



STRATEGIC GROWTH TOWARDS SUSTAINABLE FUTURE

ANNUAL REPORT 2022
SAKAE HOLDINGS LTD.



CORPORATE PROFILE

Since the setting up of our very first Sakae Sushi outlet in 1997, Sakae Holdings Ltd. has developed and grown a successful portfolio of brands – Sakae Sushi, Sakae Delivery, Sakae Teppanyaki, Japanmarts, Hei Sushi, Hei Delivery, Nouvelle Events, Crepes & Cream and Senjyu, all synonymous with healthy dining, food safety and quality, and sustainable growth.

Founded by Mr Douglas Foo, Sakae Sushi – the flagship brand of the Group, is the first name that will come to mind when Japanese food is mentioned. The brand’s trendy quick service kaiten (conveyor belt) sushi concept, along with continuous efforts in customer centric initiatives, food quality, business processes and excellent services have allowed us to grow outlets internationally, serving a vast array of sushi, sashimi and other delectable cuisines. Sakae Holdings’ familiar “Green Frog” logo enjoys strong brand recall and top-of-mind recognition for over 25 years, and is an emblem of Sakae’s ideology of continued, sustainable growth and innovation.

In furtherance of our constant pursuit to offer food of the highest quality at reasonable prices, we have bolstered our supply chain and widened our food sources. We have access to fresh ingredients supplied locally and from overseas. We work closely with our suppliers, go on regular farm visits and conduct weekly laboratory microbiological tests to ensure that our ingredients and raw materials are from sustainable sources and of high quality.

As we continue on our journey to building global brands, we constantly seek to improve our operational efficiency and service standards. We are also driven by our focus to meet customers’ varying preferences in local and international markets. These have enabled us to grow our market share and expand our global presence.

We strongly believe that our farm-to-table approach, strong commitment towards food safety and quality, as well as our constant innovation drive can create and promote strong brand loyalty. Sakae is also dedicated to sustainable and eco-friendly practices to preserve our environment for future generations. Our passion and strong commitment to these strategies and values drive us towards our vision of building Sakae to be the top brand recall for Sushi globally – “Think Sushi, Think Sakae”.



CONTENTS



02	Message to Shareholders
04	Corporate Structure and Global Presence
05	Our Innovations
06	Operations Review
08	Our Brands
16	Board of Directors
18	Key Management
19	Corporate Social Responsibility
20	Financial Highlights
21	Corporate Governance Report
46	Directors' Statement and Financial Statements
134	Statistic of Shareholdings
136	Notice of Annual General Meeting
143	Supplemental Information on Directors Seeking Re-election
	Proxy Form
	Corporate Information

OUR VISION

To build global brands

OUR MISSION

To provide safe quality food with excellent service at great value

OUR CORE VALUES

E - Excellence is our minimum standard

P - Productivity in everything we do

I - Innovation to simplify and compete

C - Compassion to all



MESSAGE TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of Sakae Holdings Ltd., (the "Company" and together with its subsidiaries, the "Group"), I am pleased to present herewith our Company's annual report for the financial year ended 30 June 2022 ("FY2022").



Financial Year under Review

The past years have been challenging as businesses continue to grapple with the highly uncertain economic climate brought about by the Covid-19 pandemic. Towards the end of FY2022, with more people being vaccinated and vaccines becoming more readily available globally, Covid-19 preventive measures and restrictions became less stringent. As the global market slowly shows signs of recovery, it is one of hesitance as the threat from the uncertainty of new variants lingers.

In Singapore and Malaysia, retail businesses especially those in the food & beverage services sector were negatively impacted as Covid-19 preventive measures continually evolved. Consumer demand for dine-in was suppressed by the strict safe distancing measures introduced at various periods in response to spikes in Covid-19 infections. On the flipside, the Group's online and delivery sales have continued to grow in FY2022. Overall, the Group's revenue in FY2022 was \$17.2 million, a decrease of 18.8%, as compared to \$21.1 million in the previous financial year ended 30 June 2021 ("FY2021"). However, the Group's prudent approach in managing its operating costs, as well as, grants and rebates received in FY2022, enabled the Group to generate a profit before tax of \$0.8 million in FY2022, as compared to \$2.3 million in FY2021.

The value of our group headquarters at Sakae Building, located at 28 Tai Seng Street recorded an increase of \$3.0 million in FY2022, as compared to the recorded increase of \$9.0 million in FY2021.

Navigating the Challenges

The Group will continue to adapt our processes to be in line with the prevailing government guidelines. We have consistently reviewed and adjusted our practices in order to safeguard the health of our employees and customers. We will continue to do so vigilantly while Covid-19 remains a threat to public health.

The Covid-19 pandemic has reinforced the importance of food safety and traceability. We continue to leverage on a sustainable farm-to-table model which builds upon the Group's brand values of healthy dining, food safety and quality. To achieve a stronger and more resilient food supply chain, we will work closer with our suppliers and network of business partners to incorporate learning points from the Covid-19 pandemic. The Sakae brand values will not change even as we continue to tap on technology to develop and strengthen our digital journey, enhancing interaction and engagement with different generations of customers, and, simultaneously, providing a platform to discover new consumers, digital solutions and market opportunities.

Moving on from FY2022, it is with optimism that the Group looks towards the future remaining agile and nimble to be able to react quicker to the ever dynamic market conditions. Innovation, productivity and efficiency will continue to guide our business strategy, with prudent management of our resources.

Staying Resilient

The Group will continue to strengthen and refine our digital journey to stay ahead of the digital curve. Our digital journey has enabled the Group to gain more insight and visibility on the key areas of our business. While seeking out innovative ways to boost productivity and market ourselves against an evolving and intensely competitive restaurant business environment, we continue to execute carefully planned strategic moves to grow our business. The Group will continue to work with digital partners and explore opportunities to improve its performance by focusing on its online sales channels and efforts to grow its digital business operations while exploring new market opportunities.

Outlook

There is room for optimism as the Group's operations are showing positive signs of improvement, evident from increased sales volume.

While the Group expects business momentum to pick up, the recovery is expected to be gradual. The food & beverages services sector continues to face inherent challenges like intense competition, manpower shortages, rising food cost and other cost pressures brought about by inflation and uncertainty in evolving geopolitical situations.

The Group will remain prudent in controlling its expenses while continuing to channel its existing fixed resources into enhancing efforts for optimising its online and delivery businesses, and seizing new opportunities that present themselves in a recovering global market.

Appreciation

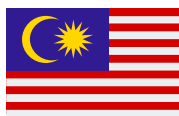
I would like to thank my fellow members of the Board for their insights and guidance in navigating the Group through this unprecedented time. On behalf of the Board, I wish to express our heartfelt gratitude to our management team and staff, especially our frontline team for their relentless contribution, commitment and hard work to continue to serve our customers amidst the Covid-19 pandemic. Their dedication and commitment to our customers are an inspiration to all of us.

We will remain vigilant as we manage and grow our businesses in a recovering market. Together with our team, we will seek to show resilience in adversity and navigate this unprecedented situation with its varied challenges.

I would also like to extend our appreciation to the shareholders, valued customers, business partners and associates for their unwavering support.

Yours truly,
Douglas Foo
Chairman, Sakae Holdings Ltd.

CORPORATE STRUCTURE AND GLOBAL PRESENCE



Malaysia



Singapore



Vietnam

OUR INNOVATIONS

Continuous Innovations and Productivity Upgrading

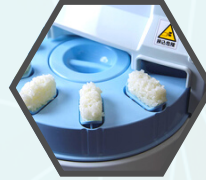
Through Sakae's commitment to its core value of innovation, we have managed to simplify and enhance our business processes, which has made it possible for us to continuously grow and compete in the food and beverage business.

Technological advancements in Sakae's central kitchen, outlets as well as corporate headquarters have enabled us to streamline our operations and raise productivity. Furthermore, the emphasis on exceptional service, trendy concepts and digitalisation has allowed us to provide our customers with an exemplary dining experience consistently, and contributed to the expansion of outlets and alliances built across Singapore, Malaysia and Vietnam.

Constant innovation, greater automation and streamlining of processes will enable Sakae to accomplish its mission to provide safe quality food with excellent service at great value as well as sustainable growth.



SOLAR PANEL



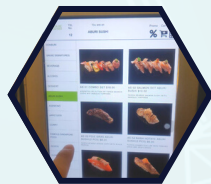
SUSHI ROBOT



AUTOMATED STORAGE AND RETRIEVAL SYSTEM (ASRS)



SECOND TIER SUSHI CAR



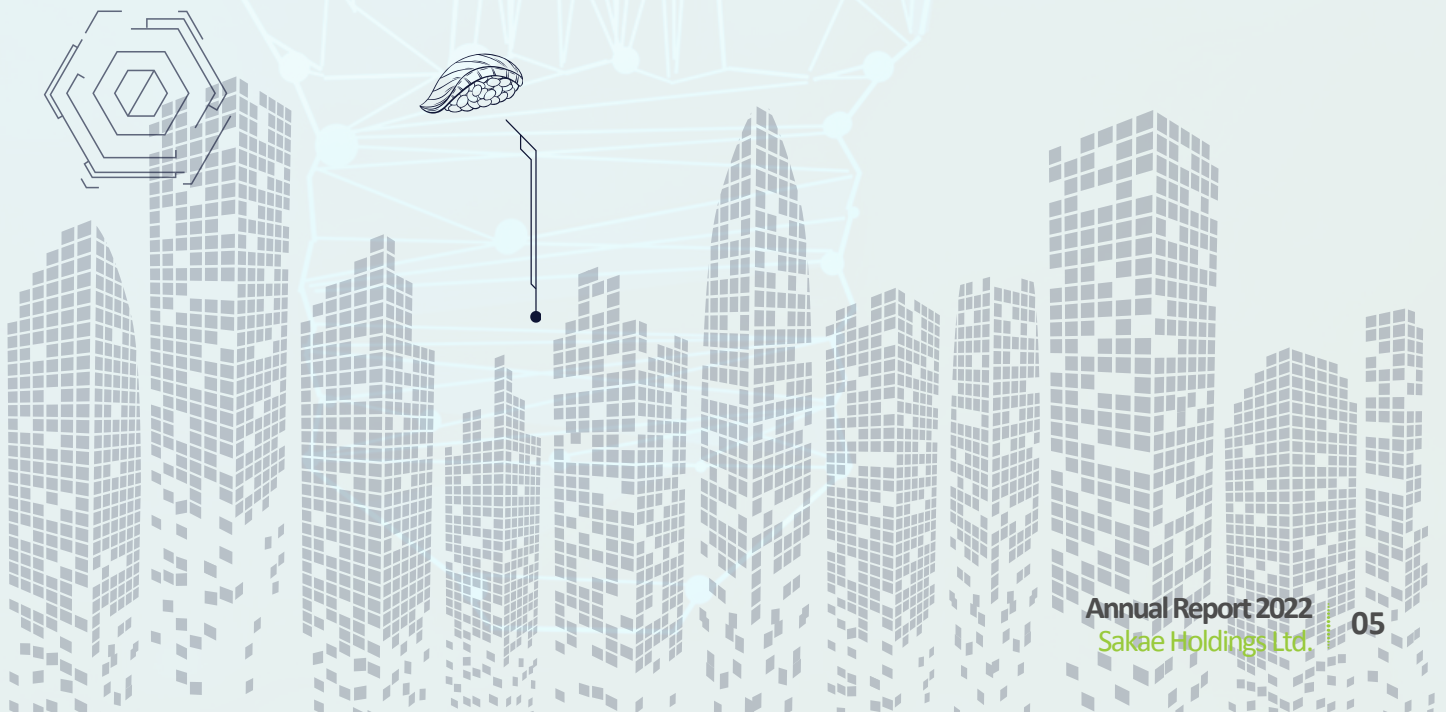
INTERACTIVE E-MENU



DELIVERY INTEGRATION



PATENTED PORTABLE CONVEYOR BELT





OPERATIONS REVIEW

MANAGING CHALLENGES

The Group reported revenue of \$17.2 million for the financial year ended 30 June 2022 ("FY2022") which was 18.8% lower than the corresponding financial year ended 30 June 2021 ("FY2021"). The lower revenue was a result of the various social distancing control measures and restrictions brought about by the Covid-19 pandemic which in turn adversely affected the Group's food and beverage business. However, the decline in dine-in revenue was cushioned by revenue contribution in the Group's takeaway, online ordering and restaurant delivery businesses. Owing to weaker consumer demand and restrictions in place for dine-in, the Group has adapted its operational strategy to reduce the number of physical outlets and to focus more on online ordering and delivery sales.

Congruent with the lower revenue, there was also a corresponding decrease in cost of sales and labour costs. Despite rising raw material costs, the Group has seen only a slight decrease in its gross profit margin in FY2022. Gross profit margin has decreased by 1.0% from 65.8% in FY2021 to 64.8% in FY2022. Other operating income of \$7.7 million in FY2022 was 18.4% lower than \$9.4 million in FY2021, mainly due to lower fair value gains on equity investments by \$0.4 million in FY2022, and lower rental concessions by \$0.9 million. In FY2021, there was also the award of legal costs following successful litigation in court of \$0.4 million.

