically consult with our stakeholders to determine the issues that are most relevant to them and ZMBH.

An overview of our approach and rationale is set out below (with stakeholders listed in alphabetical order), together with the feedback we have received.

Stakeholders	How we listen	Why we do it	What you've told us
<b>Supplier</b>	<ul style="list-style-type: none"> <li>• Periodical meetings</li> <li>• Periodic evaluations of suppliers' performance</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure products supplied are of acceptable quality</li> <li>• The safety of products is upheld</li> </ul>	<ul style="list-style-type: none"> <li>• Ability to meet Company's product quality standards</li> <li>• Ability to meet Company's product safety standard</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Feedbacks</li> <li>• Company's website</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure customer satisfaction is upheld</li> <li>• Ensure service standard</li> </ul>	<ul style="list-style-type: none"> <li>• Optimising customer service</li> <li>• Ensuring product quality and safety</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Internal updates and communication</li> <li>• Events and functions</li> </ul>	<ul style="list-style-type: none"> <li>• Improve employee capabilities through internal and external training</li> <li>• Improve employee's well-being by managing health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Career progression</li> <li>• Benefits and rewards</li> <li>• External courses</li> </ul>
<b>Regulatory authorities</b>	<ul style="list-style-type: none"> <li>• Regular updates and communication</li> <li>• Reports and compliance</li> <li>• Periodical meetings with government bodies</li> </ul>	<ul style="list-style-type: none"> <li>• Adhere to environmental regulations</li> <li>• Active participation in events to increase visibility and transparency</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with relevant laws and regulations</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>• Announcements</li> <li>• Shareholder meetings</li> <li>• Annual reports</li> <li>• Company's website</li> <li>• Regular updates and communication</li> </ul>	<ul style="list-style-type: none"> <li>• Committed to delivering economic value to our capital providers through strong financial performance and our methods of engagement with them</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term profitability</li> <li>• Sustainability matters</li> <li>• Group's performance against targets</li> <li>• Compliance with all relevant requirements</li> <li>• Business continuity</li> </ul>

# Sustainability Report

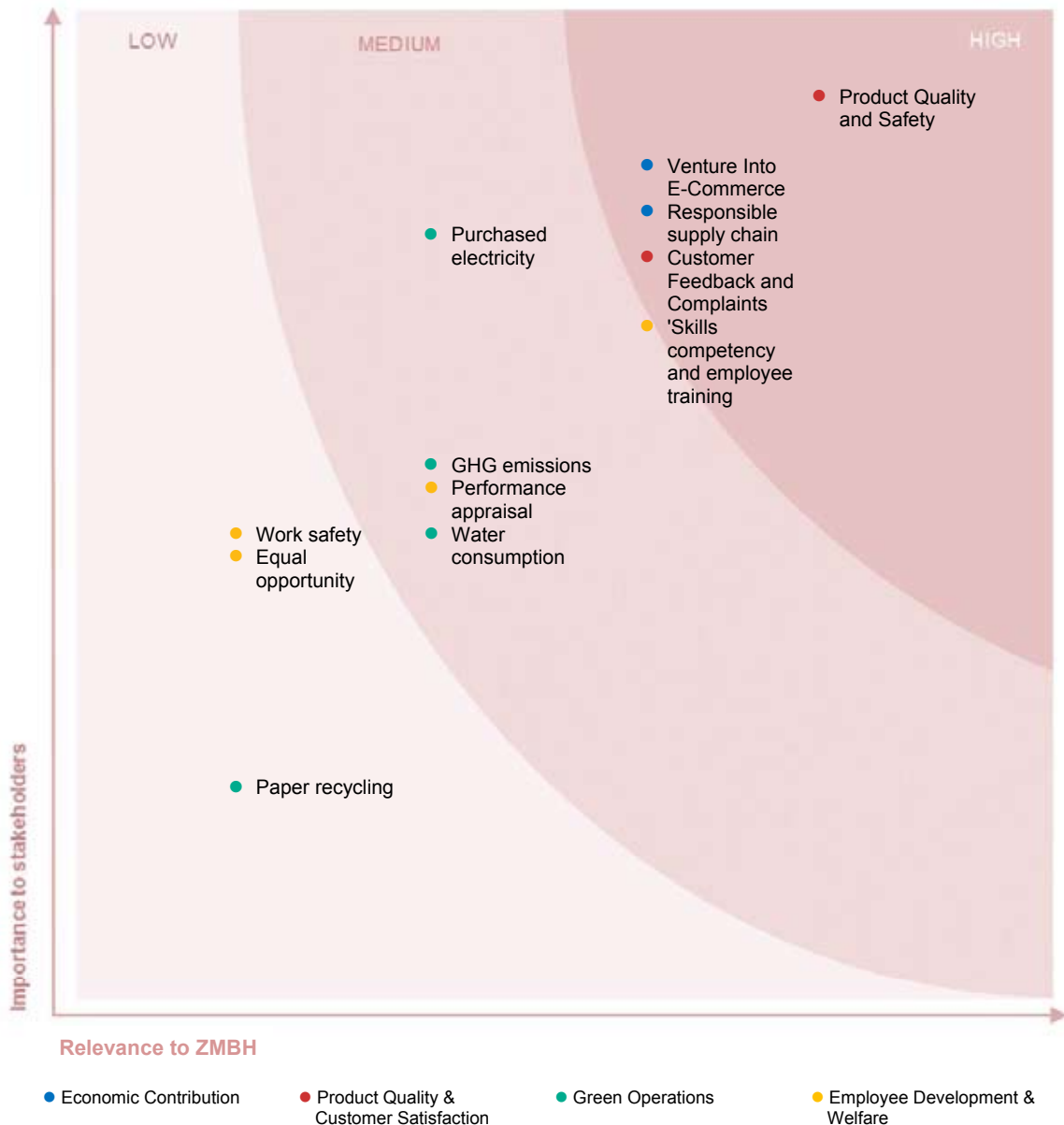
## 可持续发展报告

### 2.4 Sustainability materiality

Based on stakeholder engagement, we developed our sustainability materiality matrix containing material aspects that are aligned with our principal business and operational risks and formed our sustainability strategy which has shaped our approach to sustainability reporting, as illustrated in the diagram below.

We have also developed metrics to help us measure our progress, as indicated in our sustainability scorecard in **Appendix A**. We will review and adjust the matrix each year, as the external and business context changes.

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



# Sustainability Report

## 可持续发展报告

### 3. Our performance

#### 3.1 How we measure our performance

Our **sustainability strategy** is embedded into the appropriate parts of our business, with dedicated teams for each focus area, and coordination by our relevant departmental managers. Progress will be tracked in two key ways: measuring performance against metrics, and evaluating how well the programs have advanced, through a series of ‘commitments’.

#### Metrics and targets

We have established key performance indicators for each of the four focus areas outlined in our sustainability strategy. Periodically, we plan to introduce new metrics and update targets to ensure alignment with our strategy.

#### Commitments to United Nations Sustainable Development Goals (UNSDGs)

To ensure we have a robust sustainability programme in place, we have included the key commitments for each area of our sustainability strategy, guided by UNSDGs. The progress we have made against each key commitment is indicated using the symbols shown in the table below. We track and review our sustainability programme with the Board of Directors at least once a year. As a global citizen, ZMBH supports UNSDGs through the following commitments:

##### Economic Contribution

Metrics	Units	2030 Target (Annual)
Total Revenue	S\$000	On-going Commitment

##### Product Quality & Customer Satisfaction

Metrics	Units	2030 Target (Annual)
Product Quality Inspection Passing Rate	%	100
Product Net Weight Inspection Passing Rate	%	100
Farm Chemical Inspection Passing Rate	%	100
Chloramphenicol Inspection Passing Rate	%	100
Customer Satisfactory Rate	%	100
Customer Complaints	Number	< 280






##### Green Operations

Metrics	Units	2030 Target (Annual)
GHG emissions	tCO2e	< 22,000
GHG emissions intensity	kgCO2e/ m2	< 140
Electricity consumption	MWh	< 35,350
Electricity consumption Intensity	kWh/ m2	< 225

##### Employee Development & Welfare

Metrics	Units	2030 Target (Annual)
Average training hours per employee	Hours	> 58
Female representation in the workforce	%	85
Fatalities in workplace	Number	0
High-consequence injuries in the workplace	Number	0
Recordable injuries in the workplace	Number	< 8
Recordable work-related ill health cases in the workplace	Number	0

Symbols used to indicate progress against commitments

 New commitment	 Not started	 In progress	 Complete	 Ongoing commitment
--	---	---	--	--



# Sustainability Report

## 可持续发展报告

### 3.2 Economic Contribution

#### Overview

The Group is committed to expanding the business and further strengthening the brand by offering a quality shopping experience with a wide variety of quality merchandise, lifestyle products and customer-oriented services catering to middle-income consumers. The Group also continues to explore opportunities to improve our customers' shopping experience and to reach more target customers. These include the newly opened physical stores in strategic locations and the introduction of our E-Commerce platform. While the Group continues our business expansion and reaches new customers, the Group has not overlooked the satisfaction of our local customers. The Group strives to ensure all customer feedback collected is considered while we make every decision.

Annualised  
FY2022 Performance

**RMB1,073m**

Total Revenue

**157,371** <sup>sqm</sup>

GFA for Stores in Operation<sup>2</sup>

#### Expansion of Business

As of 30 June 2022, the Group has 18 self-owned stores and three managed stores, spanning an aggregate gross floor area (GFA) of about 200,000 sqm. Five self-owned stores are primarily supermarkets, with GFA ranging from 1,000 sqm to 4,000 sqm, while the rest are large integrated stores, with GFA ranging from 6,000 sqm to 28,000 sqm. Many of the larger stores also offer food and beverage options and other essential services to enhance our customers' shopping experience.

In this reporting period, the Group opened 3 new stores in strategic locations.

- (a) Jinjiang Qingyang Store located in Quanzhou City, Fujian Province, PRC opened on 26 March 2021. The new store occupied a GFA of 7,700 sqm and is located in a newly developed mixed residential and commercial development.
- (b) Quangang Nanshan Store located in Quanzhou City, Fujian Province, PRC opened on 20 August 2021. The new store occupied a GFA of 1,200 sqm and is located in strategic Quangang downtown areas.
- (c) Zhangzhou Port Store located in Zhangzhou City, Fujian Province, PRC opened on 28 December 2021. The new store occupied a GFA of 15,200 sqm and is located in a State Economic Development Zone.

This successful opening of the stores allows the Group to reach a large number of new customers in strategic and densely populated areas.

The Group will continue to expand its network of physical stores to provide a quality shopping experience to new customers.

1 The number of physical stores in operation only consists of the stores self-owned by ZMBH, which excludes the managed stores.

2 The GFA for stores in operation only consists of the floor areas of stores self-owned by ZMBH excluding floor areas rented to other stores and floor areas of managed stores.

# Sustainability Report

## 可持续发展报告

### Venture into E-Commerce

The Group understands the importance of keeping track of customers' changing requirements for the shopping experience. The lockdowns due to the outbreak of COVID-19 have changed the shopping habits of our customers, who now prefer to purchase via online shopping platforms. To seize the opportunities, starting on 29 July 2020, the Group has begun to offer online purchases for supermarket products of ZMBH.

The Group will continue to expand and adjust the products offered via the online shopping platform to attract more customers.

The Group will report the relevant performance matrices in the next report.

### Responsible Supply Chain

The Group understands that supply chain management is crucial to businesses in retail industries. The Group established strict supplier evaluation. Suppliers will be evaluated before the commencement of any commercial transactions with the Group. The evaluation consists of the Supplier's background, product quality, price, services and delivery time.

The Group prioritises local suppliers to support the local economy and reduces the cost and emissions associated with the transportation of products. The Group also continuously sources and diversity our supply chain. This has allowed the Group to prevent supply disruption while continuing to offer quality products to our customers.

The Group will report the relevant performance matrices in the next report.

### Key performance indicators: Economic Contribution

S/N	Description	FY2022	Annualised FY2022 Performance	Units
1	Total Revenue	1,610	1,073	RMB million
2	Number of Physical Stores in Operation <sup>1</sup>	16	16	Number
3	Total GFA for Stores in Operation <sup>2</sup>	157,371	157,371	sqm

1 The number of physical stores in operation only consists of the stores self-owned by ZMBH, which excludes the managed stores.  
2 The GFA for stores in operation only consists of the floor areas of stores self-owned by ZMBH excluding floor areas rented to other stores and floor areas of managed stores.

# Sustainability Report

## 可持续发展报告

### 3.3 Product Quality & Customer Satisfaction

#### Overview

The Group focuses on providing a quality shopping experience to our customers. To achieve this, we established a high standard of quality controls. Products are subject to strict and frequent checking to ensure the product meets our standards and customers' requirements. We also emphasize the shopping experience of our customers to ensure that feedback from our customers will be heard.

#### Product Quality and Safety

The Group has a high standard of product quality requirements. The Group has developed a comprehensive Goods Acceptance Management and Goods Inspection Management to ensure the mechanisms offered in our stores meet our and customer's quality standards. Store employees are required to perform a thorough good acceptance inspection. Incoming goods from our pre-qualified suppliers are subject to 100% inspection.

The Group also mandates weekly and monthly inspections of the quality and net weight of the products. For perishable goods such as fruits, vegetables, meats, eggs and marine products, the Group conducts daily testing for freshness and expiration. The test includes the detection of pesticide residue in fruits and vegetables and chloramphenicol in aquatic products.

Stringent protocols are implemented to handle goods that regularly fail our inspections or have been subject to frequent customer complaints. As such, these products may be blacklisted.

In the reporting period, the Group was not in violation of any of the relevant consumer and food safety laws and regulations in the countries that we operate in, which have a significant impact on the Group. As part of our strategy, we seek to continue to be fully compliant with relevant consumer and food safety laws and regulations in the countries that we operate in, that have a significant impact on the Group.

Annualised  
FY2022 Performance

**99.99%**

Product Quality Inspection  
Passing Rate

**99.90%**

Product Net Weight Inspection  
Passing Rate

**99.98%**

Farm Chemical Inspection  
Passing Rate

**100.00%**

Chloramphenicol Inspection  
Passing Rate

**99.62%**

Customer Satisfaction Rate

**317**

Number of Customer  
Complaints



# Sustainability Report

## 可持续发展报告

### Customer Feedback and Complaints

The Group focuses on providing a quality shopping experience to our customers. To ensure we continue to achieve our objectives, we developed comprehensive Customer Feedback and Complaint Management Policies to govern the handling of customer feedback and complaints.

The Group takes every feedback and complaint seriously and the Group expects its employee to do the same. The Group performs on-site processing of customer complaints. Customer feedback and complaints on our merchandise, services, return policies etc are taken care of immediately by our employees on-site. This is crucial for us to maintain a high customer satisfaction rate.

Every quarter, the Group conducts a customer satisfaction and feedback survey with a questionnaire. Based on the result of the survey, the Group analyses and investigates the result and feedback from customers. Areas of improvement will be identified and discussed within relevant departments for continuous monitoring.

### Key performance indicators: Product Quality and Customer Satisfaction

S/N	Description	FY2022	Annualised FY2022 Performance	Annual Target	Units	Progress
1	Product Quality Inspection Passing Rate	99.99	99.99	100	%	
2	Product Net Weight Inspection Passing Rate	99.90	99.90	100	%	
3	Farm Chemical Inspection Passing Rate	99.98	99.98	100	%	
4	Chloramphenicol Inspection Passing Rate	100.00	100.00	100	%	
5	Customer Satisfactory Rate	99.62	99.62	100	%	
6	Customer Complaints	475	317	< 280	Number	

# Sustainability Report

## 可持续发展报告

### 3.4 Green Operation

#### Overview

The Group recognises the importance of environmental protection as the starting point for sustainability. We continue to reduce the environmental impact of our operations and promote sustainable business operations in our stores.

#### Managing greenhouse gas emissions

To help manage our impact on climate change, we monitor and review our carbon footprint regularly. We are committed to positive action on climate change and dedicated to reducing the risk in the most efficient way for society by reducing Greenhouse Gas (**GHG**) emissions in our operations.

To determine the carbon footprint, we collect energy usage data from our operations and then calculate our total annual GHG emissions. The emission mainly arises from electricity consumption which accounted for 100% of the total carbon emission of ZMBH.

We follow the Greenhouse Gas Protocol established by the World Resources Institute and the World Business Council for Sustainable Development, the standard manual for measuring corporate greenhouse gas emissions.