Administrative expenses of \$13.3 million in FY2022 were 12.4% lower than \$15.2 million in FY2021. These were mainly attributed to lower labour costs and depreciation. Other administrative expenses had also decreased accordingly with the decrease in revenue. Other operating expenses of \$3.6 million in FY2022 were 3.4% lower than \$3.8 million in FY2021. This was mainly due to loss on disposal of fixed assets of \$0.1 million incurred in FY2021. Finance costs decreased slightly by \$0.03 million due to the repayment of short term borrowings during the year.

While the support extended by the Singapore Government, in particular the Jobs Support Scheme and the Rental Support Scheme, will cushion the decrease in the Group's revenue in the short term, consumer demand remains uncertain as consumers are cautious in their spending. The Group will continue to monitor and adopt a cautious and prudent approach in managing its operations and businesses.

Group profit before tax and net profit for the financial year are recorded at \$0.8 million and \$1.1 million respectively in FY2022, which represented a decrease of \$1.5 million and \$1.3 million respectively, as compared to Group profit before tax and net profit for the financial year of \$2.3 million in FY2021.

The value of our group headquarters at Sakae Building, located at 28 Tai Seng Street recorded an increase of \$3.0 million in FY2022, as compared to the recorded increase of \$9.0 million in FY2021.

In this uncertain and challenging period, the Group will continue to stay vigilant in controlling its expenses, while continuing to channel its existing fixed resources into enhancing efforts for optimising revenue from takeaway, online ordering and restaurant delivery across the Group's business.

STABILISING OPERATIONS

The health and safety of our staff and consumers shall remain our key focus as we navigate the challenges arising from the Covid-19 pandemic. The Group has consistently responded swiftly to implement the various forms and degrees of social distancing measures to control the transmission of the Covid-19 virus.



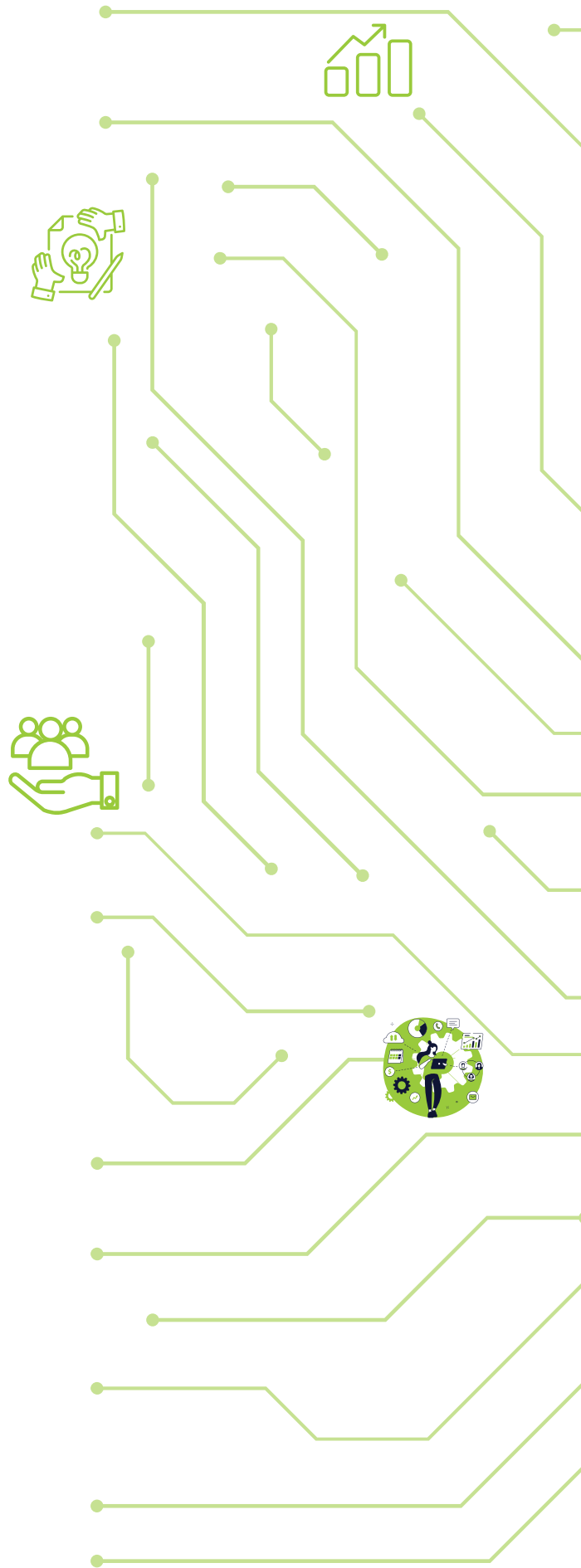
There is optimism that consumer demand and market sentiment will improve and recover. However, there is uncertainty if the recovery will be hindered by the emergence of new variants which proved disruptive to businesses previously. As we progress, we continue to operate the business in line with our Sakae guiding principles although we expect some things to be done differently as part of a new norm. We will continue to manage our operations and business processes to achieve greater efficiency. It is important to adopt a sustainable farm-to-table model to ensure safe and high quality food while keeping in mind the changing needs of our customers. While operating cost may increase, for example, the cost of materials may increase due to global supply chain disruption, we will continue to monitor costs closely and manage the same via new menu developments and offerings as well as alternative sourcing of food sources and items.

STRENGTHENING SAKAE'S BRANDING

Since the inception of Sakae in 1997, the Company's hallmark has consistently been its focus on healthy dining, food safety and quality as well as sustainable growth and innovation. We launched the Interactive Menu since early 1999, our patented portable conveyor belt has been serving our customers since the early 2000s and we started our delivery services since 2000. This Covid-19 pandemic has reinforced how important food safety and traceability of our food sources are. These will not change even as we continue to strengthen our digital journey, allowing for interaction and engagement with many different generations of customers, and, at the same time, providing a platform to discover new consumers, digital solutions and market opportunities.

To drive revenue growth, we will increase our delivery offerings via more diverse delivery channels and partnerships, wider choices of tie-ups and expansion of marketing mechanics to reach various customer groups. We will support this by increasing our social media and online presence to reach out and engage the online community further.

With greater competition in the food and beverage delivery arena, we are consistently innovating and finding new ways to stay in touch with our customers. We adopted various marketing activities and expanded our digital outreach to engage and interact with our customers. To meet the requirements of the astute customer, Sakae consistently sources for good quality and interesting products, creating and developing new menu offerings for all brands. We are also continually looking into areas for improvement, and focusing on customer centric initiatives to suit the lifestyle of our customers while digitalising our delivery options.





OUR BRANDS



SAKAE SUSHI

sakaesushi.com.sg

Sakae Sushi - the flagship brand of Sakae Holdings Ltd. was introduced in the midst of the Asian financial crisis in 1997. Sakae Sushi's success and strong customer base is due to its affordable prices and unique kaiten sushi concept.

Sakae Sushi has evolved over the years with numerous innovations at our restaurants such as self-service hot water dispensers, digital menus with seamless ordering on tablets, QR ordering on mobile devices, and enhancements to our customer loyalty programme.

Sakae Sushi is the clear choice for any meal or special occasion. At Sakae Sushi, we offer some of the best Japanese food in Singapore. Diners can choose from over 200 delicious dishes ranging from fresh sushi, sashimi, donburi, udon and ramen. Our menu is updated and refreshed with new and exciting dishes every month and during occasions which include Mother's Day, Father's Day and national holidays.

Customers can always count on Sakae Sushi to deliver a memorable and meaningful dining experience. We continue to work with passion and determination while we progress towards our vision of developing Sakae Sushi into a global brand synonymous with great food and exemplary service.



SAKAE DELIVERY

sakaedelivery.com



Sakae Delivery is available online on our website and various social media platforms. With our island-wide delivery service, our customers across Singapore are just a click away from their favourite Japanese food. Be it from home, at work or just about anywhere else, ordering from Sakae Delivery has never been more convenient.

榮 SAKAE® TEPPANYAKI

sakaesushi.com.sg



Sakae Teppanyaki serves up a previously expensive dining affair to the masses with its affordable gastronomic experience. With a contemporary elegance, large Teppanyaki griddle and classy open dining concept, Sakae Teppanyaki dishes out only the best from our team of experienced chefs.

Sakae Teppanyaki menu consists of a wide range of dishes that includes fresh seafood, high quality meats including premium beef, and a variety of mushrooms and vegetables. Our uniquely healthy menu will create an unforgettable dining experience. Sakae Teppanyaki has received rave reviews and is a hot favourite amongst food lovers.





heisushi.com

Hei Sushi is the first Halal certified Japanese conveyor belt sushi restaurant in Singapore. It appeals to the masses and has successfully filled the niche in the market for good Halal Japanese cuisine. Similar to Sakae Sushi, Hei Sushi offers a kaiten-style (conveyor belt) sushi dining experience that serves high quality Japanese food.

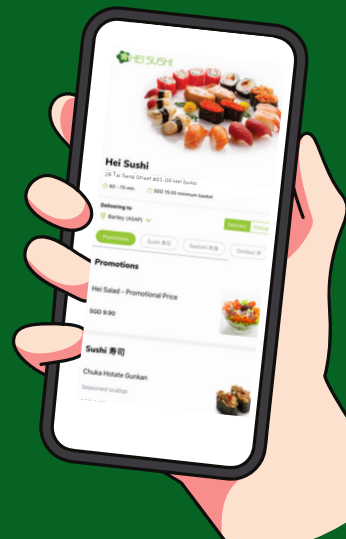
Diners are spoiled for choice at Hei Sushi with our menu that covers over 200 delicious dishes. Our extensive menu includes favourites like Mini Baked Rice, Yakimono (grilled dishes), Fusion Udon, Hibachi (slow cooked on a grill plate), Nabemono (Japanese steamboat) as well as sushi and sashimi. Our menu has been carefully curated to appeal and suit diverse local tastes and preferences. Furthermore, Hei Sushi's seasonal promotions, which celebrate local festivities such as the Ramadan Bundle Set and the National Day, have always been in popular demand.



delivery.heisushi.com

Hei Delivery was launched following the success of Sakae Delivery. Enjoy the freshest Halal-certified sushi and Japanese food anytime anywhere.

Our exclusive promotions, discounts and seasonal campaigns make Hei Delivery the food delivery option of choice for all occasions.





ichigoichiecafe.com



Ichigo Ichie is a cafe that serves vegetarian Japanese-style cuisine, and offers a delightful selection of coffee and other beverages. The ambience at Ichigo Ichie is both work-friendly and great for hangouts. Come and savour our unique vegetarian dishes, and be part of Ichigo Ichie's collaborative coworking community today.



WHAT IS CO-WORKING CAFE?

A casual, comfortable, and convenient coworking space to work with the benefit of a cafe and a collaborative community



Comfortable Environment

Choose from a variety of dedicated work tables, couches and chairs inside of an exclusive work area, great for team work or individual work.



Food & Beverage

Enjoy discounts & special treat upon sign-up.



Internet

High speed internet



Power

Every table and work space has access to power outlets.



Community & Events

Interested in the community development & workshop

SAKAE GO

sakaego.com

Launched in 2022, Sakae Go is a fast-casual concept serving Japanese-fusion pasta. The menu emphasises natural ingredients and authentic flavours. Customers can select their favourite pasta and base sauce, and complete their pasta bowl with delicious add-ons that include a variety of meat, seafood and vegetables.





tendonsekai.com

Welcome to Tendon Sekai 天井世界, the home of delicious Tempura Udon! Our Tendon is made with only the finest ingredients and cooked to perfection, so you can be sure that you are getting the best possible meal every time you visit. Our tagline says it all - our tempura is so crispy that it is out of this world! So why not come and try Tendon Sekai today? We guarantee you won't be disappointed.



umaibentosg.com

The word "Umai" means delicious in Japanese, which is exactly what you can expect from Umai Bento. Umai Bento is a carefully curated meal service that provides well-rounded meals for busy people on the go. Each bento box comes with a variety of dishes that make for a nutritious and satisfying meal. Whether you are looking for a quick lunch or a hearty dinner, Umai Bento has something for everyone.



sangosando.com

Sango Sando is a virtual brand specialising in onigirazu (rice sandwiches). The word "Sando" means "sandwich" in Japanese, while "Sango" is a play on the words "Sando" and "Gohan" (rice), and also conveys that our onigirazu can be eaten on the go.

We are committed to providing our customers with delicious and healthy food options that they can enjoy on the go. Our onigirazu is made with the freshest ingredients and fillings, so you can be sure that you are getting a nutritious and tasty meal every time.

If you are looking for a quick and easy way to enjoy a delicious onigirazu without all the fuss, then look no further than Sango Sando!





senjyu.com.sg

Senjyu, which means ‘eternity of life’, conveys a lifelong passion in serving the freshest and finest Japanese food. Inspired by the truest traditions of Japanese cuisine but infused with contemporary tastes, Senjyu offers sophistication without excessive price tags.