Currently, our carbon footprint only includes all purchased electricity used in our stores (Scope 2 emissions).

In the reporting period, the Group had a total carbon footprint intensity of 212 kgCO<sub>2</sub>e/ sqm which is equivalent to an annualised carbon footprint intensity of 141 kgCO<sub>2</sub>e/ sqm. Our annualised carbon footprint largely maintained the same as the previous year.

We commit to ensuring that our carbon footprint intensity does not exceed 134 kgCO<sub>2</sub>e/ sqm. We will continue in our efforts to optimise eco-efficiency in our building operations without compromising our level of service to our customers.

Annualised  
FY2022 Performance

## 141kgCO<sub>2</sub>e

Carbon footprint intensity per  
sqm

## 227kWh

Electrical consumption  
intensity per sqm

# Sustainability Report

## 可持续发展报告

### Purchased electricity

The Group’s electricity consumption came from regular operations in our stores including electricity used to operate the elevators, central air-conditioning system and other equipment such as the refrigerators to ensure the freshness of our products.

In the reporting period, the Group had a total electricity consumption intensity of 341 kWh per sqm which equals an annualised electricity consumption intensity of 227 kWh per sqm. The annualised electricity usage largely maintained the same as the previous year.

The Group has a strict policy of saving electricity. All employees are required to adhere to the policy. The following are some of the initiatives the Group implemented to achieve the electricity-saving target:

- Place energy-saving reminder labels in strategic locations to remind the employee to turn off lights and equipment when not in use.
- Replace lights bulbs with electricity-saving light bulbs in the stores
- Regular preventive maintenance and replacement to ensure normal operation of equipment, elevators and central air-conditioning system in stores

We commit to ensuring that our electricity consumption intensity does not exceed 215 kWh per sqm. We will continue in our efforts to optimise eco-efficiency in our building operations without compromising our level of service to our customers.

### Water consumption

The Group’s water consumption came from regular operations in our stores including domestic use of water by employees and customers as well as water consumed for cleaning the stores.

The Group has a strict policy implemented to reduce water consumption. All employees are required to adhere to the policy. The following are some of the initiatives the Group implemented to achieve the water-saving target:

- Posters on “Saving Water” are placed in strategic locations to encourage water conservation
- Replace equipment with water-saving equipment

The Group will report the relevant performance matrices in the next report.

### Compliance with environmental regulations

In the reporting period, the Group was not in violation of any of the relevant environmental laws and regulations in the countries that we operate in, that have a significant impact on the Group. As part of our strategy, we seek to continue to be fully compliant with relevant environmental laws and regulations in the countries that we operate in, that have a significant impact on the Group.

### Key Performance Indicators: Green Operation

S/N	Description	FY2022	Annualised FY2022 Performance	Annual Target	Units	Progress
1	GHG emissions	33,331	22,221	< 21,000	tCO <sub>2</sub> e	
2	GHG emissions intensity	212	141	< 140	kgCO <sub>2</sub> e/sqm	
3	Electricity consumption	53,587	35,725	< 33,800	MWh	
4	Electricity consumption Intensity	341	227	< 225	kWh/sqm	

# Sustainability Report

## 可持续发展报告

### 3.5 Employee Development and Welfare

#### Overview

The Group understands that the retail industry is highly competitive. Our employees are required to interact with our customers frequently to provide the best shopping experience to our customers. Our employees are well-trained to serve our discerning customers, maintain a high level of customer satisfaction and acquire new skills and product knowledge over time. Hence, the Group emphasises providing training opportunities equally to all our employees based on the needs identified. Through these efforts, we are well-positioned to provide a constructive working experience to our employees and contribute to the economic development and skilled labour resources of the local community.

#### Skills competency and employee training

To ensure that our employees excel, the Group established a training academy, staffed by full-time and part-time trainers. These trainers are highly experienced in retail industries and knowledgeable about our products.

The Group categorised the training into the following:

(a) New Hires

New hires are required to attend our Pre-Job Training with a duration of 1.5 days (approximately 9 hours). The following are some of the main contents of the training:

- Employee Manual
- Business Etiquette
- Relevant Law and Regulations
- Correct Handling of Customer Actions

(b) Existing Employee

Existing employees are required to attend at least 6 training annually. The following are some of the main contents of the training:

- Enterprise Culture
- Shopping Guide Skills
- Commodity Knowledge
- Service Consciousness

(c) Management Employee

All management employees are required to attend training workshops with a duration of approximately 1 to 2 days annually. The following are some of the main contents of the workshop:

- Corporate Culture
- Management Knowledge
- Case Studies

In the reporting period, the Group invested a total of 193,445 training hours which represented an average of 73 training hours per employee. This is equivalent to 128,963 annualised training hours which represented an average of 49 training hours per employee.

Annualised  
FY2022 Performance

**128,963**

Total training hours

**49**

Average training hours per  
employee

**81%**

Female representation in the  
workforce

**0**

Fatalities in workplace<sup>1</sup>

**0**

High-consequence injuries in  
workplace<sup>1</sup>

**11**

Recordable injuries in  
workplace<sup>1</sup>

**0**

Recordable work-related ill  
health cases in workplace<sup>1</sup>

<sup>1</sup> The Group commenced the tracking of relevant performance indicators on 1 July 2021. Hence, the reported data is from 1 July 2021 to 30 June 2022.



# Sustainability Report

## 可持续发展报告

### Performance appraisal

To ensure the Company achieves its objective, the Group implemented an annual performance appraisal to determine each employee. The employee performance appraisal comprises mainly quantifiable evaluation criteria. The Group also actively collects performance information for each employee through inputs from direct supervisors and feedback.

To ensure proper two-way communication between the management and our employees, the Group also encourages direct communication via periodical employee communication sessions. This information allows the management to understand the performance and skills development needs of each employee and to develop training programs for an employee that are designed to enhance the skills of the employee and aim to improve customer satisfaction.

The Group will report the relevant performance matrices in the next report.

### Equal opportunity

The Group has always been an equal opportunity employer to provide a fair workplace for employees, following the principles of equality and non-discrimination. Recruitment, remuneration, promotion, and benefits are required to be handled based on objective assessment, equal opportunity and non-discrimination regardless of gender, race, marital status, pregnancy, disability, age or family status. The Group attracts talent through a fair, and flexible recruitment strategy that includes recruitment applications, job descriptions, job application, interviews, selection, approval, and job offer. Promotion is based on performance and suitability.

In this reporting period, female employees comprise 81% of our entire workforce.

### Work safety

The Group emphasises providing a safe working environment to our employees. To achieve this, the Group developed a comprehensive work safety guideline to ensure the employee adheres to the Group's work safety standard.

Work safety training is conducted periodically based on the training program to serve as a reminder to our employees of the importance of maintaining a safe working environment in our offices and stores.

The Group commenced the tracking of work safety performance on 1 July 2021. Hence, the Group reports the performance from 1 July 2021 to 30 June 2022. From 1 July 2021 to 30 June 2022, the Group reports zero fatalities, high-consequence injuries and recordable work-related ill health cases. A total of 11 recordable workplace injuries are recorded. These recordable workplace injuries were attended immediately and the employee has since fully recovered.

### Key Performance Indicators: Employee Development and Welfare

S/N	Description	FY2022	Annualised FY2022 Performance	Target	Units	Progress
1	Average training hours per employee	73	49	> 58	Hours	
2	Female representation in the workforce	81	81	85	%	

S/N	Description	1 July 2021 to 30 June 2022	Target	Units	Progress
1	Fatalities in workplace	0 <sup>1</sup>	0	Number	
2	High-consequence injuries in the workplace	0 <sup>1</sup>	0	Number	
3	Recordable injuries in the workplace	11 <sup>1</sup>	< 8	Number	
4	Recordable work-related ill health cases in the workplace	0 <sup>1</sup>	0	Number	

1 The Group commenced the tracking of relevant performance indicators on 1 July 2021. Hence, the reported data is from 1 July 2021 to 30 June 2022.

# Sustainability Report

## 可持续发展报告

### Appendix A: Corporate milestones

Year	Store Name	GFA (m <sup>2</sup> )
1997	Quanzhou Anxi Store (Managed Store) 福建省泉州市安溪店 (管理店)	6,400
1999	Quanzhou Tumen Store 福建省泉州市涂门店	16,400
2003	Quanzhou Quangang Store 福建省泉州市泉港店	16,900
2003	Zhangzhou Zhongshan Store (Managed Store) 福建省漳州市中山店 (管理店)	11,100
2006	Quanzhou Quanxiu Store 福建省泉州市泉秀店	10,400
2009	Quanzhou Hui'an Huixing Store (Managed Store) 福建省泉州市惠安惠兴店 (管理店)	10,900
2010	Xiamen Wucun Store 福建省厦门市梧村店	28,700
2011	Xiamen Lvco Store 福建省厦门市吕厝店	23,300
2013	Quanzhou Xinhua Store 福建省泉州市新华店	14,400
2014	Quanzhou Qiaonan Store 福建省泉州市桥南店	6,300
2014	Quanzhou Hui'an Chengnan Store 福建省泉州市惠安城南店	25,500
2016	Quanzhou Wanxiang Store 福建省泉州市万祥店	1,000
2016	Quanzhou Anxi Railway Station Store 福建省泉州市安溪火车站店	3,700
2018	Changsha Sasseur (ZMBH) Outlets 湖南省长沙砂之船 (中闽百汇) 奥莱	211,000
2019	Xiamen Haicang Maluanwan Store 福建省厦门市海沧区马銮湾店	1,400
2019	Quanzhou Luncang Store 福建省泉州市仑苍店	4,000
2019	Quanzhou Yongchun Store 福建省泉州市永春店	23,000
2019	Zhangzhou Jinfeng Store 福建省漳州市金峰店	1,400
2020	Quanzhou Guanqiao Store 福建省泉州市官桥店	6,400
2021	Quanzhou Jinjiang Qingyang Store 福建省泉州市晋江清阳店	7,700
2021	Quanzhou Quangang Nanshan Store 福建省泉州市泉港南山店	1,220
2021	Zhangzhou Zhangzhou Port Store 福建省漳州市漳州港店	15,200

# Sustainability Report

## 可持续发展报告

### Appendix B: Sustainability scorecard

#### Governance

Topics	Units	FY2022 (1 Jan 2021 to 30 Jun 2022)	Annualised FY2022 Performance	FY2020
Independent Directors	%	67	67	43
Females on the Board of Directors	%	20	20	14
Females in Senior Management	%	50	50	33
Confirmed incidents of corruption	Number	0	0	0
Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Number	0	0	0
Employees that received anti-corruption training	Number	0	0	0
Employees that received anti-corruption training	%	0	0	0

#### Economic Contribution

Performance indicators	Units	FY2022 (1 Jan 2021 to 30 Jun 2022)	Annualised FY2022 Performance	FY2020
Total Revenue	RMB million	1,610	1,073	1,230
Number of Physical Stores in Operation*	Number	16	16	17
Total GFA for Stores in Operation**	m <sup>2</sup>	157,371	157,371	148,021

#### Product Quality and Customer Satisfaction

Performance indicators	Units	FY2022 (1 Jan 2021 to 30 Jun 2022)	Annualised FY2022 Performance	FY2020
Product Quality Inspection Passing Rate	%	99.99	99.99	99.98
Product Net Weight Inspection Passing Rate	%	99.90	99.90	99.86
Farm Chemical Inspection Passing Rate	%	99.98	99.98	99.97
Chloramphenicol Inspection Passing Rate	%	100	100	99.97
Customer Satisfactory Rate	%	99.62	99.62	99.65
Customer Complaints	Number	475	316	440

#### Green Operations

Performance indicators	Units	FY2022 (1 Jan 2021 to 30 Jun 2022)	Annualised FY2022 Performance	FY2020
GHG emissions	tCO <sub>2</sub> e	33,331	22,221	22,710
GHG emissions intensity	kgCO <sub>2</sub> e/ m <sup>2</sup>	212	141	153
Electricity consumption	MWh	53,587	35,725	36,511
Electricity consumption Intensity	kWh/ m <sup>2</sup>	341	227	247

\* The number of physical stores in operation only consists of the stores self-owned by ZMBH, which excludes the managed stores.

\*\* The GFA for stores in operation only consists of the floor areas of stores self-owned by ZMBH excluding floor areas rented to other stores and floor areas of managed stores.

# Sustainability Report

## 可持续发展报告

### Employee Development and Welfare

Performance indicators	Units	FY2022 (1 Jan 2021 to 30 Jun 2022)	Annualised FY2022 Performance	FY2020
Female employee	%	81%	81%	**
Female employee turnover	%	5%*	5%*	**
Employee turnover	%	6%*	6%*	**
Total number of employees	Number	2,632	2,632	**
Total training hours	Hours	193,445	128,963	99,247
Average training hours per employee	Hours	53	49	**
Fatalities in workplace	Number	0*	0*	**
High-consequence injuries in the workplace	Number	0*	0*	**
Recordable injuries in the workplace	Number	11*	11*	**
Recordable work-related ill health cases in the workplace	Number	0*	0*	**

\* The Company commenced the tracking of relevant performance indicators on 1 July 2021. Hence, the reported data is from 1 July 2021 to 30 June 2022.

\*\* The Company commenced the tracking of relevant performance indicators on 1 July 2021. Hence, there is no comparative data reported.



# Sustainability Report

## 可持续发展报告

### Appendix C: GRI content index

#### GRI Standards Content Index

The GRI Content Index references the ZMBH Sustainability Report 2022 (SR), and the Annual Report 2022 (AR).

Disclosure number	Disclosure title	Page reference and remarks	
<b>GRI 102: General disclosures</b>			
<b>Organisational profile</b>	102-1	Name of organisation	• Corporate Profile (Pages 1 to 2)
	102-2	Activities, brands, products, and services	• Corporate Profile (Pages 1 to 2)
	102-3	Location of headquarters	• Corporate Profile (Pages 1 to 2)
	102-4	Location of operations	• Locations of Stores (Page 3) • Investments in Subsidiaries – Note 10 to the Financial Statements (Pages 104 to 105)
	102-5	Ownership and legal form	• Notes to the Financial Statements (Page 83)
	102-6	Markets served	• Corporate Profile (Pages 1 to 2)
	102-7	Scale of organisation	• Corporate Profile (Pages 1 to 2)
	102-8	Information on employees and other workers	• Employee Development and Welfare (Pages 60 to 61)
	102-9	Supply chain	• Responsible Supply Chain (Page 55)
	102-10	Significant changes to the organisation and its supply chain	• Corporate Profile (Pages 1 to 2) • Store Opening Timeline (Page 4)
	102-11	Precautionary Principle or approach	• Corporate Governance Report (Pages 25 to 43)
	102-12	External initiatives	• Not applicable
<b>Strategy</b>	102-14	Statement from senior decision-maker	• Chairman's Statement (Pages 12 to 13) • CEO's Statement (Pages 14 to 15)
	102-15	Key impacts, risks, and opportunities	• Independent Auditor's Report (Pages 72 to 75)
<b>Ethics and integrity</b>	102-16	Values, principles, standards, and norms of behaviour	• Sustainability Strategy (Page 50)
	102-17	Mechanisms for advice and concerns about ethics	• Corporate Governance Report (Pages 25 to 43)

# Sustainability Report

## 可持续发展报告

Disclosure number	Disclosure title	Page reference and remarks
<b>Governance</b>	102-18 Governance structure	<ul style="list-style-type: none"> <li>Corporate Governance Report (Pages 25 to 43)</li> </ul>
	102-19 Delegating authority	<ul style="list-style-type: none"> <li>Corporate Governance Report (Pages 25 to 43)</li> </ul>
	102-20 Executive-level responsibility for economic, environmental, and social topics	<ul style="list-style-type: none"> <li>Sustainability Organisational Structure (Page 49)</li> </ul>
	102-21 Consulting stakeholders on economic, environmental, and social topics	<ul style="list-style-type: none"> <li>Consulting Our Stakeholders (Page 51)</li> </ul>
	102-22 Composition of the highest governance body and its committees	<ul style="list-style-type: none"> <li>Corporate Governance Report (Pages 25 to 43)</li> </ul>
	102-23 Chair of the highest governance body	<ul style="list-style-type: none"> <li>Corporate Governance Report (Pages 25 to 43)</li> </ul>
	102-24 Nominating and selecting the highest governance body	<ul style="list-style-type: none"> <li>Corporate Governance Report (Pages 25 to 43)</li> </ul>
	102-25 Conflicts of interest	<ul style="list-style-type: none"> <li>Corporate Governance Report (Pages 25 to 43)</li> </ul>
	102-26 Role of the highest governance body in setting purpose, values, and strategy	<ul style="list-style-type: none"> <li>Corporate Governance Report (Pages 25 to 43)</li> </ul>
	102-27 The collective knowledge of the highest governance body	<ul style="list-style-type: none"> <li>Corporate Governance Report (Pages 25 to 43)</li> </ul>
	102-28 Evaluating the highest governance body's performance	<ul style="list-style-type: none"> <li>Corporate Governance Report (Pages 25 to 43)</li> </ul>
	102-29 Identifying and managing economic, environmental, and social impacts	<ul style="list-style-type: none"> <li>Sustainability Materiality (Page 52)</li> </ul>
	102-30 Effectiveness of risk management processes	<ul style="list-style-type: none"> <li>Corporate Governance Report (Pages 25 to 43)</li> </ul>
	102-31 Review of economic, environmental, and social topics	<ul style="list-style-type: none"> <li>Sustainability Report (Pages 54 to 61)</li> </ul>
	102-32 Highest governance body's role in sustainability reporting	<ul style="list-style-type: none"> <li>Sustainability Organisational Structure (Page 49)</li> </ul>
	102-33 Communicating critical concerns	<ul style="list-style-type: none"> <li>Sustainability Materiality (Page 52)</li> </ul>
	102-34 Nature and the total number of critical concerns	<ul style="list-style-type: none"> <li>Sustainability Materiality (Page 52)</li> </ul>
	102-35 Remuneration policies	<ul style="list-style-type: none"> <li>Corporate Governance Report (Pages 25 to 43)</li> </ul>
	102-36 Process for determining remuneration	<ul style="list-style-type: none"> <li>Corporate Governance Report (Pages 25 to 43)</li> </ul>
	102-37 Stakeholders' involvement in remuneration	<ul style="list-style-type: none"> <li>Corporate Governance Report (Pages 25 to 43)</li> </ul>
102-38 Annual total compensation ratio	<ul style="list-style-type: none"> <li>Corporate Governance Report (Pages 25 to 43)</li> </ul>	
102-39 Percentage increase in annual total compensation ratio	<ul style="list-style-type: none"> <li>Corporate Governance Report (Pages 25 to 43)</li> </ul>	

# Sustainability Report

## 可持续发展报告

Disclosure number	Disclosure title	Page reference and remarks
<b>Stakeholder engagement</b>	102-40	List of stakeholder groups • Consulting Our Stakeholders (Page 51)
	102-41	Collective bargaining agreements • Not applicable
	102-42	Identifying and selecting stakeholders • Consulting Our Stakeholders (Page 51)
	102-43	Approach to stakeholder engagement • Sustainability Strategy (Page 50)
	102-44	Key topics and concerns raised • Consulting Our Stakeholders (Page 51)
<b>Reporting practice</b>	102-45	Entities included in the consolidated financial statements • Investments in Subsidiaries – Note 10 to the Financial Statements (Pages 104 to 105)
	102-46	Defining report content and topic Boundaries • Sustainability Materiality (Page 52)
	102-47	List of material topics • Sustainability Materiality (Page 52)
	102-48	Restatements of information • Restatements (Page 48)
	102-49	Changes in reporting • Not applicable
	102-50	Reporting period • Scope of Sustainability Report (Page 48)
	102-51	Date of the most recent report • 28 May 2021
	102-52	Reporting cycle • Annual
	102-53	Contact point for questions regarding the report • Sustainability Contact (Page 48)
	102-54	Claims of reporting in accordance with the GRI Standards • Scope of Sustainability Report (Page 48)
	102-55	GRI content index • GRI Content Index (Pages 65 to 68)
	102-56	External assurance • No External Assurance
<b>GRI 200: Economic disclosures (applicable sections only)</b>		
<b>Economic performance</b>	201-1	Direct economic value generated and distributed • Financial Highlights (Pages 16 to 17)
<b>Procurement practices</b>	204-1	The proportion of spending on local suppliers • Responsible Supply Chain (Page 55)
<b>Anti-corruption</b>	205-3	Confirmed incidents of corruption and actions taken • There are no incidences of corruption.
<b>Anti-competitive behaviour</b>	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices • There are no legal actions for anti-competition.
<b>GRI 300: Environment disclosures (applicable sections only)</b>		
<b>Energy</b>	302-1	Energy consumption within the organisation • Green Operation (Pages 58 to 59) • Sustainability Scorecard (Pages 63 to 64)
	302-4	Reduction of energy consumption • Green Operation (Pages 58 to 59) • Sustainability Scorecard (Pages 63 to 64)
<b>Water</b>	303-1	Water withdrawal by source • Green Operation (Pages 58 to 59) • Sustainability Scorecard (Pages 63 to 64)

# Sustainability Report

## 可持续发展报告

Disclosure number	Disclosure title	Page reference and remarks
<b>Emissions</b>	305-1 Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> <li>Green Operation (Pages 58 to 59)</li> <li>Sustainability Scorecard (Pages 63 to 64)</li> </ul>
	305-2 Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> <li>Green Operation (Pages 58 to 59)</li> <li>Sustainability Scorecard (Pages 63 to 64)</li> </ul>
	305-3 Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> <li>Green Operation (Pages 58 to 59)</li> <li>Sustainability Scorecard (Pages 63 to 64)</li> </ul>
<b>Laws and regulations</b>	307-1 Non-compliance with environmental laws and regulations	<ul style="list-style-type: none"> <li>Green Operation (Pages 58 to 59)</li> </ul>
<b>GRI 400: Social disclosures (applicable sections only)</b>		
<b>Employment</b>	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> <li>Employee Development and Welfare (Pages 60 to 61)</li> </ul>
<b>Occupational health and safety</b>	403-2 Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	<ul style="list-style-type: none"> <li>Employee Development and Welfare (Pages 60 to 61)</li> <li>Sustainability Scorecard (Pages 63 to 64)</li> </ul>
<b>Training and education</b>	404-1 Average hours of training per year per employee	<ul style="list-style-type: none"> <li>Employee Development and Welfare (Pages 60 to 61)</li> <li>Sustainability Scorecard (Pages 63 to 64)</li> </ul>
	404-2 Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> <li>Employee Development and Welfare (Pages 60 to 61)</li> </ul>
	404-3 Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none"> <li>Employee Development and Welfare (Pages 60 to 61)</li> </ul>
<b>Diversity and equal opportunity</b>	405-1 Diversity of governance bodies and employees	<ul style="list-style-type: none"> <li>Sustainability Scorecard (Pages 63 to 64)</li> </ul>
<b>Non-discrimination</b>	406-1 Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"> <li>There are no incidents of discrimination.</li> </ul>
<b>Child labour</b>	408-1 Operations and suppliers at significant risk for incidents of child labour	<ul style="list-style-type: none"> <li>Child labour is strictly prohibited</li> </ul>
<b>Forced or compulsory labour</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	<ul style="list-style-type: none"> <li>Forced and compulsory labour is strictly prohibited</li> </ul>
<b>Socioeconomic compliance</b>	419-1 Non-compliance with laws and regulations in the social and economic area	<ul style="list-style-type: none"> <li>There is no non-compliance with socioeconomic laws and regulations</li> </ul>



# Directors' Statement

The directors present their statement to the members together with the audited consolidated financial statements of Zhongmin Baihui Retail Group Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial period from 1 January 2021 to 30 June 2022.

## Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the period from 1 January 2021 to 30 June 2022; 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:-

Lee Swee Keng  
Chen Kaitong  
Choy Bing Choong  
Goh Poh Kee  
Kho Kewee

## Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

## Directors' interest in shares and debentures

The following directors, who held office at the end of the financial period, had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
<b>Ordinary shares of the Company</b>				
Lee Swee Keng	48,290,700	48,290,700	-	-
Chen Kaitong	47,400,680	47,400,680	-	-

# Directors' Statement

## Directors' interest in shares and debentures (cont'd)

There was no change in any of the above-mentioned interest in the Company between the end of the financial period and 21 July 2022.

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

## Options

There is presently no option scheme on unissued shares of the Company.

## Audit Committee

The Audit Committee ("AC") carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
- Reviewed the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditors;
- Met with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditors;
- Reviewed the nature and extent of non-audit services provided by the external auditors;
- Recommended to the board of directors the external auditors to be nominated, approved the compensation of the external auditors, and reviewed the scope and results of the audit;
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

# Directors' Statement

## **Audit Committee (cont'd)**

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the financial year with attendance as shown in the Corporate Governance Report. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

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

On behalf of the board of directors,

Lee Swee Keng  
Director

Chen Kaitong  
Director

Singapore  
9 November 2022

# Independent Auditor's Report

to the Members of Zhongmin Baihui Retail Group Ltd.  
For the financial period from 1 January 2021 to 30 June 2022

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Zhongmin Baihui Retail Group Ltd (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 30 June 2022, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the period from 1 January 2021 to 30 June 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS (I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the period from 1 January 2021 to 30 June 2022.

### Basis for Opinion

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

### Key Audit Matters

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

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



# Independent Auditor's Report

to the Members of Zhongmin Baihui Retail Group Ltd.  
For the financial period from 1 January 2021 to 30 June 2022

## Key Audit Matters (cont'd)

### Cash and bank balances

The Group's cash and bank balances were significant as they represented 18% of the Group's total assets balance. The cash and bank balances held by the Company and its subsidiaries represented 1% and 99% of the total cash and bank balances, respectively. A significant portion of the cash and bank balances were held by the Group's subsidiaries in China for the operation of the retail malls which involve voluminous cash transactions. Additionally, they are subjected to higher inherent risk of theft and pilferage. As such we determined this to be a key audit matter.

Our audit procedures include, among others, obtaining bank confirmations from the banks and comparing the bank balances recorded by the subsidiaries for those bank accounts. We have also reviewed the bank reconciliations prepared by management as at year end and tested the reconciling items for selected samples. For the cash floats held by the employees, we performed surprise cash counts on a sample basis for selected cash floats held and performed rollforward procedures as at year end.

We also focused on the adequacy of the disclosures related to cash and bank balances in Note 22 to the consolidated financial statements.

### Gold inventory

The Group's gold inventory balance represents 10% of the Group's total current assets balance. Additionally, gold inventory is subject to higher inherent risk of theft and pilferage and its price is subject to market volatility. As such we determined this to be a key audit matter.

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

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

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

The Group operates several departmental stores in China and its total property, plant and equipment and right-of-use assets represent 12% and 28% of the Group's total assets balance respectively. For the financial period ended 30 June 2022, the Group has assessed the loss-making stores to have indicators of impairment. The impairment assessment involves significant judgements and estimates in determination of the recoverable amount, in particular those relating to gross margin, growth rates, market rent as well as overall market and economic conditions of the industry brought on by the COVID pandemic. Due to the significance of the amounts, the judgements and estimates involved in the impairment assessment, we considered this as a key audit matter.

Our audit procedures included, amongst others, engaged our valuation specialist to assist us in assessing the appropriateness of management's assumptions such as discount rate applied in the value-in-use model and market rent applied in the fair value model. We also obtained an understanding of management's planned strategy on revenue growth, gross profit margin, and cost initiatives and compared these assumptions against our knowledge of the store operations and historical performance. We have also considered the adequacy of the disclosures in Notes 8 and 25 of the financial statements.

# Independent Auditor's Report

to the Members of Zhongmin Baihui Retail Group Ltd.  
For the financial period from 1 January 2021 to 30 June 2022

## Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## 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), 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.

# Independent Auditor's Report

to the Members of Zhongmin Baihui Retail Group Ltd.  
For the financial period from 1 January 2021 to 30 June 2022

## Auditor's responsibilities for the audit of the financial statements (cont'd)

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

## Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Ho Shyan Yan.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore

9 November 2022

# Consolidated Statement of Comprehensive Income

For the financial period from 1 January 2021 to 30 June 2022

	Note	Group	
		1 Jan 2021 to 30 Jun 2022 RMB	Year ended 31 Dec 2020 RMB
<b>Revenue</b>	4	1,609,605,578	1,230,233,985
Cost of sales		(1,231,286,029)	(946,927,887)
<b>Gross profit</b>		378,319,549	283,306,098
Other income		130,511,414	94,259,840
Interest income		8,760,623	6,676,841
Selling and distribution expenses		(321,946,403)	(199,440,612)
Finance costs		(27,361,908)	(15,004,968)
Administrative expenses		(177,501,990)	(100,768,181)
<b>(Loss)/profit before tax and share of results of joint ventures and associates</b>		(9,218,715)	69,029,018
Share of results of joint ventures	11	(14,346,867)	(3,977,218)
Share of results of associates	12	23,297,292	12,871,972
<b>(Loss)/profit before tax</b>	5	(268,290)	77,923,772
Income tax expense	6	(32,775,682)	(22,688,411)
<b>(Loss)/profit for the period/year</b>		(33,043,972)	55,235,361
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Loss on foreign currency translation		(816,913)	(531,320)
Other comprehensive income for the period/year, net of tax		(816,913)	(531,320)
Total comprehensive income for the period/year attributable to the owners of the Company		(33,860,885)	54,704,041
(Loss)/earnings per share (cents per share)			
Basic and diluted	7	(17.23)	28.80

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



## Balance Sheets

As at 30 June 2022

	Note	Group		Company	
		30 Jun 2022	31 Dec 2020	30 Jun 2022	31 Dec 2020
		RMB	RMB	RMB	RMB
<b>Non-current assets</b>					
Property, plant and equipment	8	149,932,837	151,568,558	14,219	28,979
Right-of-use assets	25	352,096,156	199,398,023	483,515	130,279
Intangible assets	9	3,809,553	3,809,553	–	–
Investment in subsidiaries	10	–	–	104,994,336	63,256,736
Investment in joint ventures	11	2,977,753	8,554,620	–	–
Investment in associates	12	76,695,710	42,567,577	–	–
Prepayments	16	–	5,066,959	–	–
Other receivables	17	11,314,187	11,863,650	66,664	77,038
Deferred tax assets	14	7,940,987	17,213,889	1,263	1,157
Other assets	26	2,402,884	3,786,347	–	–
		<u>607,170,067</u>	<u>443,829,176</u>	<u>105,559,997</u>	<u>63,494,189</u>
<b>Current assets</b>					
Inventories	15	169,749,086	159,543,766	–	–
Prepayments	16	19,770,192	67,526,492	30,696	28,536
Trade and other receivables	17	32,785,845	45,289,927	38,986	346
Amount due from a subsidiary	18	–	–	42,352,103	65,473,185
Amount due from an associate	19	15,900,000	41,400,000	–	–
Amount due from a joint venture	20	193,010,472	–	–	–
Amount due from related parties	21	8,649,372	10,363,698	–	–
Cash and cash equivalents	22	189,770,127	324,345,927	2,723,552	15,293,132
Restricted cash	23	40,000,000	–	–	–
		<u>669,635,094</u>	<u>648,469,810</u>	<u>45,145,337</u>	<u>80,795,199</u>
<b>Less: Current liabilities</b>					
Loans and borrowings	32	148,730,285	2,571,775	44,430,285	2,571,775
Trade and other payables	24	447,648,744	429,703,320	422	378
Lease liabilities	25	65,998,222	62,783,315	254,318	137,087
Other liabilities	26	51,992,940	38,870,792	2,737,921	2,858,501
Amount due to related parties	21	23,207,026	68,885,044	–	–
Income tax payable		14,312,579	20,174,546	–	–
		<u>751,889,796</u>	<u>622,988,792</u>	<u>47,422,946</u>	<u>5,567,741</u>
<b>Net current (liabilities)/ assets</b>		(82,254,702)	25,481,018	(2,277,609)	75,227,458
<b>Non-current liabilities</b>					
Loans and borrowings	32	20,834,622	61,619,716	12,834,622	61,619,716
Lease liabilities	25	328,457,348	180,022,270	236,627	–
Deferred tax liabilities	14	14,745,078	14,520,777	9,987,176	10,821,132
<b>Net assets</b>		<u>160,878,317</u>	<u>213,147,431</u>	<u>80,223,963</u>	<u>66,280,799</u>
<b>Equity attributable to the owners of the Company</b>					
Share capital	27	67,147,926	67,147,926	67,147,926	67,147,926
Treasury shares	28	(25,092,662)	(25,030,914)	(25,092,662)	(25,030,914)
Reserves	29	118,823,053	171,030,419	38,168,699	24,163,787
<b>Total equity</b>		<u>160,878,317</u>	<u>213,147,431</u>	<u>80,223,963</u>	<u>66,280,799</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Statements of Changes in Equity