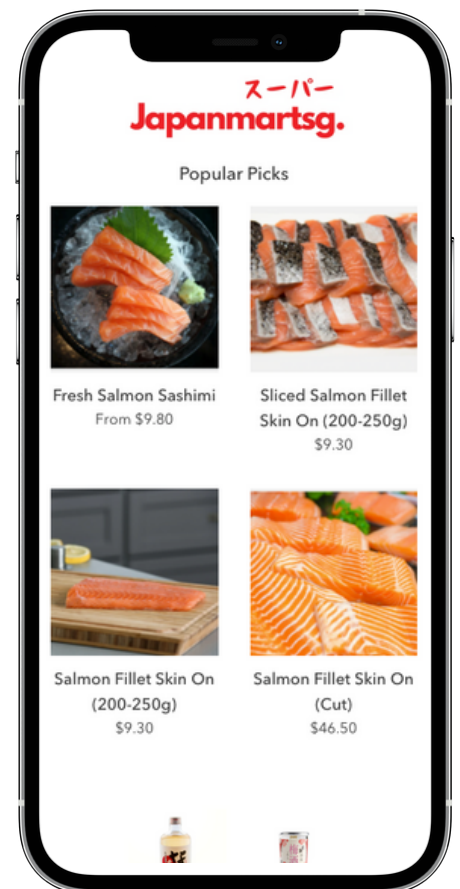
Senjyu is a mid-to-upscale Japanese food concept targeted at Japanese food lovers seeking to add a touch of sophistication and class to their palettes. Savour the best of both worlds, perfected with a touch of elegance and creativity. It all adds up to a dining experience that is distinctly Senjyu. Indulge in the Senjyu fine dining experience, where our private chefs serve up premium Japanese cuisine in an exclusive private setting. Look forward to our virtual tours, where customers can virtually explore popular destinations in Japan while savouring our themed bento sets. Senjyu’s premium bentos are available for delivery.



japanmartsg.com

Japanmartsg takes pride in delighting our customers with quality products at affordable prices. Products shipped directly from Japan are fresh, carefully selected and of high quality. To meet the growing demand for fresh Japanese cuisine, Japanmartsg was established to provide customers with the convenience of online shopping and home delivery for high-quality ingredients used in Japanese cuisine.

Offering a wide variety of products at competitive prices and committed to great service, Japanmartsg is poised to be customers’ first choice for ordering premium Japanese products.





crepesncream.sg

The specialty of Crepes & Cream is its ingenious and inventive crepes. More than just desserts, Crepes & Cream specialises in sweet and savoury crepes. Its aromatic, wafer thin crepes are from a custom blended crepe mixture, unique to Crepes & Cream. Reflecting its international appeal, its savoury crepes come in an assortment of fillings that cut across various cuisines including Japanese and Italian. Crepes & Cream has proven itself to be a hip and trendy space, where customers can sit back and enjoy a quick snack or hang-out with friends. Crepes & Cream offers online crepes order and delivery straight to you.



NOUVELLE[®]
EVENTS HOLDINGS

nouvellevents.com



Nouvelle Events has been one of the leading food and beverage consultants in Singapore for over two decades. As Singapore's first specialist caterer, we offer a unique on-site kaiten (conveyor belt) sushi dining experience at a venue of your choice. This is made possible by our award-winning patented portable conveyor belt that can be deployed at different locations. We also offer 'live' buffet stations that serve a mouth-watering spread that includes sashimi, teppanyaki and crepes, prepared before your very eyes by our dedicated team of chefs.

Nouvelle Events' catering business is supported by our modern central kitchen. The investments made in machines, technology and our Automatic Storage Retrieval System (ASRS) cold rooms have brought about greater synergy and efficient operational flow that have helped to maintain food quality and safety. Nouvelle is thus able to render stronger support to our Sakae restaurants and extend our B2B arm to distribute sushi, air flown salmon and seafood products to major hotels and restaurants efficiently, thereby facilitating growth in our business unit.

SAKAE[®]

CORPORATE ADVISORY

sakaeca.com

Sakae Corporate Advisory provides comprehensive corporate advisory and strategic investor relations services to high-growth companies in emerging markets, and helps companies with investor case positioning. Sakae Corporate Advisory also assists companies in emerging markets to navigate global capital markets, and provides them with the opportunity to access a vast international network of brokerages and investors which include institutional funds, family offices and high-net-worth individuals.



ASP

SERVICES

aspservices.com.sg

ASP Services is a cleaning and maintenance service provider that has been in operation for over thirteen years. Starting out as a small family business, ASP Services has since grown to become a trusted service provider with a reliable track record. ASP Services offers a wide range of solutions in relation to building maintenance, commercial cleaning, air conditioner servicing, F&B equipment maintenance and more. Clients can rely on ASP Services' team of experienced and dedicated professionals to provide them with quality service at competitive prices.



BOARD OF DIRECTORS

DOUGLAS FOO

CHAIRMAN

As Founder and Chairman of Sakae Holdings Ltd., Mr Douglas Foo has led the growth and development of the Group. He continues to spearhead the overall strategic direction and management of the Group's global strategic plans, and its philanthropic initiatives. Mr Foo is a recipient of numerous illustrious accolades and awards, which are testament of his outstanding management and entrepreneurial efforts. He also serves as director on numerous boards for Corporate, Governmental and Non-profit organisations, and holds a Bachelor Degree in Business Administration (Finance) from the Royal Melbourne Institute of Technology University.

LILIAN FOO

CHIEF EXECUTIVE OFFICER & EXECUTIVE DIRECTOR

Ms Lilian Foo was appointed as our Chief Executive Officer with effect from 1 March 2014, and has been our Executive Director since 2 May 2002. With over a decade of F&B experience, Ms Foo helps to drive Strategic Planning, Overall Management, and spearheads Business Development, as well as the Management of Overseas Strategic Development and Business Expansion. With her combined background in F&B, IT and Operations, Ms Foo aims to continue propelling the business toward greater heights. Ms Foo holds a Master's Degree in Business Administration from Leicester University in the United Kingdom. She also earned herself a Bachelor Degree in Science (Information Systems & Computer Science) from the National University of Singapore, and has a Graduate Diploma in Marketing from The Chartered Institute of Marketing in the United Kingdom.

LOH CHEE PENG

NON- EXECUTIVE AND INDEPENDENT DIRECTOR

Mr Loh Chee Peng was appointed as an Independent Director on 28 January 2019. Mr Loh holds a Bachelor in Business Administration (2nd Class Upper Honours) and a Master of Science (Financial Engineering), both from the National University of Singapore. He started his career in Keppel Bank Ltd as a Management Trainee and moved on to Industrial Commercial Bank (part of the UOB Group) as a Relationship Manager in the Corporate Banking Department. From 2000 to 2005, Mr Loh was with SPRING Singapore. He was the Head in the Incentive Management Department and helped to strategise, implement and oversee the government's financial assistance initiatives to assist SMEs in their growth. Mr Loh was with Standard Chartered Bank for a short stint as a Product Specialist for SME government assistance schemes. From 2006 to date, he is with United Overseas Bank Ltd. He has undertaken many different roles and responsibilities in Global Business Development Department, Credit Analyst Department and Product Sales Department. Currently, he is an Executive Director in the Commercial Banking Division of the Bank.

NGOH YORK CHAO NICHOLAS

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Mr Ngoh York Chao Nicholas was appointed as an Independent Director on 18 October 2019. A lawyer by training, Mr Ngoh is the Principal Legal Counsel at the Singapore Manufacturing Federation (SMF) and its Director of Corporate and Council Affairs. Mr Ngoh also currently sits on the National Environment Agency's Waste Management Sectoral Tripartite Committee and the Workplace Safety & Health Council's Engagement & Outreach Committee. Prior to joining the SMF, Mr Ngoh was formerly with the Attorney-General's Chambers and the Singapore Legal Service Commission for about 10 years. During his time with the Commission, Mr Ngoh was appointed a Deputy Public Prosecutor and State Counsel, and was also attached to MOM and ACRA, primarily dealing with matters such as law reform, criminal prosecution, public awareness training and disciplinary proceedings against Public Accountants. Additionally, Mr Ngoh was part of the secretariat of the Corporate Governance Council which successfully implemented substantial changes to the Code of Corporate Governance in 2018. He was also on the editorial team of the inaugural series of Corporate Governance Guidebooks produced by the Singapore Institute of Directors.

DAVID PANG KAM WEI

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Mr David Pang was appointed Independent Director on 6 July 2020. As Chief Transformation Officer and member of the Executive Leadership, David is responsible to drive SPH Media's business transformation and strategy in the digital age as a leading news media organization and thought leader in Asia. Prior to SPH Media, he held concurrent global leadership appointments at Shiseido Travel Retail, the duty free business of Shiseido Group with annual turnover of over USD1Bn, as Chief Strategy Officer, Chief of Staff and Chief People Officer. In his 20 plus years of professional experience, Mr Pang assumed commercial and management consulting leadership roles at global consulting firms and advised Fortune 500 companies operating in the beauty, financial services, pharma and energy sectors on business transformation, operating model design, organization strategy and change management. Mr Pang graduated from Nanyang Business School (NTU) with a degree in Applied Economics and attended the Senior Leadership Program at IESE Business School sponsored by Shiseido. As a thought leader, he was featured by BBC News on "digital agility", Channel NewsAsia for commentaries on "attracting millennial talent" and "learning agility", and South China Morning Post (SCMP) on "What Industry 4.0 means to Singapore and why its workers must upskill and lose their sense of entitlement".

KEY MANAGEMENT

TAN YIOK PING, JASON



CHIEF FINANCIAL OFFICER

Mr Tan Yiok Ping, Jason is responsible for the Group's overall financial reporting, financial planning, treasury and financial compliance matters. Mr Tan has more than 20 years of experience in Finance leadership roles in public multinational companies across Asia. During his career Mr Tan has led various organisation transformation exercises following company acquisitions, with proven records in driving organisation growth and achieving financial targets. Prior to joining our Group in April 2022, he was the Regional Finance Director of Spirax Sarco Group, a UK public company, and has helped the entities in Southeast Asia to navigate safely through the challenges brought about by the pandemic and preserved the profitability of the Group. Prior to this Mr Tan has held the role of Global Treasury with Christie Digital Group, subsidiary of Ushio Inc.

Mr Tan has extensive experience in manufacturing start-ups in China, India and Thailand regions as well. He was also instrumental in the successful integration of various ERP strategies across the region, and alignment to organisation goals.

Mr Tan is a fellow member of the Association of Chartered Certified Accountants.

TAN YEE CHENG



HEAD – HUMAN RESOURCE

Ms Tan Yee Cheng is responsible for the full spectrum of Human Resource functions of the Company. Ms Tan has more than 20 years broad-based and progressively responsible experience in Human Resource Management. Prior to joining the Group, Ms Tan has amassed a wealth of experience from both Multinational Company and Small Medium Enterprise, both in Food & Beverage and Retail Enterprise, and also in the Energy Logistics Industry. She holds a HCS Chief People Officer Post – Graduate WSQ Specialist Diploma in Human Capital Management.





CORPORATE SOCIAL RESPONSIBILITY

As we are committed to being a socially responsible company, Sakae continues to be active and makes a positive contribution to society. On the environmental front, we continue to apply eco-friendly technologies and equipment in all of our stores. We have also created the Sakae Foundation to dedicate our time and resources to supporting various charities, communities and causes. One of our core values is "Compassion for All", and we believe in giving back to the community with a sincere heart.

SAKAE CARE

Sakae is a firm believer in corporate social responsibility. We understand the importance of giving back to the community, particularly during difficult times like the Covid-19 pandemic. With the aim of keeping our customers safe and healthy during the pandemic, we started the Sakae Care initiative in which all Sakae Sushi and Hei Sushi outlets gave out KN95 masks to dine-in and delivery customers.

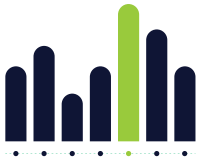
Sakae Care was well-received and garnered a lot of positive feedback. This encouraged us to improve the initiative and culminated in its expansion to reach the wider community, especially to those in need. Working with like-minded companies, we distributed masks to the elderly and beneficiaries of charitable organisations like St John Singapore and Lions Clubs International Foundation. Caring for all is integral to our organisation, and we are glad to do our part to aid the vulnerable in our community.