For the financial period from 1 January 2021 to 30 June 2022

Group	Attributable to owners of the Company						
	Equity, total RMB	Share capital (Note 27) RMB	Treasury shares (Note 28) RMB	Reserves, total RMB	Revenue reserve RMB	Statutory reserve fund (Note 29b) RMB	Foreign currency translation reserve (Note 29a) RMB
<b>2022</b>							
<b>Opening balance at 1 January 2021</b>	213,147,431	67,147,926	(25,030,914)	171,030,419	138,523,784	32,795,761	(289,126)
Loss for the period	(33,043,972)	-	-	(33,043,972)	(33,043,972)	-	-
<u>Other comprehensive income</u>							
Exchange differences on translating foreign operations	(816,913)	-	-	(816,913)	-	-	(816,913)
Total comprehensive income for the period	(33,860,885)	-	-	(33,860,885)	(33,043,972)	-	(816,913)
<u>Contributions by and distributions to owners</u>							
Purchase of treasury shares	(61,748)	-	(61,748)	-	-	-	-
Dividends (Note 37)	(18,346,481)	-	-	(18,346,481)	(18,346,481)	-	-
Total contributions by and distributions to owners	(18,408,229)	-	(61,748)	(18,346,481)	(18,346,481)	-	-
<u>Others</u>							
Transfer to statutory reserve fund	-	-	-	-	(5,095,368)	5,095,368	-
<b>Closing balance at 30 June 2022</b>	<b>160,878,317</b>	<b>67,147,926</b>	<b>(25,092,662)</b>	<b>118,823,053</b>	<b>82,037,963</b>	<b>37,891,129</b>	<b>(1,106,039)</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Statements of Changes in Equity

For the financial period from 1 January 2021 to 30 June 2022

Group	Attributable to owners of the Company					Foreign currency translation reserve (Note 29a) RMB	
	Equity, total RMB	Share capital (Note 27) RMB	Treasury shares (Note 28) RMB	Reserves, total RMB	Revenue reserve RMB		Statutory reserve fund (Note 29b) RMB
<b>2020</b>							
<b>Opening balance at 1 January 2020</b>	182,680,423	67,147,926	(24,853,005)	140,385,502	112,790,949	27,352,359	242,194
Profit for the year	55,235,361	-	-	55,235,361	55,235,361	-	-
<u>Other comprehensive income</u>							
Exchange differences on translating foreign operations	(531,320)	-	-	(531,320)	-	-	(531,320)
Total comprehensive income for the year	54,704,041	-	-	54,704,041	55,235,361	-	(531,320)
<u>Contributions by and distributions to owners</u>							
Purchase of treasury shares	(177,909)	-	(177,909)	-	-	-	-
Dividends (Note 37)	(24,059,124)	-	-	(24,059,124)	(24,059,124)	-	-
Total contributions by and distributions to owners	(24,237,033)	-	(177,909)	(24,059,124)	(24,059,124)	-	-
<u>Others</u>							
Transfer to statutory reserve fund	-	-	-	-	(5,443,402)	5,443,402	-
<b>Closing balance at 31 December 2020</b>	<b>213,147,431</b>	<b>67,147,926</b>	<b>(25,030,914)</b>	<b>171,030,419</b>	<b>138,523,784</b>	<b>32,795,761</b>	<b>(289,126)</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Statements of Changes in Equity

For the financial period from 1 January 2021 to 30 June 2022

Company	Equity, total		Share capital (Note 27)		Treasury shares (Note 28)		Reserves, total		Revenue reserve		Foreign currency translation reserve (Note 29a)	
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
<b>2022</b>												
<b>Opening balance at 1 January 2021</b>	66,280,799	67,147,926	(25,030,914)				24,163,787		24,463,037		(299,250)	
Profit for the period	33,168,306	-	-	-	-	-	33,168,306		33,168,306		-	
Other comprehensive income												
Exchange differences on translating foreign operations	(816,913)	-	-	-	-	-	(816,913)		-		(816,913)	
Total comprehensive income for the period	32,351,393	-	-	-	-	-	32,351,393		33,168,306		(816,913)	
<u>Contributions by and distributions to owners</u>												
Purchase of treasury shares	(61,748)	-	(61,748)				-		-		-	
Dividends (Note 37)	(18,346,481)	-	-	-	-	-	(18,346,481)		(18,346,481)		-	
Total contributions by and distributions to owners	(18,408,229)	-	(61,748)				(18,346,481)		(18,346,481)		-	
<b>Closing balance at 30 June 2022</b>	<b>80,223,963</b>	<b>67,147,926</b>	<b>(25,092,662)</b>				<b>38,168,699</b>		<b>39,284,862</b>		<b>(1,116,163)</b>	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# Statements of Changes in Equity

For the financial period from 1 January 2021 to 30 June 2022

Company	Equity, total		Share capital (Note 27)		Treasury shares (Note 28)		Reserves, total		Revenue reserve		Foreign currency translation reserve (Note 29a)	
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
<b>2020</b>												
<b>Opening balance at 1 January 2020</b>	60,617,603	67,147,926	(24,853,005)				18,322,682	18,090,612	232,070			
Profit for the year	30,431,549	-	-	-	-	-	30,431,549	30,431,549	-			
Other comprehensive income												
Exchange differences on translating foreign operations	(531,320)	-	-	-	-	-	(531,320)	-	(531,320)			
Total comprehensive income for the year	29,900,229	-	-	-	-	-	29,900,229	30,431,549	(531,320)			
Contributions by and distributions to owners												
Purchase of treasury shares	(177,909)	-	(177,909)	-	-	-	-	-	-			
Dividends (Note 37)	(24,059,124)	-	-	-	-	-	(24,059,124)	(24,059,124)	-			
Total contributions by and distributions to owners	(24,237,033)	-	(177,909)	(24,059,124)								
<b>Closing balance at 31 December 2020</b>	<b>66,280,799</b>	<b>67,147,926</b>	<b>(25,030,914)</b>	<b>24,163,787</b>	<b>24,463,037</b>	<b>(299,250)</b>						

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Consolidated Cash Flow Statement

For the financial period from 1 January 2021 to 30 June 2022

	Note	1 Jan 2021 to 30 Jun 2022 RMB	Year ended 31 Dec 2020 RMB
<b>Cash flows from operating activities</b>			
(Loss)/profit before taxation		(268,290)	77,923,772
Adjustments for:			
Depreciation of property, plant and equipment	8	19,421,253	12,284,191
Depreciation of right-of-use assets	25	98,838,530	66,641,044
Impairment on property, plant and equipment	8	9,068,225	–
(Write-back)/impairment on right-of-use assets	25	(6,151,268)	6,151,268
Reversal of provision for termination of lease		(1,762,413)	–
Provision for termination of lease	5	17,145,589	–
Amount due to related parties written off		(756)	–
Net gain on disposal of property, plant and equipment		(431,957)	(5,995)
Amortisation of step rental income		1,383,463	132,142
Accrued step rental income written off	5	–	821,737
Inventories written off/(back)		66,235	(305,053)
Interest income		(8,760,623)	(6,676,841)
Finance costs		27,361,909	15,004,968
Rent concession		–	(7,110,155)
Share of results of joint ventures		14,346,867	3,977,218
Share of results of associates		(23,297,292)	(12,871,972)
Unrealised exchange difference		(1,338,348)	(1,490,347)
<b>Operating cash flows before changes in working capital</b>		145,621,124	154,475,977
Increase in inventories		(10,271,555)	(41,434,261)
Decrease/(Increase) in prepayments		47,755,598	(53,570,397)
Increase in trade and other receivables		(10,720,941)	(29,067,306)
(Decrease)/Increase in trade and other payables		(16,348,413)	110,999,049
<b>Cash flows generated from operation</b>		156,035,813	141,403,062
Interest received		7,834,456	5,380,339
Tax paid		(28,863,094)	(13,443,747)
<b>Net cash flows generated from operating activities</b>		135,007,175	133,339,654
<b>Cash flows from financing activities</b>			
Dividends paid	37	(18,346,481)	(24,059,124)
Interest on lease liabilities paid	13(b)	(18,355,618)	(13,034,281)
Interest paid on loans and bonds	13(b)	(6,790,132)	(1,587,172)
Purchase of treasury shares		(61,748)	(177,909)
Proceeds from loans and borrowings	13(b)	113,300,000	65,010,400
Repayment of bank loan	13(b)	(6,267,883)	–
Repayment of lease liabilities	13(b)	(93,079,211)	(68,897,071)
Bank deposit (pledged)/released*	23	(40,000,000)	10,000,000
<b>Net cash flows used in financing activities</b>		(69,601,073)	(32,745,157)
<b>Cash flows from investing activities</b>			
Dividend received	12	24,569,159	4,051,025
Purchase of property, plant and equipment	8	(21,964,168)	(14,147,803)
Investment in joint ventures	11	(8,770,000)	(9,000,000)
Amount due from a joint venture		(193,010,472)	–
Amount due from an associate		–	(11,700,000)
Prepayments	16	–	(5,066,959)
Proceeds from disposal of property, plant and equipment		608,500	15,000
<b>Net cash flows used in investing activities</b>		(198,566,981)	(35,848,737)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(133,160,879)	64,745,760
Effect of exchange rate changes on cash and cash equivalents		(1,414,921)	(440,384)
Cash and cash equivalents at beginning of financial period/year		324,345,927	260,040,551
<b>Cash and cash equivalents at end of financial period/year</b>	22	189,770,127	324,345,927

\*Prior year bank deposit released was disclosed in investing activities has been represented in financing activities.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 1. Corporate information

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

The registered office of the Company is located at 160 Robinson Road, #15-06 SBF Center, Singapore 068914.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

On 15 February 2022, the Group has announced the change of the Company’s financial year end from 31 December to 30 June. Following the aforesaid change, the current financial period of the Company will end on 30 June 2022 and the current set of financial statements of the Company will cover a period of 18 months from 1 January 2021 to 30 June 2022. Thereafter, the financial year of the Company will commence on 1 July each year and end on 30 June of the following year.

## 2. Summary of significant accounting policies

### 2.1 *Basis of preparation*

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

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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

### 2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period ended 30 June 2022, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-16: Property, Plant and Equipment—Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37: Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022
Amendments to SFRS(I) 3 : Reference to the Conceptual Framework	1 January 2022
Annual Improvements to SFRS(I)s 2018-2021	1 January 2022
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) <i>Practice Statement 2: Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12 <i>Income taxes: Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 28 <i>Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

### 2.4 Basis of consolidation and business combinations

#### (a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the period ended 30 June 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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



# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.4 Basis of consolidation and business combinations (cont'd)

#### (a) Basis of consolidation (cont'd)

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

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

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

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

#### (b) Business combinations and goodwill

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

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

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

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

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.4 Basis of consolidation and business combinations (cont'd)

#### (b) Business combinations and goodwill (cont'd)

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December and 30 June following the change of financial year end. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

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

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

### 2.5 Functional and foreign currency

#### (a) Functional currency

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

#### (b) Presentation currency

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

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.5 *Functional and foreign currency (cont'd)*

#### (c) *Consolidated financial statements*

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

#### (d) *Foreign currency transactions*

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

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

### 2.6 *Property, plant and equipment*

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

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

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

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

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.6 *Property, plant and equipment (cont'd)*

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

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

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

### 2.7 *Government grant*

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

### 2.8 *Impairment of non-financial assets*

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.



# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.9 *Subsidiaries*

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

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

### 2.10 *Dividends*

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

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

### 2.11 *Joint ventures and associates*

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

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

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

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

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

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

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.11 *Joint ventures and associates (cont'd)*

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

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

### 2.12 *Financial instruments*

#### (a) *Financial assets*

##### *Initial recognition and measurement*

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

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

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

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

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

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.12 Financial instruments (cont'd)

#### (a) Financial assets (cont'd)

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

##### *Subsequent measurement*

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

##### Debt instruments

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

##### *De-recognition*

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

#### (b) Financial liabilities

##### *Initial recognition and measurement*

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

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

##### *Subsequent measurement*

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

##### *De-recognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

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

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.13 *Impairment of financial assets*

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

#### *Financial assets carried at amortised cost*

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

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

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

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

### 2.14 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, and short-term deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These exclude pledged deposits with financial institutions.

### 2.15 *Inventories*

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

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

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



# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.16 Provisions

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

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

### 2.17 Employee benefits

#### (a) Defined contribution plans

##### Singapore

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

##### People's Republic of China ("PRC")

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

#### (b) Employee leave entitlement

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

### 2.18 Leases

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

#### **Group as a lessee**

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

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.18 Leases (cont'd)

#### **Group as a lessee (cont'd)**

##### (a) *Right-of-use assets*

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

Leasehold building	–	3 - 20 years
Prepaid land lease payments	–	50 years

The right-of-use assets are also subject to impairment. Refer to accounting policies in Note 2.8 Impairment of non-financial assets.

##### (b) *Lease liabilities*

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

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

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

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

#### **Group as lessor**

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

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.19 *Borrowing costs*

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

### 2.20 *Revenue*

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

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

#### (a) *Direct sales*

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

#### (b) *Managed rental*

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

#### (c) *Concessionaire sales*

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

#### (d) *Rental income*

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

#### (e) *Dividend income*

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

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.21 Taxes

#### (a) Current income tax

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

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

#### (b) Deferred tax

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

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

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

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

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

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.21 Taxes (cont'd)

#### (b) *Deferred tax (cont'd)*

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

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

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

#### (c) **Sales tax**

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

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

### 2.22 **Share capital and share issuance expenses**

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

### 2.23 **Treasury shares**

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



# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.24 Contingencies

A contingent liability is:

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

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

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

### 2.25 Segment reporting

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

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

## 3. Significant accounting estimates and judgements

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

### 3.1 Judgements made in applying accounting policies

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

### 3.2 Key sources of estimation uncertainty

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

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

### 3. Significant accounting estimates and judgements (cont'd)

#### 3.2 Key sources of estimation uncertainty (cont'd)

##### *Impairment of property, plant and equipment and right-of-use asset*

The impairment assessment involves significant judgements and estimates in determination of the recoverable amount, in particular those relating to gross margin, growth rates, market rent as well as overall market and economic conditions of the industry. The carrying amount of the Group's property, plant and equipment and right-of-use asset and their impairment loss recognised at the end of the reporting period are disclosed in Notes 8 and 25 of the financial statement.

### 4. Revenue

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

	Group	
	1 Jan 2021 to 30 Jun 2022	Year ended 31 Dec 2020
	RMB	RMB
Direct sales	1,393,680,191	1,076,793,703
Commission from concessionaire sales	149,011,168	103,593,043
Rental income	54,749,100	37,145,196
Managed rental	12,165,119	12,702,043
	1,609,605,578	1,230,233,985

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

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

	Group	
	1 Jan 2021 to 30 Jun 2022	Year ended 31 Dec 2020
	RMB	RMB
Direct sales	1,393,680,191	1,076,793,703
Gross proceeds from concessionaire sales	810,704,720	544,936,686
Rental income	54,749,100	37,145,196
Managed rental	12,165,119	12,702,043
Gross sales proceeds*	2,271,299,130	1,671,577,628

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

#### Judgement and methods used in estimating revenue

In estimating the variable consideration relating to the breakage that arise from the sale of prepaid cards and customer loyalty program, management relies on historical experience from the utilisation of the prepaid cards and the redemption of the loyalty points respectively for the past 5 years. Management has exercised judgement in applying the constraint on the estimated variable consideration that can be included in the transaction price.

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

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 5. (Loss)/profit before tax

(Loss)/profit before tax is stated after (charging)/crediting:

	Group	
	1 Jan 2021 to 30 Jun 2022	Year ended 31 Dec 2020
	RMB	RMB
<b>Other income:</b>		
Advertisement and promotional income	101,908,301	64,047,277
Exchange gain, net	1,547,070	2,251,058
Leisure facilities fees	1,824,534	1,131,209
Management fees (Note 33a)	7,372,642	4,718,160
Net gain on disposal of property, plant and equipment	431,957	5,995
Rent concession	–	7,110,155
Government grants	5,046,182	5,179,880
<b>Selling and distribution expenses:</b>		
Employee benefit expense		
- Defined contribution plans	(17,508,900)	(8,175,215)
- Salaries, wages, bonuses and other costs	(110,887,138)	(69,212,657)
Rental expenses	(1,702,199)	(1,474,066)
Utilities	(35,683,598)	(20,808,190)
Advertisement and promotion fees	(11,134,438)	(8,200,098)
Depreciation of right-of-use assets (Note 25)	(98,838,530)	(66,641,044)
<b>Administrative expenses:</b>		
Employee benefit expenses		
- Defined contribution plans	(10,310,440)	(4,991,496)
- Salaries, wages, bonuses and other costs	(96,863,469)	(57,380,708)
Accrued step rental income written off	–	(821,737)
Bank charges	(5,164,009)	(3,941,728)
Directors' fees	(1,047,372)	(770,123)
Depreciation of property, plant and equipment (Note 8)	(19,421,253)	(12,284,191)
Impairment on property, plant and equipment (Note 8)	(9,068,225)	–
Write-back /(impairment) on right-of-use assets (Note 25)	6,151,268	(6,151,268)
Office supplies	(3,154,315)	(1,345,456)
Provision for termination of lease	(17,145,589)	–
Audit fees:		
- Auditors of the Company	(3,187,118)	(2,072,387)
Non-audit fees:		
- Auditors of the Company	(13,192)	(13,409)

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 6. Income tax expense

### (a) Major components of income tax expense

The major components of taxation for the period and year ended 30 June 2022 and 31 December 2020 are:

	Group	
	1 Jan 2021 to 30 Jun 2022	Year ended 31 Dec 2020
	RMB	RMB
<b>Consolidated income statement:</b>		
Current income tax		
- Current income taxation	8,396,071	20,517,416
- Adjustments in respect of current income tax of previous year	-	(2,439,597)
Deferred tax expense (Note 14)		
- Origination and reversal of temporary differences	11,251,445	4,610,592
- Reversal of DTA recognised in prior years	13,128,166	-
Income tax expense recognised in profit or loss	32,775,682	22,688,411

### (b) Relationship between tax expense and accounting (loss)/profit

A reconciliation between tax and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the period and year ended 30 June 2022 and 31 December 2020 are as follows:

	Group	
	1 Jan 2021 to 30 Jun 2022	Year ended 31 Dec 2020
	RMB	RMB
(Loss) / profit before tax	(268,290)	77,923,772
Tax at the domestic rates applicable to profits in the countries where the Group operates	944,857	19,951,287
Adjustments:		
Non-deductible expenses	6,206,453	6,545,770
Deferred tax assets not recognised	14,094,870	970,743
Adjustments in respect of current income tax of previous year	-	(2,439,597)
Reversal of DTA recognised in prior years	13,128,166	-
Share of associate and joint venture profit	(2,237,606)	(2,234,251)
Others	638,942	(105,541)
Tax expenses recognised in profit or loss	32,775,682	22,688,411

The corporate income tax rates applicable to Singapore and China companies of the Group are 17% and 25%, respectively.

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 7. (Loss)/earnings per share

Basic and diluted earnings per share are calculated by dividing the profit for the year, net of tax, attributable to owners of the Company for the period by the weighted average number of ordinary shares outstanding of 191,758,616 (31 Dec 2020: 191,789,738).

## 8. Property, plant and equipment

Group	Electronics	Furniture and fittings	Computer software	Motor vehicles	Leasehold improvements	Buildings	Total
	RMB	RMB	RMB	RMB	RMB	RMB	RMB
<b>Cost:</b>							
At 1 January 2020	5,999,711	22,141,660	1,123,303	3,831,878	60,696,183	119,968,939	213,761,674
Additions	103,999	238,465	12,707	–	13,792,632	–	14,147,803
Disposals	–	–	–	(161,518)	–	–	(161,518)
Currency translation	(2,186)	(1,092)	–	–	(3,340)	–	(6,618)
At 31 December 2020 and 1 January 2021	6,101,524	22,379,033	1,136,010	3,670,360	74,485,475	119,968,939	227,741,341
Additions*	358,376	646,691	295,000	1,343,593	24,387,467	–	27,031,127
Disposals	–	–	–	(771,276)	–	–	(771,276)
Currency translation	(1,277)	(573)	–	–	(1,753)	–	(3,603)
At 30 June 2022	6,458,623	23,025,151	1,431,010	4,242,677	98,871,189	119,968,939	253,997,589
<b>Accumulated depreciation and impairment loss:</b>							
At 1 January 2020	5,089,729	14,682,872	724,443	1,585,663	26,929,882	15,033,984	64,046,573
Depreciation charge for the year	483,145	1,709,387	203,666	648,706	3,480,778	5,758,509	12,284,191
Disposals	–	–	–	(153,442)	–	–	(153,442)
Currency translation	(1,789)	(785)	–	–	(1,965)	–	(4,539)
At December 2020 and 1 January 2021	5,571,085	16,391,474	928,109	2,080,927	30,408,695	20,792,493	76,172,783
Depreciation charge for the period	350,331	2,441,959	325,960	992,185	6,673,055	8,637,763	19,421,253
Disposals	–	–	–	(594,733)	–	–	(594,733)
Impairment loss	182,319	1,528,654	176,941	855,075	6,325,236	–	9,068,225
Currency translation	(962)	(429)	–	–	(1,385)	–	(2,776)
At 30 June 2022	6,102,773	20,361,658	1,431,010	3,333,454	43,405,601	29,430,256	104,064,752
<b>Net carrying amount:</b>							
At 31 December 2020	530,439	5,987,559	207,901	1,589,433	44,076,780	99,176,446	151,568,558
At 30 June 2022	355,850	2,663,493	–	909,223	55,465,588	90,538,683	149,932,837

\* Included in additions is an amount of RMB 5,066,959 prepaid in prior year in Note 16. Cash payments for additions amount to RMB 21,964,168



# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 8. Property, plant and equipment (cont'd)

Company	Electronics	Furniture and fittings	Leasehold improvements	Total
	RMB	RMB	RMB	RMB
<b>Cost:</b>				
At 1 January 2020	44,952	23,756	72,659	141,367
Additions	9,492	–	–	9,492
Currency translation	(2,186)	(1,092)	(3,340)	(6,618)
At 31 December 2020 and 1 January 2021	52,258	22,664	69,319	144,241
Additions	6,583	–	–	6,583
Currency translation	(1,277)	(573)	(1,753)	(3,603)
At 30 June 2022	57,564	22,091	67,566	147,221
<b>Accumulated depreciation:</b>				
At 1 January 2020	37,922	16,549	36,330	90,801
Depreciation charge for the year	3,648	1,951	23,401	29,000
Currency translation	(1,789)	(785)	(1,965)	(4,539)
At 31 December 2020 and 1 January 2021	39,781	17,715	57,766	115,262
Depreciation charge for the period	6,534	2,798	11,185	20,517
Currency translation	(962)	(430)	(1,385)	(2,777)
At 30 June 2022	45,353	20,083	67,566	133,002
<b>Net carrying amount:</b>				
At 31 December 2020	12,477	4,949	11,553	28,979
At 30 June 2022	12,211	2,008	–	14,219

### Impairment of assets

During the current financial period from 1 January 2021 to 30 June 2022, the Group undertook a comprehensive review to assess the viability of underperforming stores. As a result of the review, the Group recorded impairment charges on the property, plant and equipment and the right-of-use assets of certain underperforming stores of RMB 9,068,225 (31 Dec 2020: Nil) and Nil (31 Dec 2020: RMB 6,151,268) respectively in “Administrative expenses” line item of profit or loss for the financial period from 1 January 2021 to 30 June 2022. The recoverable amounts of the property, plant and equipment and the right-of-use assets for these stores are based on their value-in-use and the discount rate used was 13% (31 Dec 2020: 13%).

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 9. Intangible assets

Group	Goodwill RMB
<b>Cost:</b>	
At 1 January 2020, 31 December 2020 and 30 June 2022	3,809,553
<b>Net carrying amount:</b>	
At 31 December 2020	3,809,553
At 30 June 2022	3,809,553

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

### Goodwill arising from the acquisition

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

### Impairment testing of goodwill

The recoverable amounts of the two stores have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering their remaining lease period. The discount rate applied to the cash flow projections is 13% (31 Dec 2020: 13%) and the forecasted growth rates used to extrapolate the cash flows projections is at 9% for year ended 30 June 2023 and annual incremental of 1% up to 13% for year ended 30 June 2027 (31 Dec 2020: 10%).

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

### Sensitivity to changes in assumptions

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

## 10. Investment in subsidiaries

	Company	
	30 Jun 2022 RMB	31 Dec 2020 RMB
Shares, at cost	63,256,736	63,256,736
Additional investment <sup>(3)</sup>	41,737,600	–
	104,994,336	63,256,736

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 10. Investment in subsidiaries (cont'd)

Name (Country of incorporation and place of business)	Principal activities	Proportion (%) of ownership interest	
		30.6.2022	31.12.2020
Xiamen Shi Zhongmin Baihui Commercial Co., Ltd. <sup>(1)</sup> (People's Republic of China ("PRC"))	Ownership, operation and management of a chain of department stores	100	100
Zhongmin Baihui (China) Retail Group Co., Ltd. <sup>(1) (3)</sup> ("PRC")	Ownership, operation and management of a chain of departmental stores	100	100
Zhongmin Baihui (Fujian) Shopping Centre Co., Ltd. <sup>(1)</sup> ("PRC")	Ownership, operation and management of retail stores	100	100
Zhangzhou Zhongmin Baihui Business Service Co., Ltd. <sup>(2)</sup> ("PRC")	Ownership and operation of department stores	100	100
Zhangzhou Zhongmin Baihui Supermarket Co., Ltd. <sup>(2)</sup> ("PRC")	Ownership and operation of department stores	100	100

<sup>(1)</sup> A member firm of EY Global had performed the audit for the subsidiary's financial statement for each of the reporting period for Group reporting purposes.

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

<sup>(3)</sup> The Company has reinvested the dividend amounting to RMB 41,737,600 back to the subsidiary during the year.

## 11. Investment in joint ventures

	Group	
	30 Jun 2022 RMB	31 Dec 2020 RMB
Shares, at cost	14,040,000	8,025,000
Additional investment	8,770,000	–
Share of results of joint ventures	(19,832,247)	(5,485,380)
	2,977,753	2,539,620
Add: amount due from other shareholders	–	6,015,000
At end of the period/year	2,977,753	8,554,620

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 11. Investment in joint ventures (cont'd)

Name (Country of incorporation)	Principal activities	Proportion (%) of ownership interest	
		30.6.2022	31.12.2020
Wuxi Shi Yueshang Outlets Co., Ltd. <sup>(1)</sup> ("PRC")	Operation and management of retail malls	50	50
Guangan Shi Yueshang Commercial Management Co., Ltd. <sup>(1)</sup> ("PRC")	Operation and management of retail malls*	51	51
Zhangzhou Shi Yueshang Outlets Co., Ltd. ("PRC")	Operation and management of retail malls*	50	–
Lu'an Shi Yueshang Cheng Commercial Management Co., Ltd. ("PRC")	Operation and management of retail malls*	20	–
Beijing Yueshang Commercial Co., Ltd ("PRC")	Operation and management of retail malls*	20	–
Nanjing Shi Yueshang Commercial Management Co., Ltd ("PRC")	Operation and management of retail malls*	30	–
Zibo Shi Yueshang Commercial Management Co., Ltd ("PRC")	Operation and management of retail malls*	51	51
Quanzhou Shi Yueshang Outlet Commercial Co. Ltd	Operation and management of retail malls*	50	–

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

\* At the end of the period ended 30 June 2022, the company has not commenced operation.

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

During the reporting period, the Group further injected RMB 6,870,000 into Wuxi Shi Yueshang Outlets Co., Ltd., making a total capital contribution of RMB 20,400,000 as at 30 June 2022. The other shareholder contributed RMB 18,900,000 during the year and together with RMB 1,500,000 contributed in prior year as disclosed above, total contribution amounted to RMB 20,400,000.

In April 2019, Guangan Shi Yueshang Commercial Management Co., Ltd. (51% owned by the Group's wholly-owned subsidiary, Zhongmin Baihui (Fujian) Shopping Centre Co., Ltd.), was incorporated. The Group jointly controls the joint venture with other partner under the contractual agreement that requires unanimous consent for all major decisions over the relevant activities. The Group injected RMB 510,000 into the joint venture which has not commenced operation, and the other shareholder who holds the remaining 49% interest in Guangan Shi Yueshang Commercial Management Co., Ltd. has contributed RMB 490,000.

During the reporting period, Zhangzhou Shi Yuecheng Outlets Co., Ltd., Lu'an Shi Yueshang Cheng Commercial Management Co., Ltd., Beijing Yueshang Commercial Co., Ltd Nanjing Shi Yueshang Commercial Management Co., Ltd and Quanzhou Shi Yuecheng Outlet Commercial Co. Ltd (owned by the Group's wholly-owned subsidiary, Zhongmin Baihui (China) Retail Group Co., Ltd. holding interests of 50%, 20%, 20%, 30% and 50%, respectively), were incorporated. The Group jointly controls the joint ventures with other partners under contractual agreements that require unanimous consent for all major decisions over the relevant activities. During the period ended 30 June 2022, the Group injected RMB 1,500,000, RMB 200,000 and RMB 200,000, respectively into Zhangzhou Shi Yueshang Outlets Co., Ltd., Lu'an Shi Yueshang Cheng Commercial Management Co., Ltd. and Beijing Yueshang Commercial Co., Ltd. There was no contribution made to the paid-up capital in Nanjing Shi Yueshang Commercial Management Co., Ltd and Quanzhou Shi Yuecheng Outlet Commercial Co. Ltd yet.

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 11. Investment in joint ventures (cont'd)

The summarised financial information of the joint ventures, not adjusted for the proportion of ownership interest held by the Group at 30 June 2022 and 31 December 2020, is as follows:

Summarised balance sheet	Wuxi Shi Yuechang Outlets Co., Ltd.		Guangan Shi Yuechang Commercial Management Co., Ltd.		Zhangzhou Shi Yuechang Outlets Co., Ltd.		Lu'an Shi Yuechang Cheng Commercial Management Co., Ltd.		Beijing Yuechang Commercial Co., Ltd		Nanjing Shi Yuechang Commercial Management Co., Ltd		Zibo Shi Yuechang Commercial Management Co., Ltd		Quanzhou Shi Yuechang Outlet Commercial Co., Ltd	
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
Non-current assets	197,684,529	2,653,195	-	-	-	-	34,713	-	40,943	-	242,727	-	-	-	-	-
Current assets	90,509,065	3,736,993	375,864	479,171	2,961,542	-	1,298,495	-	510,793	-	1,280,862	-	-	-	-	-
Total assets	288,193,594	6,390,188	375,864	479,171	2,961,542	-	1,333,208	-	551,736	-	1,523,589	-	-	-	-	-
Non-current liabilities	76,701,220	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current liabilities	209,184,186	1,756,250	45,023	42,601	-	-	862,268	-	151,884	-	2,942,489	-	-	-	-	-
Total liabilities	285,885,406	1,756,250	45,023	42,601	-	-	862,268	-	151,884	-	2,942,489	-	-	-	-	-
Net assets/ (liabilities)	2,308,188	4,633,938	330,841	436,570	2,961,542	-	470,940	-	399,852	-	(1,418,900)	-	-	-	-	-
Proportion of the Group's ownership	50%	50%	51%	51%	50%	-	20%	-	20%	-	30%	-	-	-	-	-
Group's share of net assets / (liabilities)	1,154,094	2,316,969	168,729	222,651	1,480,771	-	94,188	-	79,971	-	-	-	-	-	-	-



# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 11. Investment in joint ventures (cont'd)

### Summarised statement of comprehensive income

	Wuxi Shi Yuechang Outlets Co., Ltd.	Guangan Shi Yuechang Commercial Management Co., Ltd.	Zhangzhou Shi Yuechang Outlets Co., Ltd.	Lu'an Shi Yuechang Cheng Commercial Management Co., Ltd.	Beijing Yuechang Commercial Co., Ltd	Nanjing Shi Yuechang Commercial Management Co., Ltd	Zibo Shi Yuechang Commercial Management Co., Ltd	Quanzhou Shi Yuechang Outlet Commercial Co. Ltd
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
1 Jan 2021 to Year ended 30 Jun 2022	(7,379,737)	(105,728)	(563,430)	—	(600,148)	—	—	—
30 Jun 2022 31 Dec 2020	(28,095,750)	(7,379,737)	(105,728)	(529,059)	(600,148)	—	(1,418,899)*	—
Loss after tax, representing total comprehensive income for the period/year								

\* For the period ended 30 June 2022, the investment in Nanjing Yuechang Commercial Management Co., Ltd. is nil. Accordingly, the unrecognised share of loss is approximately to RMB426,000.