FOOD WASTE MANAGEMENT

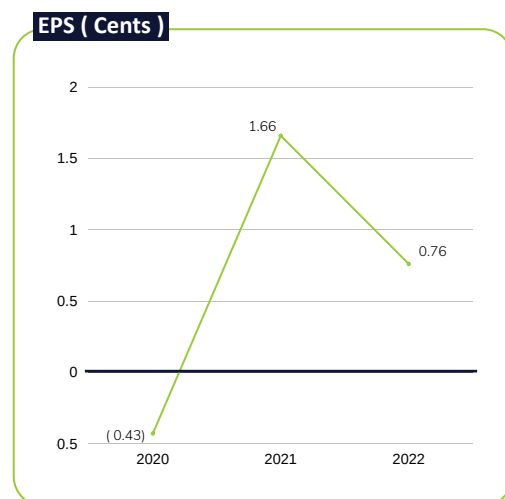
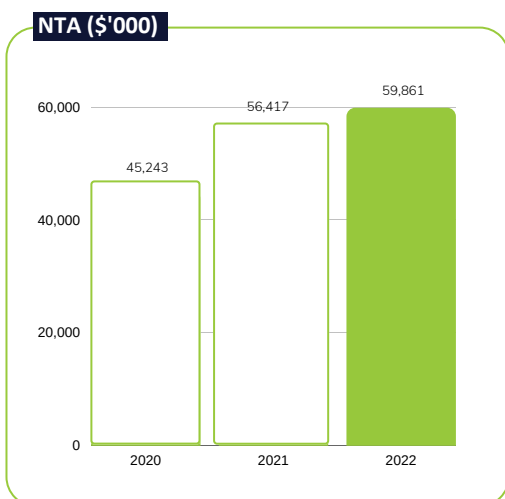
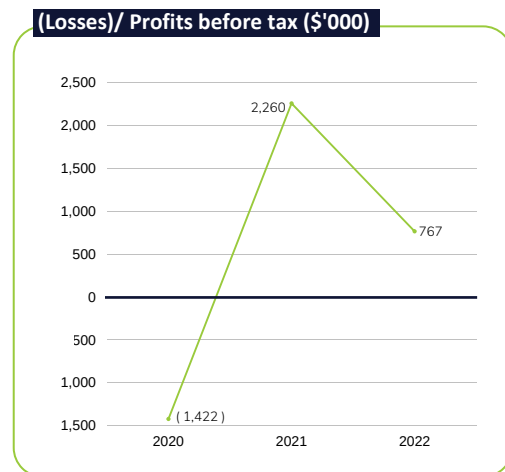
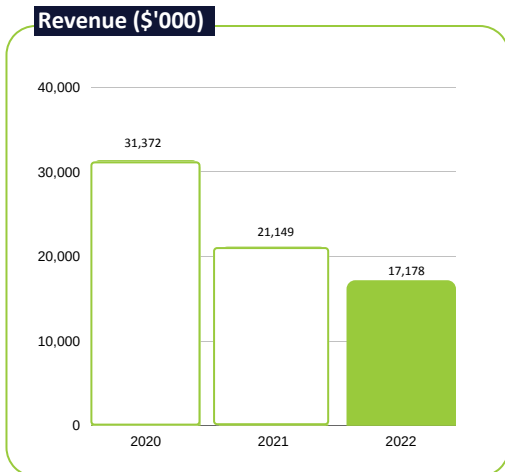
Food waste accounts for a significant portion of the total waste generated in Singapore. To do our part to save the environment, Sakae adopts multiple approaches to sustainable waste and resource management. Efficient food purchases and processes, Central Kitchen preparation and centralised cold chain storages have helped to improve efficiency and reduce food wastage. In support of the Zero Waste initiatives, Sakae has installed a food waste digester machine at our group headquarters to treat and recycle food waste sustainably. The compost produced will be used in turn as fertilisers for our greenery landscape around our headquarters. We will continue our best efforts as we sustain and support these Zero Waste initiatives.





FINANCIAL HIGHLIGHTS

Results	2020 \$'000	2021 \$'000	2022 \$'000
Revenue	31,372	21,149	17,178
(Losses)/ Profits before tax	(1,422)	2,260	767
(Losses)/ Profits attributable to shareholders	(600)	2,317	1,060
Non-current assets	104,072	109,770	108,243
Non-current liabilities	21,649	27,342	27,493
Total equity / Net tangible assets ("NTA")	45,243	56,417	59,861
Net assets per share (cents)	32.44	40.45	42.92
(Losses)/ Earnings per share ("EPS") (cents)	(0.43)	1.66	0.76





Sakae Holdings Ltd. (the “Company” and together with its subsidiaries, the “Group”) is continuously committed to maintain a high standard of corporate governance and has put in place self-regulatory corporate practices to protect the interests of its shareholders and enhance long-term shareholder value.

The Board of Directors (the “Board”) is pleased to report compliance of the Company with the Principles and Provisions set by the 2018 Code of Corporate Governance (the “Code”) during the financial year ended 30 June 2022 (“FY2022”), unless otherwise stated. The Board will continue to improve compliance in line with developments in corporate governance by enhancing its framework. To the extent the Company’s practices may vary from the Provisions of the Code, the Company will explain how its practices are consistent with the intent of the relevant Principles of the Code.

BOARD MATTERS

Principle 1: Board’s Conduct of Affairs

Apart from its statutory duties and responsibilities, the Board oversees the Management and affairs of the Group. It focuses on strategies and policies, with particular attention paid to growth and financial performance. The Board is also responsible for considering sustainability issues relating to the environment and social factors as part of the strategic formulation of the Group. The Board also sets the Company’s values and standards and provides guidance to Management to ensure that the Company’s obligations to its shareholders and the public are met. The Board delegates the formulation of business policies and day-to-day management to the Management. All Directors are fiduciaries who make objective decisions in the best interests of the Company and work with Management for the performance of the Group. Directors have agreed to act in adherence to a code of conduct and ethics. Specifically, should any real or apparent conflict of interest arise in the performance of his duties, that particular Director is to disclose the interest and recuse himself from the decision making process after providing his views. The Directors also shape the culture and the strategic direction of the Group by adopting appropriate “tone-from-the-top” in meetings attended by key management personnel.

The principal functions of the Board are:

- (a) to approve the Group’s key business strategies and financial objectives;
- (b) to approve major investments and divestments, and funding proposals;
- (c) to oversee the processes for evaluating the adequacy and effectiveness of the Company’s risk management and internal control systems, including financial, operational, compliance and information technology controls, including safeguarding of shareholder’s interests and the Company’s assets; and
- (d) to assume responsibility for corporate governance.

Directors are encouraged to attend programmes organised by the Singapore Institute of Directors. Each director will determine the courses best suited to that director to develop relevant competencies for effective discharge of duties as a director. In FY2022, the Directors attended courses organised by the Singapore Institute of Directors.



CORPORATE GOVERNANCE REPORT

The Board decides on matters requiring its approval and which is communicated to the Management for further action. Some of the matters reserved for the Board include:

- (a) review and approval of periodic financial results announcements and annual audited financial statements; and
- (b) matters requiring announcements on the Singapore Exchange Securities Trading Limited (“SGX-ST”), such as:
 - (i) the declaration of dividends and other returns to shareholders;
 - (ii) corporate policies in key operational areas, including corporate or financial restructuring and share issuance, mergers and acquisitions, material acquisitions and disposals, approval of transactions involving interested persons; and
 - (iii) appointment of new Directors.

The Board discharges its responsibilities either directly or indirectly through Board Committees such as the Nominating Committee, a Remuneration Committee and an Audit Committee. The effective functioning of such committees are reviewed by the Board and suggestions on best practices are discussed for adoption. Board committees make known their recommendations and opinions to the Board and the final decision on all matters lies with the entire Board.

Every Executive Director receives appropriate training to develop individual skills in order to discharge his or her duties. The Group also provides extensive information about its history, mission and values to the Directors.

The Board holds at least four scheduled meetings each year to review and deliberate the key activities and business strategies of the Group, including reviewing and approving acquisitions, financial performance, and to endorse the release of the interim and annual financial results. Ad-hoc Board meetings are also convened in addition to the scheduled meetings where required. The Company’s Constitution permits a Board meeting to be conducted by way of tele-conference and video-conference.

The number of Board and Board Committee Meetings held in the financial year and the attendance of each member of the Board are presented in the table below. Matters arising from each Board Committee meeting will be followed-up and reported to the Board. Minutes of all Board Committee meetings are circulated for review and confirmation to the individual directors on the respective Board Committees as are the minutes for each Board meeting circulated to each individual Director. These minutes enable Directors to be kept abreast of matters discussed at such meetings. Besides Board meetings, the Board exercises control on matters that require the Board’s deliberation and approval through the circulation of Directors’ resolution(s).



Name of Director	Board		Audit Committee	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Douglas Foo Peow Yong	4	4	-	-
Foo Lilian	4	4	-	-
Loh Chee Peng	4	4	4	4
Ngeh York Chao Nicholas	4	4	4	4
David Pang Kam Wei	4	4	4	4

Name of Director	Remuneration Committee		Nominating Committee	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Douglas Foo Peow Yong	1	1	-	-
Foo Lilian	-	-	1	1
Loh Chee Peng	1	1	1	1
Ngeh York Chao Nicholas	1	1	1	1
David Pang Kam Wei	1	1	1	1

The Company circulates the reports relating to operational and financial performance of the Group and Company prior to the Board meetings held quarterly. All Directors are provided with complete and adequate information prior to Board meetings and on an ongoing basis. These meeting papers are issued and circulated to the Board in sufficient time prior to the meeting to enable the Directors time for perusal, deliberation or to request for further information prior to the Board meeting. Directors are provided with additional information from Management, upon their request. Management provides information in a timely manner to allow Directors to make informed decisions. Directors could discharge their duties and responsibilities with timely information provided to them. The Board also receives updates pertaining to financial highlights of the Group's performance on a quarterly basis at Board meetings. These financial highlights include commentaries, analyses and variances. Senior management is present at these update sessions to address any queries which the Board may have. Additional or supplemental information is also furnished where relevant. Where a physical meeting is not possible, timely communication with members of the Board is effected through electronic means which include electronic mail and teleconferencing.

The Company works closely with a professional corporate secretarial firm, Messrs Tricor WP Corporate Services Pte. Ltd. to provide its Directors with regular updates on the latest changes to the Code of Corporate Governance and Listing Manual provisions. The Company Secretary attends all Board and Board Committee meetings (except RC meetings). The appointment and removal of the Company Secretary are decisions taken by the Board as a whole. Where necessary, professional advice procured in accordance with the Group's procurement policies is made available to add value to deliberations and to assist the Directors in making decisions.



During the financial year, the Directors received updates on regulatory changes to the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and developments in accounting standards with explanations on the impact to the Group. The Directors also received updates on the business activities, operations and strategic directions of the Group through regular meetings and presentations by the Company’s CEO and senior management. The regular presentations allow the Board of Directors to get acquainted with senior management, thereby facilitating board interaction and independent access to senior management.

A newly appointed Director will be given briefings on the business activities of the Group, its strategic directions, governance practices and duties and obligations as a Director. He will be given the opportunity to visit the Group’s operational facilities to gain a better understanding of the Group’s business operations. The appointment of a Director is formalised by the announcement of the appointment on the SGXNET and through official correspondence from the Group. No new Director was appointed in 2022.

Principle 2: Board Composition and Guidance

The Board comprises the following Executive and Non-Executive Directors as at the date of this report:

Executive Directors:

Douglas Foo Peow Yong (Executive Chairman)

Foo Lilian (Executive Director and Chief Executive Officer)

Non-Executive Directors:

Loh Chee Peng (Non-Executive and Independent Director)

Ngeh York Chao Nicholas (Non-Executive and Independent Director)

David Pang Kam Wei (Non-Executive and Independent Director)

A majority of the Board are Independent Directors and Non-Executive Directors. The Directors appointed are qualified professionals who possess a diverse range of expertise, qualifications, skills and experience. These include experience in information technology, management, accounting, banking, finance and law. The Directors, as a group, provide an appropriate balance and diversity of skills, experience and knowledge to the Company. Key information regarding the Directors’ academic and professional qualifications and other appointments is set out under the Board of Directors section of the Annual Report. There is a strong and independent element on the Board with Independent and Non-Executive Directors forming a majority of the Board where the Chairman of the Board and Chief Executive Officer are immediate family members. The independence of each Director is reviewed by the Nominating Committee annually. The Nominating Committee adopts the definition of what constitutes an Independent Director from the Code. Among the items the NC considers while reviewing independence are:–



1. Whether a director, or a director whose immediate family member, in the current or immediate past financial year, provided to or received from the company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services), other than compensation for board service.
2. Whether a director, or a director whose immediate family member, in the current or immediate past financial year, is or was, a substantial shareholder or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services).
3. Payments aggregated over any financial year in excess of S\$200,000 should generally be deemed significant irrespective of whether they constitute a significant portion of the revenue of the organisation in question.
4. Whether a director is or has been directly associated with a substantial shareholder of the company, in the current or immediate past financial year.

The Board also reviewed independence of Directors based on Rule 210(5)(d) of the Listing Manual which sets out the specific circumstances in which a director should be deemed non-independent. These circumstances include:

- a. a director who is being employed by the company or any of its related corporations for the current or any of the past three financial years;
- b. a director who has an immediate family member who is, or has been in any of the past three financial years, employed by the company or any of its related corporations and whose remuneration is determined by the Remuneration Committee (RC); and
- c. a Director who has been a director for an aggregate period of more than 9 years (whether before or after listing) and whose continued appointment as an Independent Director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and chief executive officers (the "Two-Tier Voting") with effect from 1 January 2022.



The NC reviewed the declaration of independence of each director and was satisfied that all Independent Directors were considered independent for the purpose of Provision 2.1 of the Code and Rule 210(5)(d) of the Listing Manual. The Independent Directors do not have any relationship with the Company, related corporations, its substantial shareholders or officers. The Independent Directors are not employees of any company within the Group and they bring diverse experience to the Company's decision-making process. Apart from receiving Director's fees, they do not have any other material pecuniary relationship or transactions with companies within the Group or the management, which in the judgement of the Board may affect their independence of judgement.

While the Board has additional criteria for evaluating the independence of an Independent Director who has served for more than nine years from the date of first appointment, the Board has no Independent Director who has served beyond nine years from the date of appointment to the Board.

The Board comprises Directors who are of diverse professions. These include finance, legal, human resource, business or management experience and engineering. The Board has examined its size and is of the view that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Company. The Board is of the view that the effective blend of skills, experiences and knowledge remains a priority. The composition of the Board will be reviewed on an annual basis by the Nominating Committee to ensure that the Board has the appropriate mix of expertise and experience. The Board will constantly examine its size annually with a view to determine its impact upon its effectiveness and review its appropriateness for the nature and scope of the Group's operations. The Board adopted a diversity policy and worked towards implementing the objectives of a diverse Board to enhance its performance. Benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors, as and when appropriate, would be considered by the NC and Board from time to time so as to serve the needs and plans of the Company.

The Board believes that there is a good balance of power and authority as all the Board Committees are chaired by Independent Directors. In FY2022, the non-executive Directors have met (without management present) on several occasions.

Key information regarding the Directors' academic and professional qualifications and other appointments is set out on pages 16 and 17 of the Annual Report.

No individual or small group of individuals dominate the Board's decision making process.

**Principle 3: Chairman and Chief Executive Officer (“CEO”)**

The Group’s Chairman is Mr Douglas Foo Peow Yong who is responsible for spearheading the Group’s overall direction and management of the Group’s global strategic plans.

Ms Foo Lilian is the Group’s CEO who is responsible for the day-to-day operations of the Group. Mr Douglas Foo Peow Yong is a brother of Ms Foo Lilian.

Both Mr Foo and Ms Foo are responsible for the monitoring of the quality, quantity and timeliness of information flow between the Board and the Management and ensure that Directors receive accurate and timely information. They are also responsible for effective communication with shareholders.

Mr Foo is the founder of the Group and has played a key role in developing the Group’s business. Through the Group’s successful development, Mr Foo has demonstrated his vision, strong leadership and enthusiasm in the Group’s businesses.

The Board had established in writing the division of responsibilities between the Chairman and the CEO.

The Board has considered and is of the view that there are sufficient safeguards and checks to ensure there is a good balance of power and authority. No individual or small group of individuals dominates the Board’s decision-making process. The Board seeks to ensure that decisions are made collectively. Furthermore, all the Board committees are chaired by Independent Directors of the Company.

Although the Board has not appointed a lead independent director to date, the Board has consistently demonstrated it is able to exercise independent decision-making. With a strong independent element on the Board, the Board is of the view that the Board’s decision-making process is based on collective decisions of the Board and no one individual has unfettered powers of decision-making on the Board.

Independent Directors are available to shareholders where they have concerns which contact through the normal channels of communication with the Chairman or Management have failed to resolve or for issues where such contact is inappropriate or inadequate or where the Chairman is conflicted.

The Independent and Non-Executive Directors would communicate without the presence of the Management as and when the need arises.



Principle 4: Board Membership

The NC comprises Mr Ngho York Chao Nicholas as Chairman, Mr David Pang Kam Wei, Mr Loh Chee Peng and Ms Foo Lilian as members as at the date of this report. The majority of whom, including the Chairman of the NC, are Independent Non-Executive Directors. The Chairman of the NC is not associated in any way with any substantial shareholders of the Company.

The Board has reviewed and updated the written terms of reference of the NC which sets out the objectives and authority of the NC. The NC is primarily responsible for:-

- (a) reviewing and assessing candidates for directorships (including executive directorships) before making recommendations to the Board for the appointment of directors;
- (b) reviewing and recommending to the Board new appointments, re-appointments or re-election of directors to the Board;
- (c) determining annually whether or not a Director is independent;
- (d) deciding, in relation to a Director who has multiple board representations, whether or not such a Director is able to and has been adequately carrying out his duties as a Director of the Company;
- (e) regularly reviewing and recommending to the Board the structure, size and composition of the Board and to make recommendations to the Board with regard to any adjustments that are deemed necessary;
- (f) reviewing and recommending to the Board training and professional development programmes for the Board;
- (g) reviewing and recommending to the Board, board succession plans for Directors and key management personnel, in particular, the Chairman and the Chief Executive Officer; and
- (h) assessing the performance of the Board as a whole and contribution of each director to the effectiveness of the Board. This assessment process shall be disclosed annually.

The Board has a process for the appointment of a new Director whereby the NC will evaluate the core competencies of the Directors so as to determine suitable skills and expertise to strengthen or complement the Board, taking into consideration the need for progressive renewal of the Board. Where new appointments are required, the Board considers the candidate's track record, age, experience, and capabilities and meets with such candidates before a decision is made on the selection. The criteria for identifying candidates and reviewing nominations for appointments will include other forms of diversity such as age. The Board taps on industry information and personal contacts of current directors for recommendation of suitable candidates.



The independence of Directors is assessed annually by the NC. The NC considers an Independent Director as one who has no relationship with the Company, its related companies, its shareholders who hold more than 5% of its shares or its officers that could interfere, or be reasonably perceived to interfere with the exercise of the Director's independent judgement, which is to be in the best interests of the Company. On an annual basis, each Director is required to submit a return as to his independence to the Company Secretary. The NC shall review the returns and determine whether the Director is to be considered independent.

The Independent Directors have confirmed that they do not have any relationship with the Company, its related companies, its shareholders who hold more than 5% of its shares, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent judgement which is to be in the best interests of the Company and Group. During the year, the NC has reviewed (with each NC member who is an Independent Director recusing himself from determining his own independence) and determined that Mr Loh Chee Peng, Mr Ngoh York Chao Nicholas and Mr David Pang Kam Wei are independent as at the date of this Annual Report having regard to the circumstances set forth in Provision 2.1 of the Code and Rule 210(5)(d) of the Listing Manual. The Independent Directors do not have any relationship with the Company, related corporations, its substantial shareholders or officers. The Independent Directors are not employees of any company within the Group. Their experience in finance, law and human resource enables them to exercise objective judgement on corporate affairs independently.

Summary of activities in FY2022

- Reviewed structure, size and composition of the Board and Board Committees.
- Reviewed independence of Directors.
- Reviewed and initiated process for evaluating Board, Board Committee, Chairman and individual Directors performance.
- Reviewed results of performance evaluation and feedback to the Chairman and Board Committees.
- Reviewed the need for progressive Board renewal.
- Discussed information required to be reported under the Code or Listing Manual.



PARTICULARS OF DIRECTORS AS AT 30 JUNE 2022

Name of Director	Date of first appointment	Date of last re-election	Nature of appointment	Membership of Board committees	Directorship and Chairmanship, both present and those held over the preceding three years, in other listed companies and other principal commitments
Douglas Foo Peow Yong	17 February 1997	29 October 2021	Executive Chairman	Member of Remuneration Committee	Director of Sakae Group of companies
Foo Lilian	2 May 2002	30 October 2020	Executive Director / Chief Executive Officer	Member of Nominating Committee	Director of Sakae Group of companies
Loh Chee Peng	28 January 2019	29 October 2021	Non- Executive and Independent Director	Chairman of Audit Committee and Member of Nominating Committee and Remuneration Committee	None
Ngeh York Chao Nicholas	18 October 2019	29 October 2019	Non- Executive and Independent Director	Chairman of Nominating Committee and Member of Audit Committee and Remuneration Committee	None
David Pang Kam Wei	6 July 2020	30 October 2020	Non- Executive and Independent Director	Chairman of Remuneration Committee and Member of Audit Committee and Nominating Committee	None



Other key information of the Directors is set out under the Board of Directors section of this Annual Report.

All Directors are subject to the provisions of the Company's Constitution whereby one-third of the Directors are required to retire and subject themselves to re-election by shareholders at every AGM.

Mr Ngoh York Chao Nicholas and Mr David Pang Kam Wei are due for retirement at the forthcoming Annual General Meeting pursuant to the Company's Constitution.

The NC, having assessed the overall contribution, performance, participation, preparedness and attendance of Mr Ngoh York Chao Nicholas and Mr David Pang Kam Wei, recommended to the Board that Mr Ngoh York Chao Nicholas and Mr David Pang Kam Wei be nominated for re-appointment at the forthcoming Annual General Meeting. The Board concurred with the NC's recommendation.

There was no Alternate Director who shall bear all the duties and responsibilities of a Director.

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 and there is accountability for good corporate governance. The Board Committees are chaired by Independent Directors and more than half of the Board consists of Independent Directors.

The NC has reviewed board succession planning for directors and key management personnel, in particular, the Chairman and CEO. As part of the succession planning, Ms Foo Lilian was appointed as Chief Executive Officer of the Company with effect from 1 March 2014 while Mr Douglas Foo relinquished his position as Chief Executive Officer and remains as Executive Chairman of the Group to focus on spearheading the Group's overall direction and global strategic plans. The NC and Board acknowledged that there is a need for progressive renewal of the Board.

All Directors are required to declare their board representations. The NC will consider whether each Director is able to adequately carry out his/her duties as a Director of the Company, taking into consideration the number of listed company board representations and other principal commitments. The NC was satisfied that Directors have demonstrated commitment to spend time for discussion at and outside scheduled Board Meetings, even during weekends or after office hours, as and when the need arises. The NC was satisfied that all the Directors are able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Directors of the Company.



Principle 5: Board Performance

On an annual basis, the NC in consultation with the Chairman of the Board, will review and evaluate the performance of the Board as a whole, taking into consideration the attendance record at the meetings of the Board and Board Committees and also the contribution of each Director to the effectiveness of the Board.

The Board has a formal process for assessing the effectiveness of the Board as a whole with objective performance criteria as well as considering the contribution of each individual Director to the effectiveness of the Board. The NC assessed the functions and effectiveness of the Board as a whole, assessment of the Board Committees, assessment of each individual director to the effectiveness of the Board and assessment of the contribution by the Chairman in the Financial Year 2022. The assessment report was reviewed by the Board and the recommendations were discussed with a view to improve the overall effectiveness of the Board. The NC is of the view that the performance of the Board as a whole has been satisfactory. Each director continues to contribute effectively and demonstrate commitment to the appointed role.

Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as a Director.

Directors are required to ensure that they are in a position to devote the necessary time commitment and attention to the Company's matters and for the proper performance of their duties. The Board has not determined the maximum number of listed company board representation which any Director may hold. Directors, while holding office, are at liberty to accept other board appointments, so long as such appointment is not in conflict with the Company's business and does not materially interfere with their performance as a director of the Company. The Board is of the view that non-executive Directors holding directorships in other companies, which are not in the Group, especially in listed companies, do not hinder them from carrying out their duties as Directors. These Directors would widen the experience of the Board and give it a broader perspective. As at the date of this report, none of the Directors holds directorships in other public listed companies.



REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The RC comprises Mr David Pang Kam Wei as Chairman and Mr Loh Chee Peng, Mr Ngho York Chao Nicholas and Mr Douglas Foo Peow Yong as members, as at the date of this report. The majority of whom, including the Chairman of the RC, are Independent and Non-Executive Directors.

The Board recognises that the composition of the RC does not comprise entirely of Non-Executive Directors. However, the Board is of the view that the current composition of the RC is able to provide the necessary objective inputs to the various decisions made by the Board. Mr Douglas Foo Peow Yong, a member of the RC and an Executive Director abstained from all discussions, deliberations and decisions of his own remuneration.

The Board has reviewed and updated the written terms of reference of the RC, which sets out the objectives and authority of the RC. The RC is primarily responsible for:-

- (a) reviewing and recommending to the Board a framework of remuneration for the Board and key management personnel;
- (b) determining the specific remuneration packages for each Director and key management personnel;
- (c) determining performance-related elements of remuneration and eligibility for benefits under long-term incentive schemes to align interests of executive Directors and link rewards to corporate and individual performance; and
- (d) administering the Company's share option scheme.

In carrying out the above responsibilities, the RC may obtain independent external legal and other professional advice as it deems necessary. The expenses of such advice shall be borne by the Company.

The RC's recommendations are made in consultation with the Chairman of the Board and submitted to the entire Board for endorsement. The remuneration of the Non-Executive and Independent Directors is in the form of a fixed fee. The payment of fees to Non-Executive Directors is subject to approval at the AGM of the Company. The remuneration of the Executive Directors and CEO as well as key management personnel are reviewed by the RC.

The Directors are not involved in deciding their own remuneration. The members of the RC do not participate in any decisions concerning their own remuneration.



Principle 7: Level and Mix of Remuneration

The Company sets remuneration packages to ensure that it is competitive and sufficient to attract, retain and motivate Directors and key management personnel of the required experience and expertise to run the Company successfully.

In setting remuneration packages for the key management personnel, the RC takes into consideration the pay and employment conditions within the industry and comparable companies. A significant part of the remuneration package is linked to the achievement of stretching, pre-determined corporate performance targets, focusing on profitability, measures reflecting customer experience and key products for the financial year under review and as well as individual performance. The RC is satisfied that the performance conditions of the key management personnel have been met.