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 12. Investment in associates

	Group	
	30 Jun 2022 RMB	31 Dec 2020 RMB
Shares, at cost	36,500,000	36,500,000
Addition	35,400,000	–
Share of results of associates	29,364,869	10,118,602
Dividend income	(24,569,159)	(4,051,025)
At end of the period/year	76,695,710	42,567,577

Name (Country of incorporation)	Principal activities	Proportion (%) of ownership interest	
		30.6.2022	31.12.2020

### *Held through subsidiaries:*

Citi-Base Commerce Logistics (Xiamen) Co., Ltd. <sup>(1)</sup> (“PRC”)	Property development	30.0	30.0
Changsha City Shamin Enterprise Management Co., Ltd. <sup>(1)</sup> (“PRC”)	Operation and management of retail malls	47.5	47.5

### *Held by Citi-Base Commerce Logistics (Xiamen) Co., Ltd.:*

Xiamen Citi-Base Commerce Co., Ltd. <sup>(1)</sup> (“PRC”)	Operation of exhibition and promotion of imported goods	30.0	30.0
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### *Held by Changsha City Shamin Enterprise Management Co., Ltd.:*

Changsha Sasseur Zhongmin Baihui Outlets Commercial Management Co., Ltd. <sup>(2)</sup> (“PRC”)	Operation and management of retail malls	24.2	24.2
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<sup>(1)</sup> Management accounts have been used for the preparation of the consolidated financial statements of the Group.

<sup>(2)</sup> A member firm of EY Global audited this entity for Group reporting purposes.

Citi-Base Commerce Logistics (Xiamen) Co., Ltd., (“CBCL”) 30% owned by a Group’s wholly-owned subsidiary, Xiamen Shi Zhongmin Baihui Commercial Co., Ltd, was incorporated in January 2011. It acquired 100% interest in Xiamen Citi-Base Commerce Co., Ltd. (“XMCB”) in July 2019 under common control. Hence, the Group’s effective proportion of ownership interest in XMCB is 30%. During the reporting period, an additional capital of RMB 35,400,000 was injected by capitalising the amount due from CBCL.

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 12. Investment in associates (cont'd)

Changsha City Shamin Enterprise Management Co., Ltd. (“CSSM”), 47.5% owned by a Group’s wholly-owned subsidiary, Zhongmin Baihui (Fujian) Shopping Centre Co., Ltd., was incorporated in January 2018. This associate is strategic to the Group’s activities. It acquired 51% interest in Changsha Sasseur Zhongmin Baihui Outlets Commercial Management Co., Ltd. (“CSO”) from Zhongmin Baihui (Fujian) Shopping Centre Co., Ltd. in March 2018. Hence, the Group’s effective interest in CSO is 24.2%. The other partner who holds 49% interest in CSO receives rental income from CSO based on 49% and 60% of its profit before tax for the first and the following 10 years, respectively, and does not share any of its results once CSO starts to make profit. The associate jointly controls CSO with other partner under the contractual agreement that requires unanimous consent for all major decisions over the relevant activities. CSSM and CSO commenced operations in 2018.

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

	Citi-Base Commerce Logistics (Xiamen) Co., Ltd.		Changsha City Shamin Enterprise Management Co., Ltd.	
	30 Jun 2022 RMB	31 Dec 2020 RMB	30 Jun 2022 RMB	31 Dec 2020 RMB
<b>Summarised balance sheet</b>				
Non-current assets	271,603,222	261,847,572	44,921,079	39,688,867
Current assets	9,726,412	2,998,980	6,837,003	7,225,134
Total assets	281,329,634	264,846,552	51,758,082	46,914,001
Current liabilities	(28,500,000)	(147,812,822)	(453)	(367)
Non-current liabilities	(71,705,121)	(42,000,000)	–	–
Total liabilities	(100,205,121)	(189,812,822)	(453)	(367)
Net assets	181,124,513	75,033,730	51,757,629	46,913,634
Less: Merger reserve arising from acquisition under common control	(7,421,727)	(7,421,727)	–	–
Proportion of the Group’s ownership	30%	30%	47.5%	47.5%
Group’s share of net assets	52,110,836	20,283,601	24,584,874	22,283,976

### Summarised statement of comprehensive income

	1 Jan 2021 to 30 Jun 2022 RMB	Year ended 31 Dec 2020 RMB	1 Jan 2021 to 30 Jun 2022 RMB	Year ended 31 Dec 2020 RMB
Revenue	514,929	309,285	–	–
(Loss)/profit after tax, representing total comprehensive income for the year	(11,909,217)	(8,621,053)	56,568,542	32,543,764

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 13. Notes to the consolidated statement of cash flow

### (a) Major non-cash transactions

During the period from 1 January 2021 to 30 June 2022 and year ended 31 December 2020, the Group has no significant non-cash arrangement.

### (b) Changes in liabilities arising from financing activities

	Lease liabilities RMB	Bank loans RMB	Non- convertible bonds RMB	Total RMB
At 1 January 2020	311,889,298	-	-	311,889,298
Changes from financing cash flows				
- Repayment	(68,897,071)	-	-	(68,897,071)
- Interest	(13,034,281)	(262,028)	(1,325,144)	(14,621,453)
- Rent concession	(7,110,155)	-	-	(7,110,155)
Additions	6,785,856	24,689,035	39,502,456	70,977,347
Accretion of interests	13,189,814	262,028	1,325,144	14,776,986
Currency translation	(17,876)	-	-	(17,876)
At 31 December 2020 and 1 January 2021	242,805,585	24,689,035	39,502,456	306,997,076
Changes from financing cash flows				
- Repayment	(93,079,211)	(6,267,883)	-	(99,347,094)
- Interest	(18,355,618)	(3,071,402)	(3,718,730)	(22,493,318)
Additions	244,495,086	113,300,000	-	357,795,086
Accretion of interests	20,149,503	3,071,402	3,718,730	24,287,203
Interest payable	(1,553,706)	-	-	(1,553,706)
Currency translation	(6,069)	(659,829)	(998,872)	(1,664,770)
At 30 June 2022	394,455,570	131,061,323	38,503,584	564,020,477

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 14. Deferred tax assets/(liabilities)

	Group				Company	
	Consolidated balance sheet		Consolidated income statement		Balance sheet	
	30 Jun 2022	31 Dec 2020	1 Jan 2021 to 30 Jun 2022	Year ended 31 Dec 2020	30 Jun 2022	31 Dec 2020
RMB	RMB	RMB	RMB	RMB	RMB	
Deferred tax assets:						
Differences due to pre-opening expenses	-	24,335	(24,335)	(133,289)	-	-
Differences due to recognition of right-of-use assets and the corresponding lease liabilities	5,891,040	13,215,839	(7,325,312)	(1,089,970)	1,263	1,157
Impairment loss	1,190,183	3,443,295	(2,253,112)	(678,681)	-	-
Others	859,764	530,420	329,344	(205,348)	-	-
	<u>7,940,987</u>	<u>17,213,889</u>	<u>(9,273,415)</u>	<u>(2,107,288)</u>	<u>1,263</u>	<u>1,157</u>
Deferred tax liabilities:						
Withholding tax from the expected remittance of dividend from subsidiary	(9,987,176)	(10,821,132)	(919,773)	(1,588,380)	(9,987,176)	(10,821,132)
Differences in step rental income	(600,721)	(946,587)	345,866	238,470	-	-
Differences arising from the recognition favourable lease agreements	-	(149,400)	149,900	119,400	-	-
Accrued breakage gain from sale of prepaid cards	(2,580,434)	(1,981,339)	(599,095)	(650,474)	-	-
Others	(1,576,747)	(622,319)	(954,928)	(622,320)	-	-
	<u>(14,745,078)</u>	<u>(14,520,777)</u>	<u>(1,978,030)</u>	<u>(2,503,304)</u>	<u>(9,987,176)</u>	<u>(10,821,132)</u>
Deferred income tax expense			<u>(11,251,445)</u>	<u>(4,610,592)</u>		



# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 14. Deferred tax assets/(liabilities) (cont'd)

### *Deferred taxation*

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

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

### *Unrecognised temporary differences relating to investments in subsidiaries*

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

### *Unrecognised tax losses*

At the end of the reporting period, the Group has tax losses of approximately RMB 119,772,000 (31 Dec 2020: RMB 10,880,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

### *Tax consequences of proposed dividends*

There are no income tax consequences (31 Dec 2020: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in Note 37 of the financial statement.

## 15. Inventories

	<b>Group</b>	
	<b>30 Jun 2022</b>	<b>31 Dec 2020</b>
	RMB	RMB
<b><i>Balance sheet:</i></b>		
Finished goods (at lower of cost or net realisable value)	169,749,086	159,543,766
<b><i>Income statement:</i></b>		
Inventories recognised as an expense in cost of sales	1,231,286,029	946,927,887

Included in the inventories is RMB 67,250,053 (31 Dec 2020: RMB 43,616,799) of gold which relates mainly to gold jewellery.

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 16. Prepayments

	Group		Company	
	30 Jun 2022	31 Dec 2020	30 Jun 2022	31 Dec 2020
	RMB	RMB	RMB	RMB
<b>Non-current</b>				
Advance payments for property, plant and equipment	–	5,066,959	–	–
<b>Current</b>				
Advance payments to suppliers	15,571,154	65,634,499	–	–
Other prepayments	4,199,038	1,891,993	30,696	28,536
	<u>19,770,192</u>	<u>72,593,451</u>	<u>30,696</u>	<u>28,536</u>

## 17. Trade and other receivables

	Group		Company	
	30 Jun 2022	31 Dec 2020	30 Jun 2022	31 Dec 2020
	RMB	RMB	RMB	RMB
<b>Current:</b>				
Trade receivables	6,692,552	37,000,041	–	–
Other deposits	1,018,065	90,346	38,986	346
Other receivables ##	25,075,228	8,199,540	–	–
	<u>32,785,845</u>	<u>45,289,927</u>	<u>38,986</u>	<u>346</u>
<b>Non-current:</b>				
Other receivables	5,583,667	4,882,073	3,176	8,730
Rental deposits	5,730,520	6,981,577	63,488	68,308
	<u>11,314,187</u>	<u>11,863,650</u>	<u>66,664</u>	<u>77,038</u>
Add:				
Amount due from a subsidiary (Note 18)	–	–	42,352,103	65,473,185
Amount due from an associate (Note 19)	15,900,000	41,400,000	–	–
Amount due from a joint venture (Note 20)	193,010,472	–	–	–
Amount due from related parties (Note 21)	8,649,372	10,363,698	–	–
Cash and cash equivalents (Note 22)	189,770,127	324,345,927	2,723,552	15,293,132
Restricted cash (Note 23)	40,000,000	–	–	–
Total financial assets held at amortised cost	<u>491,430,003</u>	<u>433,263,202</u>	<u>45,181,305</u>	<u>80,843,701</u>

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 17. Trade and other receivables (cont'd)

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

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

	<b>30 Jun 2022</b>	<b>31 Dec 2020</b>
	<b>Other receivables</b>	<b>Other receivables</b>
	<b>RMB</b>	<b>RMB</b>
<b>Group</b>		
Movement in allowance accounts:		
At 1 January	4,523,900	4,523,900
At 30 June/31 December	<u>4,523,900</u>	<u>4,523,900</u>

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

## 18. Amount due from a subsidiary

	<b>Company</b>	
	<b>30 Jun 2022</b>	<b>31 Dec 2020</b>
	<b>RMB</b>	<b>RMB</b>
Amount due from a subsidiary (non-trade)	<u>42,352,103</u>	<u>65,473,185</u>

Amount due from a subsidiary is unsecured, non-interest bearing and is repayable on demand.

## 19. Amount due from an associate

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2022</b>	<b>31 Dec 2020</b>	<b>30 Jun 2022</b>	<b>31 Dec 2020</b>
	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>
Amount due from an associate (non-trade)	<u>15,900,000</u>	<u>41,400,000</u>	-	-

Amount due from an associate is unsecured, non-interest bearing and is repayable on demand.

## 20. Amount due from a joint venture

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2022</b>	<b>31 Dec 2020</b>	<b>30 Jun 2022</b>	<b>31 Dec 2020</b>
	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>
Amount due from an associate (non-trade)	<u>193,010,472</u>	-	-	-

Amount due from a joint venture is unsecured, non-interest bearing and expected to be repaid in cash within the next 12 months. Subsequent to period end, approximately RMB60.1mil has been repaid.

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 21. Amount due from/due to related parties

	Group	
	30 Jun 2022	31 Dec 2020
	RMB	RMB
Amount due from a related party (trade) *	738,440	–
Amount due from a related party (non-trade) *	7,910,932	10,363,698
	<u>8,649,372</u>	<u>10,363,698</u>
Amount due to related parties (trade) *	387,127	865,585
Amount due to related parties (non-trade) *#	22,819,899	68,019,459
	<u>23,207,026</u>	<u>68,885,044</u>

\* Amounts due from/to related parties are unsecured, non-interest bearing and are repayable on demand.

# Amounts due to related parties (non-trade) arose when customers made purchases using the Group's prepaid cards at the managed stores under the related parties. Subsequent to period end, the amount has been deferred and will not be settled prior to 11th November 2023.

## 22. Cash and cash equivalents

	Group		Company	
	30 Jun 2022	31 Dec 2020	30 Jun 2022	31 Dec 2020
	RMB	RMB	RMB	RMB
Cash and short-term deposits	<u>189,770,127</u>	<u>324,345,927</u>	<u>2,723,552</u>	<u>15,293,132</u>

Cash and cash equivalents denominated in foreign currency as 31 December is as follows:

	Group		Company	
	30 Jun 2022	31 Dec 2020	30 Jun 2022	31 Dec 2020
	RMB	RMB	RMB	RMB
United States Dollars	<u>13</u>	<u>13</u>	<u>–</u>	<u>–</u>

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

## 23. Restricted cash

Short-term deposits of RMB 40,000,000 were pledged to a bank for the loan (Note 32). The weighted average effective interest rates as at 30 June 2022 for the Group were 3.88%.

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 24. Trade and other payables

	Group		Company	
	30 Jun 2022	31 Dec 2020	30 Jun 2022	31 Dec 2020
	RMB	RMB	RMB	RMB
<b>Trade:</b>				
External parties	270,323,716	279,933,656	–	–
Other payables	177,325,028	149,769,664	422	378
	447,648,744	429,703,320	422	378
<b>Add:</b>				
Accrued operating expenses (Note 26)	51,992,940	38,870,792	2,737,921	2,858,501
Amount due to related parties (Note 21)	23,207,026	68,885,044	–	–
Interest-bearing loans and borrowings (Note 32)	564,020,477	306,997,076	57,755,852	64,328,578
<b>Less:</b>				
Advances from customers	(154,285,004)	(129,047,003)	–	–
Total financial liabilities carried at amortised cost	932,584,183	715,409,229	60,494,195	67,187,457

Trade and other payables are non-interest bearing and are generally on 30 to 60 days' terms.

## 25. Right-of-use assets/Leases

The Group has lease contracts of properties for its operations. The leases of properties have lease terms ranging between 3 to 20 years.

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

	Group		Company	
	30 Jun 2022	31 Dec 2020	30 Jun 2022	31 Dec 2020
	RMB	RMB	RMB	RMB
As at 1 January	199,398,023	266,059,182	130,279	467,632
Additions	245,391,356	6,148,404	754,546	–
Depreciation	(98,838,530)	(66,641,044)	(395,349)	(320,102)
Write-back/(impairment loss)	6,151,268	(6,151,268)	–	–
Currency translation	(5,961)	(17,251)	(5,961)	(17,251)
As at 30 June/31 December	352,096,156	199,398,023	483,515	130,279



# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 25. Right-of-use assets / Leases (cont'd)

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

	Group		Company	
	30 Jun 2022	31 Dec 2020	30 Jun 2022	31 Dec 2020
	RMB	RMB	RMB	RMB
As at 1 January	242,805,585	311,889,298	137,087	477,206
Additions	244,495,086	6,785,856	745,840	–
Accretion of Interest	20,149,503	13,189,814	38,651	16,216
Interest payable	(1,553,706)	–	–	–
Payments	(111,434,829)	(81,931,352)	(424,564)	(311,955)
Rent concession	–	(7,110,155)	–	(26,504)
Currency translation	(6,069)	(17,876)	(6,069)	(17,876)
As at 30 June/31 December	<u>394,455,570</u>	<u>242,805,585</u>	<u>490,945</u>	<u>137,087</u>
Current	65,998,222	62,783,315	254,318	137,087
Non-current	<u>328,457,348</u>	<u>180,022,270</u>	<u>236,627</u>	<u>–</u>

### Impairment of assets

During the current financial period from 1 January 2021 to 30 June 2022, the Group performed an impairment assessment and wrote back prior year impairment charges on the right-of-use assets of certain stores of RMB 6,151,268 (31 Dec 2020: Nil) respectively in “Administrative expenses” line item of profit or loss for the financial period from 1 January 2021 to 30 June 2022. The recoverable amounts of the right-of-use assets for these stores are based on their fair value.