As part of its review, the RC ensures that the performance-related elements of remuneration form a significant part of the total remuneration package of the Executive Directors and key management personnel and is designed to align with the interests of shareholders and other stakeholders and promotes the long-term success of the Company. The Company had adopted the employee performance scheme known as “2021 Sakae Performance Share Scheme” (“2021 PSS”) on 29 October 2021 and the Directors of the Company were empowered to offer and grant Awards under the 2021 PSS.

The Company has renewed the service agreements of the two Executive Directors namely Mr Douglas Foo Peow Yong and Ms Foo Lilian respectively for another year. The service agreements cover the terms of employment, specifically salaries and bonuses.



Principle 8: Disclosure on Remuneration

The following tables show a breakdown of the remuneration of Directors and key management personnel for FY2022 as follows:

Remuneration band & name of directors	Salary %	Bonus %	Incentive and other benefits %	Directors' Fees %	Total %
<i>\$750,000 to below \$1,000,000</i>					
Douglas Foo Peow Yong	64	-	36	-	100
<i>\$500,000 to below \$750,000</i>					
Foo Lilian	64	-	36	-	100
<i>Below \$250,000</i>					
Loh Chee Peng	-	-	-	100	100
Ngoh York Chao Nicholas	-	-	-	100	100
David Pang Kam Wei	-	-	-	100	100

Remuneration band & name of top 5 key management personnel	Salary %	Bonus %	Incentive and other benefits %	Total %
<i>Below \$250,000</i>				
Tan Yiok Ping, Jason*	100	-	-	100
Shu Kwan Chyuan**	100	-	-	100
Tan Yee Cheng	100	-	-	100

*Appointed on 11 May 2022

**Resigned on 1 June 2022

For competitive reasons, the Company is disclosing each individual Director's remuneration in bands of \$250,000.

For FY2022, the Company identified two key management personnel (who are not Directors). The Group remunerates its key management personnel competitively. To maintain confidentiality of staff remuneration and to prevent poaching of key management personnel in a highly competitive industry, the Company discloses the remuneration of the key management personnel of the Group, in this report, in bands of \$250,000 without aggregate of total remuneration paid to the key management personnel.



CORPORATE GOVERNANCE REPORT

For FY2022, there is an employee of the Company namely Mr Foo Kia Hee, being the father of Mr Douglas Foo Peow Yong, the Executive Chairman, and Ms Foo Lilian, the Chief Executive Officer, whose remuneration falls between \$100,000 and \$150,000.

Summary of activities in FY2022

- Reviewed and approved fixed remuneration, total cash remuneration and total remuneration for executives.
- Reviewed benchmarking of fees for directors.
- Reviewed remuneration packages of employees in the Group which includes salary adjustments and bonus.
- Reviewed remuneration package of the Executive Directors and CEO which includes salary.



ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risks and the overall internal control framework. It ensures that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets and determines the nature and extent of the significant risks which the Board is willing to take in achieving the Group's strategic objectives and value creation.

Management is responsible to the Board for the design, implementation and monitoring of the Group's risk management and internal control systems (including financial, operational, compliance and information technology controls) and to provide the Board with a basis to determine the Group's level of risk exposure, risk tolerance and risk policies.

The Board notes that the system of internal controls (including financial, operational, compliance and information technology controls) is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. Nonetheless, the Board acknowledges that it is responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems (including financial, operational, compliance and information technology controls). The Board also recognizes its responsibilities in ensuring a sound system of internal controls (including financial, operational, compliance and information technology controls) to safeguard shareholders' interests and the Group's assets. The Board will look into the need for the establishment of a separate Board Risk committee at the relevant time.

The external auditors will highlight any material weaknesses in financial controls over the areas that are significant to the audit. Such material internal control weaknesses noted during their audit and recommendations, if any, are reported to the AC. Subsequently, the AC will follow up to review the actions taken by the Management to address the weaknesses based on the said recommendations of the external auditors.

The Board requires and discloses on the Company's annual report that it has received assurance from:

- (a) the CEO and the Chief Financial Officer ("CFO") that 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 CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The AC has reviewed reports submitted by internal and external auditors relating to the effectiveness of the Group's internal controls including the adequacy and effectiveness of the Group's financial, human resources, operational, compliance and relevant communications as part of their audit for FY2022. No material findings were identified or noted.



Principle 10: Audit Committee (“AC”)

As at 30 June 2022, the AC comprises Mr Loh Chee Peng, Mr Ngoh York Chao Nicholas and Mr David Pang Kam Wei. The Chairman of the AC is Mr Loh Chee Peng. All of the AC members including the Chairman of the AC, are Independent and Non-Executive Directors. The members of the AC, collectively, have expertise or experience in financial management and are qualified to discharge the AC’s responsibilities. None of the AC members nor the AC Chairman are former partners or Directors of the Company’s existing auditing firm or auditing corporation.

The Board has reviewed and updated the written terms of reference of the AC which sets out the objectives and authority. Its primary functions are as follows:-

- (a) to review and discuss with internal and/or external auditors their reports on major accounting and control issues observed during the annual audit and review management’s implementation of the recommended improvement actions;
- (b) to review the adequacy and effectiveness of the Company’s internal controls, including financial, operational, compliance and information technology controls and financial risk management systems;
- (c) to review the balance sheet and profit and loss account and announcements of results before submission to the Board for approval;
- (d) to review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to management and the management’s response;
- (e) to review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;
- (f) to review arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow up action;
- (g) to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company; and
- (h) to review the internal control procedures and ensure co-ordination between the internal auditors and the management.

The AC meets regularly and also holds informal meetings and discussions with the external and internal auditors as well as the management from time to time. The AC has full discretion to invite any Director or executive officer to attend its meetings.

The AC has been given full access to and obtained the co-operation from the management of the Company. The AC has reasonable resources to enable it to discharge its functions properly. It receives periodic updates on changes in accounting standards from external auditors.



The AC has met with the external auditors without the presence of the management to review matters that might be raised privately. The AC also met with the external auditors to discuss the results of their examinations and their evaluations of the systems of internal accounting controls. During the year, the AC has reviewed the scope and quality of their audits and the independence and objectivity of the external auditors as well as the cost effectiveness. The AC is satisfied that the Company's auditors are still able to meet the audit requirements and statutory obligation of the Company.

The AC has reviewed the volume of all audit and non-audit services to the Group by the external auditors. Please refer to the notes to the financial statements for details of the audit and non-audit fees. The AC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC receives updates on changes in accounting standards from external auditors. The AC shall continue to monitor the scope, cost effectiveness and result of the audit. The Board has accepted the recommendation of the AC to table a resolution for shareholder approval for the re-appointment of Messrs Baker Tilly TFW LLP as the Company's external auditors at the forthcoming AGM.

The AC is satisfied that the Company's external auditors, Messrs Baker Tilly TFW LLP are able to meet the audit requirements and statutory obligation of the Group. The AC is satisfied that the Company is in compliance with Rules 712 and 715 of the Listing Manual.

The AC had established a whistle blowing policy and had formed a Whistle Blowing Committee which consists of three Independent Non-Executive Directors of the Company as a channel for persons employed by the Group to report in confidence any possible corporate improprieties in matters of financial reporting or non-compliance with regulations, policies and fraud, etc., without any prejudicial implications for these employees. The Whistle Blowing Committee and the AC is vested with the power and authority to receive, investigate and enforce appropriate action when any such non-compliance matter is brought to its attention. The Company ensures identity of whistleblower is kept confidential and is committed to ensure protection of the whistleblower against detrimental or unfair treatment. The Whistle Blowing Committee, who are also AC members, is responsible for oversight and monitoring of whistleblowing.

As at the date of this report, there were no reports received through the whistle-blowing mechanism. In handling the whistle-blowing reports, the AC carefully considers the allegations raised, makes consultations with independent advisors, and carries out necessary investigations.



Summary of activities for FY2022

- Reviewing quarterly financial statements and announcements.
- Reviewing financial and operating performance of the Group.
- Reviewing interested person and related party transactions.
- Reviewing the audit report from the external auditor, including areas of audit emphasis and key audit matters, findings and progress of Management's actions as well as update on new accounting standards with status of Management's implementations.
- Evaluating and recommending the re-appointment of the external auditors including Audit Quality Indicators, review of fees, provision of non-audit, objectivity and independence and review of audit plan.
- Reviewing internal audit plan (including progress, implementation of management actions, changes to the plan and auditable entity) and follow-up on internal audit recommendations.
- Reviewing the adequacy and effectiveness of the internal controls (including financial, operations, compliance and information technology) with reference to the Internal Control Framework and Statement of Internal Controls with the internal auditor.
- Reviewing the adequacy and effectiveness, independence and scope of the internal audit function and approve the auditing firm to which the internal function is outsourced including audit resources and its appropriate standing within the Group.
- Reviewing investigations within the Group and ensuring appropriate follow-up actions, where required.
- Meeting with the external auditor and internal auditor without the presence of Management.

The Company has appointed Messrs Virtus Assure Pte Ltd as the Company's internal auditor for the purposes of reviewing the effectiveness of the Company's material internal controls. The internal auditor reports directly to the AC although they also report administratively to the CEO.

The AC has reviewed the internal audit programme, the scope and results of internal audit procedures and is satisfied that the outsourced internal audit function is independent, effective and adequately resourced. The Company's internal auditor has unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Company.

The internal auditor, Messrs Virtus Assure Pte Ltd, meets the standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. Virtus Assure has been engaged by clients across many industries, from manufacturing, business services to transportation, to provide services including Internal Audit, Enterprise Risk Management, Corporate Governance Advisory Services, Sustainability Reporting, Whistleblowing Services, Information Technology & Cyber Security, and Control Self-Assessment.

Virtus Assure's Managing Director has many years of audit and management experience in operations, business systems, information technology, finance and accounting with various companies around the globe. He has helped exchanges, depositories and listed firms to establish their internal audit function, develop their enterprise risk management framework, assess their risk/control environments, strengthen their systems of internal controls, and evaluate their internal audit performance. Mr Siow is a member of Institute of Singapore Chartered Accountants (ISCA), Fellow Member of the Association of Certified Chartered Accountants (FCCA) and Member of the Institute of Internal Auditors Inc (IIA).



SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

The Board treats all shareholders fairly and equitably and facilitates the exercise of shareholders' rights.

The Board is accountable to the shareholders and recognises its obligation to provide a balanced and understandable disclosure of material information to shareholders, investors and public. This allows shareholders to assess its performance, position and prospects.

The Board allows all shareholders to exercise its voting rights by participation and voting at general meetings. Shareholders are informed about the voting procedures that govern general meetings of shareholders. The Company's Constitution allows a member of the Company to appoint one or two proxies to attend and vote at general meetings.

The Company ensures that there are separate resolutions at general meetings on each distinct issue. Each item of special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting and the Chairman declares the number of proxy votes received both for and against each separate resolution.

All Directors including the chairpersons of the AC, NC and RC are present at the AGM and available to address questions. The external auditors are also present to assist the Directors in addressing any relevant queries by shareholders and address shareholders' queries about the conduct of audit and the preparation and content of the auditor's report.

Shareholders have the opportunity to participate in and vote at the general meeting of shareholders. All resolutions are voted by poll in the presence of independent scrutineers and the detailed results are released to the public via SGXNET after the meeting. As the present Constitution of the Company does not have a provision to allow shareholders to vote in absentia, via methods such as e-mail, fax, etc., and the legal and regulatory environment is not entirely conducive for voting in absentia, the Company does not allow a shareholder to vote in absentia at general meetings. The introduction of absentia voting methods will be deferred until an appropriate time. The Board will review the Company's Constitution from time to time. Where an amendment to its Constitution is required to align the relevant provisions with the requirements of the Listing Manual of the SGX-ST, shareholders' approval will be obtained.



The AGM held on 29 October 2021 was conducted pursuant to COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Due to COVID-19 restriction orders, there was no physical attendance at the AGM and the AGM was conducted by electronic means. Shareholders watched the AGM proceeding through a live webcast or live audio stream by pre-registration. Shareholders could not vote at the AGM held by electronic means and have the appointed Chairman as proxy to vote on their behalf. As shareholders could not ask questions at the AGM conducted by electronic means, shareholders were given the opportunity to submit questions in advance of the AGM. The Company had on 28 October 2021 replied to the relevant and substantial questions submitted by shareholders in advance of the AGM and the said reply was released via SGXNET. In the forthcoming AGM, the Company shall have a live question-and-answer session where shareholders can post questions to the Board. In addition, the Company shall provide an electronic channel through which shareholders may post questions to the Company before AGM. The details are specified in the notes to the Notice of Annual General Meeting. The Company shall post the responses on its website and SGXNET.

Minutes of general meetings include substantial comments or queries from shareholders and responses from the Board and management relating to the agenda of the meeting. These minutes are made available to shareholders upon their request. The Company published minutes of the last AGM via SGXNET on 25 November 2021.

The Company does not have a policy on dividends at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. Subject to approval of members at the forthcoming AGM, the Directors have recommended a final tax exempt (one-tier) dividend of 0.5 cents per ordinary share for the financial year ended 30 June 2022.



Principle 12: Engagement with Shareholders

The Company aims to engage in regular, effective and fair communication with shareholders, and be as descriptive, detailed and forthcoming as possible. All shareholders of the Company receive the Annual Report and notice of AGM. The notice is also advertised on SGXNet and made available on the company website at www.sakaeholdings.com.

General meetings have always been the principal forum for dialogue with shareholders. At these meetings, the Company encourages shareholder participation and shareholders are given the opportunity to air their views and ask Directors or management questions on the Group's business activities, financial performance and other business-related matters. These meetings allow the Company to gather views or input and address shareholders' concern.

The electronic Annual Report and financial results are disclosed in a timely manner through SGXNET within the mandatory period and the information is also available on the Company's website at www.sakaeholdings.com. The Company does not practice selective disclosure. Information on any new initiative is disseminated via SGXNET, press releases and the Company's website. The Company provides timely updates on its website at www.sakaeholdings.com through which shareholders can access information on the Group. Price-sensitive information is publicly released on an immediate basis where required under the Listing Manual. Where an immediate announcement is not possible, the announcement is made as soon as possible to ensure that shareholders and the public have fair access to the information. The Company does not have an Investor Relations and there is no Investor Relations policy. Shareholders can send questions to the Company's website www.sakaeholdings.com and the Company responds to such questions.



Principle 13: Engagement with Stakeholders

The Company engages its stakeholders through different channels to establish, address and monitor the material environmental, social and governance (ESG) factors of the Company's operation and its impact on the various stakeholders.

The Company engages stakeholders with the various channels that are already in place, to better understand its stakeholders' concerns, and address any issues that they may face. Engagement channels and frequencies are reviewed periodically to ensure that they are sufficient to deal with current identified stakeholders' ESG-related issues.

The Company is also committed to enhance and improve the current engagement initiatives, while staying abreast of new trends or developments that may affect the sustainability standing of the Company, and eventually devise corresponding measures to resolve the new ESG issues.

For more information on the Company's approach to stakeholder engagement and materiality assessment, please refer to the Company's Sustainability Report which will be available on or before 31 October 2022.

RISK MANAGEMENT

(Listing Manual Rule 1207(4)(b)(iv))

The Company's Board of Directors as a whole performs the duties of a Risk Management Committee. The Management regularly reviews the Company's businesses and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to both the AC and the Board.

SECURITIES TRANSACTIONS

(Listing Manual Rule 1207(19))

The Company has adopted an internal code on dealings in securities which is applicable to all Directors and employees of the Group and its subsidiaries with regards to dealing in the Company's securities.

The Company issues circulars to its Directors, officers and employees of the Group to inform them not to deal in the Company's Listed Securities by the Company, its Directors, Officers and employees on short term considerations or whilst they are in possession of unpublished material price sensitive information and during the period commencing two weeks before the announcement of the Company's quarterly financial results and one month before the announcement of the Company's half year and full year financial results and ending on the date of the announcement of such financial results. All Directors are required to file with the Company reports on all their dealing in the Company's Listed Securities on a timely basis.

**MATERIAL CONTRACTS**

(Listing Manual Rule 1207(8))

There were no material contracts of the Company or its subsidiaries involving the interest of any Director or controlling shareholders subsisting as at the financial year ended 30 June 2022.

INTERESTED PERSON TRANSACTIONS

(Listing Manual Rule 907)

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are on an arm's length basis.

For the financial year under review, the Group has not carried out interested person transactions.



DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Sakae Holdings Ltd (the “Company”) and its subsidiary corporations (collectively, the “Group”) and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2022.

In the opinion of the directors:

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 55 to 133 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 of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Singapore Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)”); and
- (ii) 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 in office at the date of this statement are:

Douglas Foo Peow Yong
Foo Lilian
Loh Chee Peng
Ngho York Chao Nicholas
David Pang Kam Wei

Arrangement to enable directors to acquire benefits

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



Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as follows:

	Number of ordinary shares			
	Shareholdings registered in their own names		Shareholdings in which a director is deemed to have an interest	
	At 1.7.2021	At 30.6.2022	At 1.7.2021	At 30.6.2022
The Company				
Douglas Foo Peow Yong	31,926,740	31,926,740	60,000,100	60,000,100
Foo Lilian	100	100	–	–
Loh Chee Peng	1,200	1,200	–	–

There was no change in any of the above mentioned interests in the Company between the end of the financial year and 21 July 2022.

By virtue of Section 7 of the Singapore Companies Act, Douglas Foo Peow Yong is deemed to have an interest in the shares held by the Company in its subsidiary corporations.

Share options

No option to take up unissued shares of the Company or its subsidiary corporations was granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

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



DIRECTORS' STATEMENT

Audit Committee

The members of the Audit Committee during the financial year and at the date of this report are:

Loh Chee Peng (Chairman)
Ngho York Chao Nicholas
David Pang Kam Wei

The Audit Committee carried out its functions specified in Section 201B(5) of the Act. Their functions are detailed in the Report on Corporate Governance.

The Audit Committee is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Douglas Foo Peow Yong
Director

Foo Lilian
Director

14 October 2022



Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Sakae Holdings Ltd (the “Company”) and its subsidiaries (the “Group”) as set out on pages 55 to 133 which comprise the statements of financial position of the Group and of the Company as at 30 June 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)”) 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 of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAKAE HOLDINGS LTD (cont'd)

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. 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.

Valuation of leasehold building

Description of key audit matter:

The carrying amount of the Group's and the Company's property, plant and equipment, as disclosed in Note 18 to the financial statements, amounted to \$103,742,000 and \$100,461,000 respectively as at 30 June 2022. These represent 87% and 90% of the total assets of the Group and of the Company respectively. Included in property, plant and equipment of the Group and the Company is a leasehold building which is carried at revalued amount of \$90,000,000 as at 30 June 2022. The revaluation gain of the leasehold building recognised in other comprehensive income during the financial year amounted to \$4,050,000, net of deferred tax liabilities recognised of \$830,000.

As disclosed in Notes 2(g), 3 and 18 to the financial statements, the leasehold building is revalued based on the valuation performed by independent professional valuer engaged by the management. In determining the valuation of the leasehold building, the valuer has used valuation techniques which involves assumptions and significant unobservable inputs, as set out in Note 18 to the financial statements.

Any significant changes in the key assumptions could result in a significant impact to the fair value of the leasehold building.

Our procedures to address the key audit matter:

Our audit procedures in relation of the valuation of the leasehold building included the following:

- Obtained an understanding of the key controls and processes that management has in place in respect of valuation of the leasehold building;
- Obtained the external valuation report and evaluated the work scope, competency, capability and objectivity of the independent professional valuer;
- Inquired with the independent professional valuer to obtain an understanding of their work performed, amongst others, the valuation methodology, the key observable inputs and assessed the appropriateness of assumptions applied; and
- Reviewed the adequacy of the disclosures in the financial statements.



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

Key Audit Matters (cont'd)

Valuation of equity investment at fair value through profit or loss

Description of key audit matter:

As disclosed in Notes 2(m), 3 and 14 to the financial statements, the Group holds unquoted equity shares which are accounted for as equity instruments at fair value through profit or loss ("FVTPL"). Fair value of the investments was determined based on the net expected amounts to be realised through the sale of assets and repayment of obligations as assessed by the management based on information provided by the liquidators as at end of the financial year. This basis is adopted as the equity shares relates to companies which have been placed under liquidation proceedings in prior years. At 30 June 2022, management assessed and determined the fair value of unquoted equity shares to be \$4,496,000. During the current financial year, the Group received an amount of \$7,654,000 from one of companies, being a partial return of capital and recognised a fair value gain under "other operating income" of \$2,310,000.

Any significant changes in the key assumptions could result in a significant impact to the fair value of the investments in unquoted equity shares.

Our procedures to address the key audit matter:

Our audit procedures in relation of the valuation of investments in unquoted equity shares included the following:

- Obtained an updated understanding of the status of the liquidation proceedings by inquiring management and the liquidators;
- Reviewed management's assessment of the net expected amounts to be realised through the sale of assets and repayment of obligations based on the information as provided by the liquidators;
- Assessed the appropriateness of the basis of judgement, estimates and key assumptions used in management's assessment; and
- Reviewed the adequacy of the disclosures in the financial statements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAKAE HOLDINGS LTD (cont'd)

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

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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



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

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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SAKAE HOLDINGS LTD (cont'd)**

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

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

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 of the audit resulting in this independent auditor's report is Khor Boon Hong.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

14 October 2022

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
For the financial year ended 30 June 2022



		Group	
	Note	2022 \$'000	2021 \$'000
Revenue	4	17,178	21,149
Cost of sales		(6,055)	(7,233)
Gross profit		11,123	13,916
Other operating income and gains	5	7,696	9,426
Administrative expenses		(13,296)	(15,183)
Other operating expenses		(3,633)	(3,759)
Impairment loss on trade and other receivables		(9)	(274)
Impairment loss on goodwill		–	(718)
Finance costs			
- Interest expense on bank loans		(599)	(668)
- Interest expense on lease liabilities		(515)	(480)
Profit before tax		767	2,260
Tax credit	6	293	57
Profit for the financial year	7	1,060	2,317
Profit attributable to:			
Equity holders of the Company		1,060	2,317
Earnings per share (expressed in cents per share)	8		
Basic and diluted		0.76	1.66

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



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (cont'd)**
For the financial year ended 30 June 2022

	Group	
	2022	2021
	\$'000	\$'000
Profit for the financial year	1,060	2,317
Other comprehensive income:		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Revaluation of property, plant and equipment, net of tax	4,050	8,840
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Currency translation differences arising from consolidation	8	17
Other comprehensive income for the financial year, net of tax	4,058	8,857
Total comprehensive income for the financial year	5,118	11,174
Total comprehensive income attributable to:		
Equity holders of the Company	5,118	11,174

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

STATEMENTS OF FINANCIAL POSITION

At 30 June 2022



	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current assets					
Cash and bank balances	9	7,731	3,042	3,569	841
Trade receivables	10	836	540	149	114
Other receivables and prepayments	11	1,022	1,494	191	229
Inventories	12	440	381	13	11
Convertible loan note receivable	13	–	–	–	–
Equity investments at fair value through profit or loss	14	–	5	–	–
Non-current assets classified as held for sale	15	408	4,022	–	–
Income tax recoverable		232	236	–	–
Total current assets		10,669	9,720	3,922	1,195
Non-current assets					
Deposits	11	5	64	–	–
Subsidiaries	16	–	–	10	10
Due from subsidiaries	16	–	–	2,662	12,000
Joint venture	17	–	–	–	–
Equity investments at fair value through profit or loss	14	4,496	9,840	4,496	9,840
Property, plant and equipment	18	103,742	99,866	100,461	97,495
Goodwill	19	–	–	–	–
Total non-current assets		108,243	109,770	107,629	119,345
Total assets		118,912	119,490	111,551	120,540
Current liabilities					
Bank loans	20	25,937	28,823	25,937	28,453
Lease liabilities	21	1,675	1,651	373	360
Trade payables	22	1,639	1,913	399	613
Other payables and accruals	23	2,057	3,005	1,158	1,144
Provisions	24	250	338	50	50
Due to subsidiaries	16	–	–	5,490	16,247
Income tax payable		–	1	–	–
Total current liabilities		31,558	35,731	33,407	46,867

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



STATEMENTS OF FINANCIAL POSITION (cont'd)
At 30 June 2022

		Group		Company	
	Note	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Non-current liabilities					
Bank loans	20	3,068	4,271	3,068	4,271
Lease liabilities	21	11,326	10,519	9,882	9,758
Deferred tax liabilities	25	13,099	12,552	13,099	12,552
Total non-current liabilities		27,493	27,342	26,049	26,581
Total liabilities		59,051	63,073	59,456	73,448
Net assets		59,861	56,417	52,095	47,092
Equity					
Share capital	26	10,736	10,736	10,736	10,736
Treasury shares	27	(892)	(892)	(892)	(892)
Currency translation reserve		(697)	(705)	–	–
Revaluation reserve	28	72,119	69,008	72,119	68,069
Accumulated losses		(21,405)	(21,730)	(29,868)	(30,821)
Total equity		59,861	56,417	52,095	47,092

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

STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 30 June 2022



	Share capital \$'000	Treasury shares \$'000	Currency translation reserve \$'000	Revaluation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Group						
Balance as at 1 July 2020	10,736	(892)	(722)	60,168	(24,047)	45,243
Profit for the financial year	–	–	–	–	2,317	2,317
Other comprehensive income	–	–	17	8,840	–	8,857
Total comprehensive income for the financial year	–	–	17	8,840	2,317	11,174
Balance as at 30 June 2021	10,736	(892)	(705)	69,008	(21,730)	56,417
Profit for the financial year	–	–	–	–	1,060	1,060
Other comprehensive income	–	–	8	4,050	–	4,058
Total comprehensive income for the financial year	–	–	8	4,050	1,060	5,118
Disposal of non-current assets classified as held for sale	–	–	–	(939)	939	–
Dividend (Note 34)	–	–	–	–	(1,674)	(1,674)
Balance as at 30 June 2022	10,736	(892)	(697)	72,119	(21,405)	59,861

The accompanying notes form an integral part of these financial statements



STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the financial year ended 30 June 2022