## 26. Other assets/(liabilities)

	Group		Company	
	30 Jun 2022	31 Dec 2020	30 Jun 2022	31 Dec 2020
	RMB	RMB	RMB	RMB
<b>Non-current:</b>				
Rent-free incentives and step rental provision	<u>2,402,884</u>	<u>3,786,347</u>	<u>–</u>	<u>–</u>
<b>Current:</b>				
Accrued operating expenses	<u>(51,992,940)</u>	<u>(38,870,792)</u>	<u>(2,737,921)</u>	<u>(2,858,501)</u>

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 27. Share capital

	Group and Company			
	No. of shares	RMB	No. of shares	RMB
<b><i>Issued and fully paid ordinary shares</i></b>				
At 1 January/ 31 December 2020 and 30 June 2022	196,320,000	67,147,926	196,320,000	67,147,926

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

## 28. Treasury shares

	Group and Company			
	30 Jun 2022		31 Dec 2020	
	No. of shares	RMB	No. of shares	RMB
At 1 January	4,552,300	25,030,914	4,494,300	24,853,005
Purchase of treasury shares	20,000	61,748	58,000	177,909
At 30 June 2022/ 31 December 2020	4,572,300	25,092,662	4,552,300	25,030,914

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

The Company acquired 20,000(31 Dec 2020: 58,000) shares in the Company through purchase on the Singapore Exchange during the financial period. The total amount paid to acquire the shares was RMB 61,748 (31 Dec 2020: RMB 177,909) and this was presented as a component within shareholders' equity.

## 29. Other reserves

### (a) ***Foreign currency translation reserve***

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

### (b) ***Statutory reserve fund***

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

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 30. Employee benefits

	Group	
	1 Jan 2021 to 30 Jun 2022	Year ended 31 Dec 2020
	RMB	RMB
<b><i>Employee benefits expenses (including directors)</i></b>		
Salaries and bonuses	207,750,607	126,593,365
Defined contribution plans	27,819,340	13,166,711
	<u>235,569,947</u>	<u>139,760,076</u>

## 31. Commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	30 Jun 2022	31 Dec 2020
	RMB	RMB
Contracted but not provided for:		
Capital contribution - investment in subsidiaries, associates and joint ventures	<u>86,400,000</u>	<u>29,900,000</u>

## 32. Interest-bearing loans and borrowings

	Interest rate %	Maturity	Group	
			30 Jun 2022	31 Dec 2020
			RMB	RMB
<b><i>Current interest-bearing loans and borrowings</i></b>				
Lease liabilities (Note 25)	3.5% - 4.4%	Jun 2039	65,998,222	62,783,315
S\$8,000,000 non-convertible bonds	6.5%	May 2023	38,503,584	-
Bank loan	2.5%	June 2023	110,226,701	2,571,775
Total current interest-bearing loans and borrowings			<u>214,728,507</u>	<u>65,355,090</u>
<b><i>Non-current interest-bearing loans and borrowings</i></b>				
Lease liabilities (Note 25)	3.5% - 4.4%	Jun 2039	328,457,348	180,022,270
S\$8,000,000 non-convertible bonds	6.5%	May 2023	-	39,502,456
Bank loan	2.5%-4.35%	October 2022 to July 2025	20,834,622	22,117,260
Total non-current interest-bearing loans and borrowings			<u>349,291,970</u>	<u>241,641,986</u>
Total interest-bearing loans and borrowings			<u>564,020,477</u>	<u>306,997,076</u>

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 32. Interest-bearing loans and borrowings (cont'd)

	Interest rate %	Maturity	Company	
			30 Jun 2022 RMB	31 Dec 2020 RMB
<b><i>Current interest-bearing loans and borrowings</i></b>				
S\$8,000,000 non-convertible bonds	6.5%	May 2023	38,503,584	–
Lease liabilities (Note 25)	3.5% - 4.4%	May 2024	254,318	137,087
S\$5,000,000 bank loan	2.5%	July 2025	5,926,701	2,571,775
Total current interest-bearing loans and borrowings			44,684,603	2,708,862
<b><i>Non-current interest-bearing loans and borrowings</i></b>				
Lease liabilities (Note 25)	3.5% - 4.4%	May 2024	236,627	–
S\$8,000,000 non-convertible bonds	6.5%	May 2023	–	39,502,456
S\$5,000,000 bank loan	2.5%	July 2025	12,834,622	22,117,260
Total non-current interest-bearing loans and borrowings			13,071,249	61,619,716
Total interest-bearing loans and borrowings			57,755,852	64,328,578

### S\$8,000,000 non-convertible bonds

On 28 May 2020, the Company has issued a S\$8,000,000 non-convertible bond to bond subscribers with a coupon rate of 6.5% per annum over 3 years. The interest is payable semi-annually. The proceeds from the bond issue shall be used for such purposes as the Company deems fit, including, but not limited to, for the financing of construction of Wuxi Outlet mall project and for its working capital use.

### Bank loan - S\$5,000,000

On 15 May 2020, the Company obtained and drew down a S\$5,000,000 banking facility for 5 years from UOB bank, with interest rate at 2.5% p.a. The loan is unsecured and is repayable in monthly instalment over 48 months commencing from August 2021 to July 2025.

### Bank loan - RMB112,300,000

The loan comprises RMB10,000,000 which is unsecured and RMB102,300,000 which is secured over a property of approximately RMB 87,824,000 and the restricted cash (Note 23). The interest rate ranges from 3.35% to 4.35% p.a. and is repayable over a few repayment dates, commencing with the first repayment in October 2022 to the last repayment on June 2023.

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 33. Related party transactions

### (a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period/year:

	Group	
	1 Jan 2021 to 30 Jun 2022 RMB	Year ended 31 Dec 2020 RMB
Concessionaire income from companies in which Directors have an interest	2,005,108	1,349,378
Sales of goods to a company in which Directors have an interest	–	462,461
Advertisement income received from companies in which Directors have an interest	68,750	55,000
Management fees from a company in which Directors have an interest	7,372,642	4,718,160
Rent concession from a company in which Directors have an interest	–	426,074
Sales commission charged by a company in which Directors have an interest	979,918	768,084
Depreciation of right to use lease properties owned by a company in which Directors have an interest	6,773,873	4,484,377
Interest on payment of lease liabilities for use of lease properties owned by a company in which Directors have an interest	962,527	397,140

### (b) Compensation of key management personnel

	Group		Company	
	1 Jan 2021 to 30 Jun 2022 RMB	Year ended 31 Dec 2020 RMB	1 Jan 2021 to 30 Jun 2022 RMB	Year ended 31 Dec 2020 RMB
Short-term employee benefits	7,145,820	6,300,528	4,605,393	3,300,528
Defined contribution plans	199,631	225,033	165,460	193,761
	7,345,451	6,525,561	4,770,853	3,494,289
	<i>Comprise amounts paid to:</i>			
Directors of the Company	4,813,297	3,737,373	3,656,950	2,371,749
Other key management personnel	2,532,154	2,788,188	1,113,903	1,122,540
	7,345,451	6,525,561	4,770,853	3,494,289



# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 34. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The board of directors reviews and agrees on policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been, throughout the current financial period and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

### (a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy to monitor receivable balances on an ongoing basis with the result that the Group's exposure to bad debts is not unduly significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group and the Company's historical information.

The Group consider available reasonable and supportive forwarding-looking information which includes the following indicators:

- Credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.
- Significant increases in credit risk on other financial instruments of the same borrower.
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 34. Financial risk management objectives and policies (cont'd)

### (a) *Credit risk (cont'd)*

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

#### Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The Group measured the impairment loss allowance using provision matrix and determined that the ECL is insignificant.

#### Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

#### Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

#### Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17 to the financial statements.

### (b) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's cash and operating cash flows, availability of banking facilities and debt maturity profile are actively managed to ensure adequate working capital requirements and that repayment and funding needs are met.

The Group is currently dependent on its cash flow generated from operations and advances from its shareholder to support its working capital.

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 34. Financial risk management objectives and policies (cont'd)

### (b) Liquidity risk (cont'd)

*Analysis of financial instruments by remaining contractual maturities*

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less RMB	More than one year RMB	Total RMB
<b>Group</b>			
<b>30 Jun 2022</b>			
<b>Financial assets:</b>			
Trade and other receivables	31,767,780	–	31,767,780
Deposits	1,136,130	16,171,672	17,307,802
Amount due from an associate	15,900,000	–	15,900,000
Amount due from a joint venture	193,010,472	–	193,010,472
Amount due from related parties	8,649,372	–	8,649,372
Restricted cash	40,000,000	–	40,000,000
Cash and cash equivalents	189,770,127	–	189,770,127
Total undiscounted financial assets	480,233,881	16,171,672	496,405,553
<b>Financial liabilities:</b>			
Trade and other payables	293,363,740	–	293,363,740
Accrued operating expenses	51,992,940	–	51,992,940
Amount due to related parties	23,207,026	–	23,207,026
Lease liabilities	78,808,340	404,770,756	483,579,096
Bank loan	110,628,193	21,185,813	131,814,006
Non-convertible bonds	40,797,349	–	40,797,349
Total undiscounted financial liabilities	598,797,588	425,956,569	1,024,754,157
Total net undiscounted financial liabilities	(118,563,707)	(409,784,896)	(528,348,604)

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 34. Financial risk management objectives and policies (cont'd)

### (b) Liquidity risk (cont'd)

Group	One year or less RMB	More than one year RMB	Total RMB
<b>31 Dec 2020</b>			
<b>Financial assets:</b>			
Trade and other receivables	45,199,581	–	45,199,581
Deposits	90,346	16,627,989	16,718,335
Amount due from an associate	41,400,000	–	41,400,000
Amount due from related parties	10,363,698	–	10,363,698
Restricted cash	–	–	–
Cash and cash equivalents	324,345,927	–	324,345,927
Total undiscounted financial assets	<u>421,399,552</u>	<u>16,627,989</u>	<u>438,027,541</u>
<b>Financial liabilities:</b>			
Trade and other payables	300,656,317	–	300,656,317
Accrued operating expenses	38,870,792	–	38,870,792
Amount due to related parties	68,885,044	–	68,885,044
Lease liabilities	72,779,710	218,194,902	290,974,612
Bank loan	3,178,291	23,131,173	26,309,464
Non-convertible bonds	2,567,660	43,329,324	45,896,984
Total undiscounted financial liabilities	<u>486,937,814</u>	<u>284,655,399</u>	<u>771,593,213</u>
Total net undiscounted financial liabilities	<u>(65,538,262)</u>	<u>(268,027,410)</u>	<u>(333,565,672)</u>

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 34. Financial risk management objectives and policies (cont'd)

### (b) Liquidity risk (cont'd)

	One year or less RMB	More than one year RMB	Total RMB
<b>Company</b>			
<b>30 Jun 2022</b>			
<b>Financial assets:</b>			
<b>Other receivables</b>	–	3,176	3,176
Deposits	38,986	72,194	111,180
Amount due from a subsidiary	42,352,103	–	42,352,103
Cash and cash equivalents	2,723,552	–	2,723,552
Total undiscounted financial assets	45,114,641	75,370	45,190,011
<b>Financial liabilities:</b>			
Trade and other payables	422	–	422
Accrued operating expenses	2,737,921	–	2,737,921
Lease liabilities	268,575	246,194	514,769
Bank loan	6,328,193	13,185,813	19,514,006
Non-convertible bonds	38,503,584	–	38,503,584
Total undiscounted financial liabilities	47,838,695	13,432,007	61,270,702
Total net undiscounted financial (liabilities)	(2,724,056)	(13,356,636)	(16,080,691)
<b>31 Dec 2020</b>			
<b>Financial assets:</b>			
Deposits	346	78,511	78,857
Amount due from a subsidiary	65,473,185	–	65,473,185
Cash and cash equivalents	15,293,132	–	15,293,132
Total undiscounted financial assets	80,766,663	78,511	80,845,174
<b>Financial liabilities:</b>			
Trade and other payables	378	–	378
Accrued operating expenses	2,858,501	–	2,858,501
Lease liabilities	140,012	–	140,012
Bank loan	3,178,291	23,131,173	26,309,464
Non-convertible bonds	2,567,660	43,329,324	45,896,984
Total undiscounted financial liabilities	8,744,842	66,460,497	75,205,339
Total net undiscounted financial assets/(liabilities)	72,021,821	(66,381,986)	5,639,835



# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 35. Fair values of assets and liabilities

### *Fair value hierarchy*

The Group categorizes fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group and the Company have no financial assets and liabilities measured at fair value at 30 June 2022 and 31 December 2020.

## 36. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial period and year ended 30 June 2022 and 31 December 2020.

As disclosed in Note 29(b), subsidiaries in PRC are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilization is subject to approval by relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary for the financial period and year ended 30 June 2022 and 31 December 2020.

Apart from the above, the Group is not subjected to any externally imposed capital requirements.

# Notes to the Financial Statements

For the financial period from 1 January 2021 to 30 June 2022

## 37. Dividends

	<b>Group and Company</b>	
	<b>1 Jan 2021 to 30 Jun 2022</b>	<b>Year ended 31 Dec 2020</b>
	RMB	RMB
<b>Declared and paid during the financial year:</b>		
<i>Dividends on ordinary shares:</i>		
- Final exempt (one-tier) dividend for 31 December 2020: SGD 2.0 cents (31 December 2019: SGD1.5 cents) per share*	18,346,481	14,472,484
- Interim exempt (one-tier) dividend for 2022 Nil (31 December 2020: SGD1.0 cent) per share	-	9,586,640
	18,346,481	24,059,124
<b>Proposed but not recognised as a liability as at 31 December:</b>		
<i>Dividends on ordinary shares, subject to shareholders' approval at the AGM:</i>		
- Final exempt (one-tier) dividend for 30 June 2022: Nil (31 December 2020: SGD 2.0 cents) per share	-	18,938,238

\* The difference between the dividend declared at the end of the financial year 2020 and the actual dividend paid in the current financial period was due to translation differences.

## 38. Events occurring after the reporting period

On 1 August 2022, the Group transferred its shares in three joint venture companies, Beijing Yueshang Commercial Co., Ltd., Guangan Shi Yueshang Commercial Management Co., Ltd., Lu'an Shi Yueshang Cheng Commercial Management Co., Ltd. and Nanjing Shi Yueshang Commercial Management Co., Ltd. at their respective investment costs of RMB 200,000, RMB 510,000, RMB 200,000 and zero cost to its joint venture partners. On the same date, the joint venture company Zibo Shi Yueshang Commercial Management Co., Ltd was de-registered.

In August 2022, the Group terminated the lease of an underperforming Jinjiang Qingyang Store under Zhongmin Baihui (Quanzhou) Commercial Management Co., Ltd and the Lvcoo Store under Xiamenshi Zhongmin Baihui Commercial Co., Ltd that operates departmental stores and supermarkets. During the current financial period, provision for termination penalty of RMB 17,145,589 has been recorded.

## 39. Change in financial year end

### **Rationale for the change of financial year end**

The Board of Directors' decision to change the financial year end from 31 December to 30 June was arrived at after taking into consideration the Group's reporting requirements and to facilitate better management of resources for smoother flow of operations, financial reporting, and business planning that and avoid the resource crunch that traditionally occurred during the peak period of the first few months following the end of the calendar year. The Board of Directors is of the view that a change of the financial year end of the Company from December to June would facilitate the Company's internal reporting processes to allow for administrative and operational efficiencies.

## 40. Authorisation of financial statements for issue

The audited financial statements for financial period ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 9 November 2022.

# Statistics of Shareholdings

As at 3 November 2022

Issue and fully paid-up capital	:	SGD 13,620,000
Number of shares (excluding treasury shares)	:	191,747,700
Number of treasury shares held	:	4,572,300
Class of shares	:	Ordinary
Voting rights	:	One vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS		NO. OF SHARES	
		%		%
1 - 99	0	0.00	0	0.00
100 - 1,000	37	13.70	28,700	0.02
1,001 - 10,000	90	33.33	500,100	0.26
10,001 - 1,000,000	123	45.56	16,208,300	8.45
1,000,001 AND ABOVE	20	7.41	175,010,600	91.27
<b>TOTAL</b>	<b>270</b>	<b>100.00</b>	<b>191,747,700</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LEE SWEE KENG	48,290,700	25.18
2	CHEN KAITONG	47,400,680	24.72
3	SU CAIYE	24,040,700	12.54
4	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	12,375,000	6.45
5	SU JIANLI	6,169,932	3.22
6	LIM CHIN HIAN	5,000,000	2.61
7	RAFFLES NOMINEES (PTE.) LIMITED	4,692,200	2.45
8	LIM KOK TONG	4,326,088	2.26
9	DBS NOMINEES (PRIVATE) LIMITED	3,406,600	1.78
10	LIM CHIN KEONG JASON	3,300,000	1.72
11	LINGCO HOLDINGS PTE LTD	2,500,000	1.30
12	CITIBANK NOMINEES SINGAPORE PTE LTD	2,216,700	1.16
13	SEAH CONSTRUCTION PTE LTD	2,000,000	1.04
14	WEE CHOO CHUAN	2,000,000	1.04
15	LINGCO MARINE PTE LTD	1,500,000	0.78
16	SONG XIBIN	1,350,000	0.70
17	SIA LING SING	1,165,500	0.61
18	CHUA KIAN LIN	1,160,000	0.60
19	LIM ENG HOCK	1,113,000	0.58
20	POH HENG	1,003,500	0.52
	<b>TOTAL</b>	<b>175,010,600</b>	<b>91.26</b>

# Statistics of Shareholdings

As at 3 November 2022

## SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 3 November 2022)

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Lee Swee Keng	48,290,700	25.18	–	–
Chen Kaitong	47,400,680	24.72	–	–
Su Caiye	24,040,700	12.54	–	–

## FREE FLOAT

Based on the information available to the Company as at 3 November 2022, approximately 37.49% of the issued ordinary shares of the Company was held by the public. Accordingly, Rule 723 of the Rules of Mainboard has been complied with.

# Notice of Annual General Meeting

## 年度股东大会通告

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Zhongmin Baihui Retail Group Ltd. (the “**Company**”) will be held at Grand Mercure Singapore Roxy Hotel located at 50 East Coast Road, Roxy Square, Singapore 428769, on Friday, 25 November 2022 at 10:00 a.m., for 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 30 June 2022 together with the Auditor’s Report thereon. **(Resolution 1)**
2. To approve the payment of not more than S\$186,000 as Directors’ fees for the financial year ended 30 June 2022. **(Resolution 2)**
3. To re-elect the following Directors retiring pursuant to Regulation 104 of the Company’s Constitution<sup>1</sup>:
  - (a) Mr. Chen Kaitong **(Resolution 3)**
  - (b) Mr. Choy Bing Choong **(Resolution 4)**

[See Explanatory Notes 1 and 2]
4. To appoint Messrs Foo Kon Tan LLP as the Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young LLP to hold the office until the conclusion of the next annual general meeting and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

#### 6. General authority to issue and allot shares

“That pursuant to Section 161 of the Companies Act 1967 (the “**Act**”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:-

- (A) (i) allot and issue shares in the capital of the Company (the “**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require new Shares to be issued and allotted, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company shall in their absolute discretion deem fit; and

<sup>1</sup> Pursuant to the amendments of the Companies Act 1967, the Memorandum and Articles of Association of the Company are deemed by law to be merged to form the Constitution of the Company.



# Notice of Annual General Meeting

## 年度股东大会通告

- (B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) allot and issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force, provided that:-
- (1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) and convertible securities to be allotted and issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to the shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as at the time of passing of this Resolution);
  - (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and convertible securities that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this authority is given, after adjusting for:-
    - (i) new Shares arising from the conversion or exercise of convertible securities;
    - (ii) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
    - (iii) any subsequent bonus issue, consolidation or subdivision of Shares.Any adjustments made in accordance with sub-paragraphs (2)(i) and (2)(ii) above shall only be made in respect of new Shares arising from convertible securities and Instruments which were issued and outstanding and/or subsisting at the time of the passing of this Resolution.
  - (3) in exercising the authority conferred by this Resolution, the Directors shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
  - (4) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting is required by law to be held, whichever is the earlier.”

**(Resolution 6)**  
[See Explanatory Note 3]

# Notice of Annual General Meeting

## 年度股东大会通告

### 7. Proposed Share Buyback Mandate

“That:

(A) For the purposes of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the issued ordinary shares fully paid in the capital of the Company (“**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) on-market purchases, transacted on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) through the SGX-ST’s Central Limit Order Book (CLOB) trading system or through one or more duly licensed stockbrokers appointed by the Company for the purpose (“**Market Purchase**”); and/or
- (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the rules of the SGX-ST Listing Manual (“**Off-Market Purchases**”),

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the SGX-ST Listing Manual as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (“**Share Buyback Mandate**”);

(B) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on:

- (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Shareholders in a general meeting,

whichever is the earlier;

(C) in this Resolution:

“**Prescribed Limit**” means 10% of the total number of Shares in the Company as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which even the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

“**Relevant Period**” means the period commencing from the date on which the resolution authorizing the Share Buyback Mandate is passed and expiring on the date the next Annual General Meeting is held or required by law to be held, whichever is the earlier, after the date of this Resolution;

# Notice of Annual General Meeting

## 年度股东大会通告

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding applicable brokerage, stamp duties, goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase: 105% of the Average Closing Price;
- (ii) in the case of an Off-Market Purchase: 120% of the Highest Last Dealt Price,

where:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five market days on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant five market days;

“**Highest Last Dealt Price**” means the higher price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

- (D) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient, incidental, necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”

**(Resolution 7)**

By Order of the Board

Chia Foon Yeow  
Company Secretary

10 November 2022

# Notice of Annual General Meeting

## 年度股东大会通告

### Explanatory Notes:

1. Mr. Chen Kaitong will, upon re-election as a director, remain as chief executive officer and executive director of the Company.
2. Mr. Choy Bing Choong will, upon re-election as a director, remain as Chairman of the Audit Committee and Remuneration Committee and a member of the Nominating Committee. The Board considers Mr. Choy Bing Choong to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
3. Under the Listing Manual of the SGX-ST, a share issue mandate approved by shareholders as an ordinary resolution will enable directors of an issuer to issue an aggregate number of new shares and convertible securities of the issuer of up to fifty per cent (50%) of the issued share capital of the issuer (excluding treasury shares) as at the time of passing of the resolution approving the share issue mandate, of which the aggregate number of new shares and convertibles securities issued other than on a pro-rata basis to existing shareholders must be not more than twenty per cent (20%) of the issued share capital of the issuer (excluding treasury shares).

The Directors are of the opinion that the proposed share issue mandate will enable the Company to respond faster to business opportunities and to have greater flexibility and scope in negotiating with third parties in potential fundraising exercises or other arrangements or transactions involving the capital of the Company.

Ordinary Resolution 6, if passed, will empower the Directors from the date of the above Annual General Meeting until the date of the next annual general meeting, to issue and allot Shares and/or Instruments. The aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may issue and allot under this Resolution, shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares). For issues of Shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares). This authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue Shares pursuant to any convertible securities issued under this authority.

### Notes:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote instead of him/her.
2. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.
4. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.
5. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

# Notice of Annual General Meeting

## 年度股东大会通告

6. The instrument appointing a proxy must be deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632, not less than 48 hours before the time appointed for holding the Meeting.

### **Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



### Additional Information on Director Proposed to be Appointed as a Director for the First Time and Existing Directors Seeking Re-Election to the Board

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), we set out below the additional information on Mr. Chen Kaitong and Mr. Choy Bing Choong, who are seeking re-election as Directors at the forthcoming Annual General Meeting. The information shall be read in conjunction with their respective biographies on pages 20 to 21 of the Annual Report.

	Mr. Chen Kaitong	Mr. Choy Bing Choong
<b>Date of Appointment</b>	9 December 2008	31 December 2019
<b>Date of last re-appointment</b>	29 June 2020	29 June 2020
<b>Age</b>	56	56
<b>Country of Principal Residence</b>	China	Singapore
<b>The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)</b>	<p>The re-election of Mr. Chen as a Chief Executive Officer and Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.</p> <p>Mr. Chen has abstained from the deliberation of the Board pertaining to his re-election.</p>	<p>The re-election of Mr. Choy as an Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.</p> <p>Mr. Choy has abstained from the deliberation of the NC and the Board pertaining to his re-election.</p>
<b>Whether appointment is executive, and if so, the area of responsibility</b>	Executive	Non-executive
<b>Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)</b>	Chief Executive Officer and Executive Director	Independent Non-executive Director and Chairman of the Audit and Remuneration Committees, and a Member of the Nominating Committee
<b>Professional qualifications</b>	Nil	Fellow Chartered Accountant of Singapore Bachelor of Accountancy, National University of Singapore Member, Singapore Institute of Directors
<b>Working experience and occupation(s) during the past 10 years</b>	Please refer to Mr. Chen's biography set out under the section “Board of Directors” of the Annual Report.	Please refer to Mr. Choy's biography set out under the section “Board of Directors” of the Annual Report.
<b>Shareholding interest in the Company and its subsidiaries</b>	Please refer to the information disclosed in the Directors' Statement which can also be found in the Annual Report.	None

	<b>Mr. Chen Kaitong</b>	<b>Mr. Choy Bing Choong</b>
<b>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries</b>	Mr. Chen is a distant relative of Mr. Lee Swee Keng (“Mr. Lee”). Mr. Lee’s grandmother’s brother is the Mr. Chen’s father.	No
<b>Conflict of interest (including any competing business)</b>	No	No
<b>Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company</b>	Yes	Yes
<b>OTHER PRINCIPAL COMMITMENTS INCLUDING DIRECTORSHIPS</b>		
<b>Past (for the last 5 years)</b>	Nil	1. HMK Investments Ltd 2. HMK Energy Pte Ltd 3. P.T. Harpindo Mitra Kharisma
<b>Present</b>	Nil	1. Natural Cool Holdings Limited 2. Hiap Tong Corporation Ltd 3. Hoe Leong Corporation Ltd 4. Futura Innovation Pte Ltd
<b>(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?</b>	No	No
<b>(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?</b>	No	Yes. Mr Choy was appointed a Non-Executive, Independent Director of Hoe Leong Corporation Ltd (“Hoe Leong”) on 1 September 2019. On 2 October 2019, Hoe Leong received an Originating Summons without a supporting affidavit filed by United Overseas Bank (“UOB”) to place the Company under judicial management pursuant to Section 227B of the Companies Act (Cap.50, 2006 Rev Ed) (“JM Application”). On 7 November 2019, leave was granted by the High Court for UOB to wholly discontinue and/or withdraw the JM Application and UOB has accordingly filed the Notice of Discontinuance / Withdrawal accordingly to wholly discontinue / withdraw the JM Application.
<b>(c) Whether there is any unsatisfied judgment against him?</b>	No	No

	Mr. Chen Kaitong	Mr. Choy Bing Choong
<b>(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?</b>	No	No
<b>(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?</b>	No	No
<b>(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?</b>	No	No
<b>(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?</b>	No	No
<b>(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?</b>	No	No
<b>(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?</b>	No	No

	Mr. Chen Kaitong	Mr. Choy Bing Choong
<p><b>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :</b></p> <p><b>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</b></p> <p><b>(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</b></p> <p><b>(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</b></p> <p><b>(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,</b></p> <p><b>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</b></p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>
<p><b>(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?</b></p>	<p>No</p>	<p>No</p>

	Mr. Chen Kaitong	Mr. Choy Bing Choong
<p><b>Any prior experience as a director of a company listed on the Exchange?</b></p> <p><b>If yes, please provide details of prior experience.</b></p> <p><b>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</b></p> <p><b>Please provide details of relevant experience and the Nominating Committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</b></p>	N.A.	<p>Yes</p> <p>March 2020 to Present: Executive Director and Group Chief Operating Officer of Natural Cool Holdings Limited</p> <p>September 2019 to Present: Non-executive Independent Director of Hoe Leong Corporation Ltd</p> <p>October 2017 to Present: Non-executive Independent Director of Hiap Tong Corporation Ltd</p>



# ZHONGMIN BAIHUI RETAIL GROUP LTD.

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 200411929C)

## PROXY FORM

### ANNUAL GENERAL MEETING

**Important:**

- 1 For investors who have used their CPF or SRS monies to buy the Shares, this report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
- 2 This Proxy Form is not valid for use by CPF or SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, \_\_\_\_\_ (Name)

\_\_\_\_\_ (NRIC/Passport No.)

of \_\_\_\_\_ (Address)

being a member/members of ZHONGMIN BAIHUI RETAIL GROUP LTD. (the "Company") hereby appoint the Chairman of the Meeting or:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

as my/our proxy/proxies to vote for me/us on my/our behalf, at the Annual General Meeting ("AGM") of the Company, to be held at Grand Mercure Singapore Roxy Hotel located at 50 East Coast Road, Roxy Square, Singapore 428769 on Friday, 25 November 2022, at 10:00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM.

No.	Resolutions relating to:	For*	Against*
1.	Adoption of Audited Financial Statements, Directors' Statement and Auditor's Report		
2.	Approval of proposed Directors' Fees of not more than S\$186,000 for the financial year ended 30 June 2022		
3.	(a) Re-election of Mr Chen Kaitong as a Director (Regulation 104)		
4.	(b) Re-election of Mr Choy Bing Choong as a Director (Regulation 104)		
5.	Appointment of Messrs Foo Kon Tan LLP as the Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young LLP, to hold the office until the conclusion of the next annual general meeting and to authorise the Directors of the Company to fix their remuneration.		
6.	Authority to issue and allot shares pursuant to Section 161 of the Companies Act 1967		
7.	Approval of the proposed Share Buyback Mandate		

\* Please indicate your vote "For" or "Against" with a tick (✓) within the box provided.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

**TOTAL NUMBER OF SHARES IN :**

(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of Member(s) or  
Common Seal of Corporate Member(s) or  
Duly Authorised Attorney/Officer of Member(s)

(Please see notes overleaf before completing this form)



## Notes

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act 1967 (the "Act"), a member entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his stead.
2. This proxy form is not valid for use by investors holding shares in the Company ("Shares") through relevant intermediaries (as defined in Section 181 of the Act) ("Investors") (including investors holding through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. For investors who have used their CPF/SRS monies to buy the Shares, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. This report is forwarded at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY. CPF/SRS investors who wish to appoint the Chairman of the Meeting as their proxy should contact their respective CPF Agent Banks or SRS Operators to submit their votes **by 10.00 a.m. on 15 November 2022**.
3. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
4. Where a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid. A proxy need not be a member of the Company.
5. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in section 81SF of the Securities and Futures Act 2001, you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by you.
6. This proxy form must be (i) sent by email to AGM@zhongminbaihui.com.sg in Portable Document Format (PDF) or (ii) deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd., at 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632 in either case, not less than 48 hours before the time set for the Meeting (i.e. no later than 10:00 am on 23 November 2022).
7. This proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
8. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form shall be treated as invalid.
9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

## Personal Data Privacy

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# Corporate Information

## 企业资讯

### Board of Directors

Lee Swee Keng  
Executive Chairman

Chen Kaitong  
Chief Executive Officer

Choy Bing Choong  
Independent Director

Goh Poh Kee  
Independent Director

Kho Kewee  
Independent Director

### Company Secretary

Chia Foon Yeow

### Registered Office

160 Robinson Road  
SBF Center #15-06  
Singapore 068914  
Tel: (65) 6440 5297  
Fax: (65) 6440 5274

### Share Registrar

**Boardroom Corporate & Advisory Services Pte Ltd**  
1 Harbourfront Avenue  
Keppel Bay Tower #14-07  
Singapore 098632

### Auditors

**Ernst & Young LLP**  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583

### Partner In-charge:

Ho Shyan Yan  
(Appointed since financial year ended 31 December 2019)

### Bankers

United Overseas Bank Limited  
Bank of China  
China Construction Bank Corporation  
Industrial Bank Co., Ltd.  
Industrial and Commercial Bank of China  
Agricultural Bank of China  
China Minsheng Bank  
CIMB Bank Berhad, Shanghai Branch  
Xiamen Bank Co., Ltd.



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

(Co.Registration No.:200411929C)

80 Marine Parade Road #13-07 Parkway Parade Singapore 449269