	Share capital \$'000	Treasury shares \$'000	Revaluation reserve \$'000	Accumulated losses \$'000	Total \$'000
Company					
Balance as at 1 July 2020	10,736	(892)	59,229	(34,558)	34,515
Profit for the financial year	–	–	–	3,737	3,737
Other comprehensive income	–	–	8,840	–	8,840
Total comprehensive income for the financial year	–	–	8,840	3,737	12,577
Balance as at 30 June 2021	10,736	(892)	68,069	(30,821)	47,092
Profit for the financial year	–	–	–	2,627	2,627
Other comprehensive income	–	–	4,050	–	4,050
Total comprehensive income for the financial year	–	–	4,050	2,627	6,677
Dividend (Note 34)	–	–	–	(1,674)	(1,674)
Balance as at 30 June 2022	10,736	(892)	72,119	(29,868)	52,095

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 30 June 2022



	Group	
	2022	2021
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	767	2,260
Adjustments for:		
Depreciation of property, plant and equipment	2,328	2,408
Depreciation of right-of-use assets	2,073	2,936
Gain on disposal of investment in joint venture	(400)	–
Gain on disposal of non-current assets classified as held for sale	(56)	(438)
Loss on disposal of property, plant and equipment	21	148
Rental rebate on leases	(80)	(32)
Rental concession	–	(914)
Property, plant and equipment written off	175	33
Impairment loss on property, plant and equipment	–	125
Impairment loss on trade and other receivables	9	274
Impairment loss on goodwill	–	718
Impairment loss on right-of-use assets	–	9
Write-back of amounts due to related and outside parties	–	(44)
Reversal of impairment on property, plant and equipment	(114)	(235)
Dividend income on equity investments at FVTPL	(1)	(4)
Fair value gains on equity investments at FVTPL	(2,310)	(2,668)
Unrealised foreign currency exchange gain	(177)	(47)
Interest expense	1,114	1,148
Interest income	(6)	(3)
	3,343	5,674
Operating cash flows before working capital changes		
Trade receivables	(305)	535
Other receivables and prepayments	531	920
Inventories	(59)	234
Trade payables	(274)	(1,415)
Other payables and accruals	(1,031)	(906)
	2,205	5,042
Cash from operations		
Interest paid	(1,114)	(1,148)
Interest received	6	3
Income tax and withholding taxes refunded/(paid), net	12	(32)
Grant received for acquisition of property, plant and equipment	49	–
	1,158	3,865
Net cash from operating activities	1,158	3,865

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



CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
For the financial year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from investing activities			
Purchase of property, plant and equipment		(423)	(263)
Purchase of equity investments at FVTPL		–	(30)
Dividend income from equity investments		1	4
Receipts of partial liquidation proceeds		7,654	2,716
Proceeds from disposal of non-current assets classified as held for sale		3,670	2,895
Proceeds from disposal of equity investments at FVTPL		5	88
Proceeds from disposal of joint venture		400	–
Proceeds from disposal of property, plant and equipment		43	38
Net cash generated from investing activities		11,350	5,448
Cash flows from financing activities			
Repayment of leases		(2,122)	(2,233)
Proceeds from bank loans		–	5,000
Repayment of bank loans		(3,719)	(15,943)
Dividend paid		(1,674)	–
Net cash used in financing activities		(7,515)	(13,176)
Net increase/(decrease) in cash and cash equivalents		4,993	(3,863)
Cash and cash equivalents at the beginning of financial year		2,672	6,522
Effects of exchange rate changes on cash and cash equivalents		66	13
Cash and cash equivalents at the end of financial year	9	7,731	2,672

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



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

1 Corporate information

The Company (Co. Reg. No. 199604816E) is incorporated and domiciled in Singapore and is listed on the Main Board of Singapore Exchange Securities Trading Limited (“SGX-ST”). The address of its registered office and principal place of business is at 28 Tai Seng Street, Singapore 534106.

The principal activities of the Company consist of the business of operating restaurants, trading of raw food materials, food processing and operating as caterer and event organiser.

The principal activities of the subsidiaries are disclosed in Note 16.

2 Summary of significant accounting policies

a) Basis of preparation

The financial statements are presented in Singapore Dollar (“\$”), which is the Company’s functional currency and all financial information presented in Singapore Dollar are rounded to the nearest thousand (\$’000) except when otherwise indicated. The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) (“SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

2 Summary of significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year.

The adoption of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 30 June 2022 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.



2 Summary of significant accounting policies (cont'd)

b) Revenue recognition

The Group recognises revenue from the following major sources:

- Food and beverage sales and service charge
- Consultancy fee income

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The Group recognises revenue when it transfers control of a good or service to a customer.

Food and beverage sales and service charge

Revenue from the sales of food and beverage is recognised when control of the goods is transferred to the customer, being at the point the food and beverages are served or delivered. Service charge is recognized based on a fixed predetermined percentage over the net sales amount.

Consultancy fee income

Revenue from services performed is recognised when control of the service is transferred to the customer, being at the point the services are delivered and performed.

Sales to customers are made with a credit term of 30 days.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Rental income

Rental income is recognised on a straight-line basis over the term of the relevant lease.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

2 Summary of significant accounting policies (cont'd)

c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

The financial statements of the parent and its subsidiaries used in the preparation of the consolidated financial statements are prepared as of the same reporting date. When the reporting dates of the parent and a subsidiary are different, the subsidiary prepares, for consolidation purposes, additional financial statements as of the same date as the financial statements of the parent unless it is impracticable to do so.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.



2 Summary of significant accounting policies (cont'd)

d) Basis of consolidation (cont'd)

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2(f). In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Contingent consideration transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration (other than measurement period adjustment) are recognised in profit or loss.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis prescribed by SFRS(I) appropriate for the specific circumstances.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and any corresponding gain or loss, if any, is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Company.

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

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



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

2 Summary of significant accounting policies (cont'd)

e) Joint ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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

Investments in joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

Distributions received from joint ventures are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Where a group entity transacts with a joint venture of the Group, unrealised gains are eliminated to the extent of the Group's interest in the relevant joint venture. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred.

In the Company's financial statements, investments in joint ventures are carried at cost less accumulated impairment loss, if any. On disposal of investment in joint ventures, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.



2 Summary of significant accounting policies (cont'd)

f) Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, associated company or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of associate and joint venture is described in Note 2(e).



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

2 Summary of significant accounting policies (cont'd)

g) Property, plant and equipment

Land and buildings are initially recorded at cost. Leasehold building is subsequently carried at revalued amount less accumulated depreciation and accumulated impairment losses. The revalued amount is determined by an independent professional valuer every financial year and whenever its carrying amount is likely to differ materially from its fair value.

Other property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset. Any increase in the carrying amount arising from revaluation is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognised as an expense. In these circumstances, the increase is recognised as income to the extent of the previous write down. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense unless it reverses a previous surplus relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.



2 Summary of significant accounting policies (cont'd)

g) Property, plant and equipment (cont'd)

Depreciation

Depreciation is charged so as to write off the cost or valuation of assets, other than freehold land and construction-in-progress, over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold building	-	Over the remaining lease period
Restaurant equipment	-	20%
Renovation	-	20%
Furniture and fittings	-	20%
Computers	-	100%
Motor vehicles	-	20% to 25%
Office equipment	-	20%

The estimated useful lives and depreciation method are reviewed at each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to accumulated profits. No transfer is made from the revaluation reserve to accumulated profits except where an asset is derecognised.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

2 Summary of significant accounting policies (cont'd)

h) Impairment of non-financial assets excluding goodwill

At each reporting date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.



2 Summary of significant accounting policies (cont'd)

i) Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

The assets are not depreciated or amortised while they are classified as held for sale.

j) Inventories

Inventories comprising beverages and food supplies, non-food supplies and merchandise, are stated at the lower of cost (first-in first-out method) and net realisable value. Cost comprises direct materials, and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

2 Summary of significant accounting policies (cont'd)

k) Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.



2 Summary of significant accounting policies (cont'd)

k) Leases (cont'd)

The Group as lessee (cont'd)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within plant, property and equipment in the statement of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

As a practical expedient, SFRS(I) 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its building owned by the Group.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

2 Summary of significant accounting policies (cont'd)

l) Income taxes

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current financial year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous financial years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

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



2 Summary of significant accounting policies (cont'd)

m) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss ("FVTPL").

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

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



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

2 Summary of significant accounting policies (cont'd)

m) Financial assets (cont'd)

Subsequent measurement

Debt instruments

Debt instruments include cash and cash equivalents and trade and other receivables (excluding prepayments). The subsequent measurement categories, depending on the Group's business model for managing the asset and cash flow characteristics of the asset are as follows:

Amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other operating income".

On disposal of an equity investment, the difference between the carrying amount and sales proceed amount would be recognised in profit or loss. Dividends from equity investments are recognised in profit or loss and presented in "other operating income".



2 Summary of significant accounting policies (cont'd)

m) Financial assets (cont'd)

Impairment

The Group recognises an allowance for expected credit losses (“ECLs”) for financial assets carried at amortised cost. 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 impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets that do not have a significant financing component, the Group applies a simplified approach to recognise 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 as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the statement of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

n) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of changes in value and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and excludes pledged deposits.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

2 Summary of significant accounting policies (cont'd)

o) Financial liabilities

Financial liabilities include bank loans, lease liabilities and trade and other payables (excluding GST payables and deferred revenue). Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than fair value through profit or loss, directly attributable transaction costs.

Subsequent to initial recognition, financial liabilities not at fair value through profit or loss and other than financial guarantees are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. A financial liability is derecognised when the obligation under the liability is extinguished.

p) Share capital

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.

q) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.



2 Summary of significant accounting policies (cont'd)

r) Contingencies

A contingent liability is:

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

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

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

s) Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in the profit or loss using the effective interest method.

t) Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

Employee leave entitlement

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



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

2 Summary of significant accounting policies (cont'd)

u) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates (the “functional currency”). The financial statements of the Group and the Company are presented in Singapore Dollar, which is the Company’s functional currency.

Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Translation of Group entities’ financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group’s presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing rates at the end of the reporting period;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting exchange differences are recognised in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header Currency Translation Reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.



2 Summary of significant accounting policies (cont'd)

v) Government grants

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. Where the grant relates to an asset, the grant is presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset and is recognised in profit or loss over the life of the depreciable asset as a reduced depreciation expense.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

w) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Going concern assumption

As at 30 June 2022, the Group and Company have net current liabilities of \$20,889,000 (2021: \$26,011,000) and \$29,485,000 (2021: \$45,672,000) respectively. The Group and the Company have total bank borrowings of \$29,005,000 (2021: \$33,094,000) and \$29,005,000 (2021: \$32,724,000) as at 30 June 2022 respectively. The Group has to comply with certain financial covenants required by a bank as stipulated in the bank loan facility letter at the end of the reporting period. As at 30 June 2022, the Group has met the financial covenants as stipulated by the bank.

The Group has adopted short term bank borrowings as part of its cash management, due to its flexibility and low interest rates. Short term bank borrowings are fully secured against the Group's leasehold building in Singapore, last valued at \$90,000,000 as at 30 June 2022. Accordingly, the Board of Directors is of the view that the Group will be able to continue to roll over its short-term revolving bank borrowings and such credit facilities from the Group's lenders will continue to be available.



3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Going concern assumption (cont'd)

Based on the Group's cash flow forecast up to September 2023 drawn up by management, the Board of Directors has concluded the Group and the Company will have sufficient financial resources to enable the Group and the Company to continue as a going concern for at least the next twelve months up to September 2023 and that there is no material uncertainty regarding the Group's and the Company's ability to continue as going concerns, taking into consideration the following:

- (a) The Group will be able to continue to generate positive operating cash flows to meet its day-to-day expenditure; and
- (b) The Group will be able to continue to roll-over its short-term revolving loans and such credit facilities from the Group's lenders will continue to be available for at least up to September 2023. At the end of the reporting period, the Group and the Company have short-term revolving bank loans of \$24.7 million (2021: \$27.1 million) which are renewable at maturity. The Group has rolled-over the short-term revolving bank loans on a monthly or quarterly basis with the latest roll-over in September 2022 for 1 month. As at 30 June 2022, the Group also has unutilised credit facilities of \$11.5 million (2021: \$20.4 million).

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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Valuation of leasehold building

As described in Note 18, the Group's leasehold building is revalued based on the valuation performed by independent professional valuers.

In determining the fair value of the Group's leasehold building in Singapore, the valuer has used valuation techniques which involve the making of certain assumptions and the use of estimates. In relying on the valuation report of the professional valuer, the management considers the appropriateness of the valuation technique and assumptions applied by the external valuers. The revaluation gain of the leasehold building recognised in other comprehensive income during the financial year amounted to \$4,050,000 (2021: \$8,840,000), net of deferred tax liabilities recognised of \$830,000 (2021: \$1,810,000). As at 30 June 2022, the carrying amount of the building was \$90.0 million (2021: \$87.0 million).

The fair value of the Group's leasehold building is disclosed in Note 18.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

Fair value measurements of equity investments

The Group's equity investments as disclosed in Notes 14 and 31(b) are measured at fair value for financial reporting purposes.

In estimating the fair value of quoted equity shares, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

The fair value of unquoted equity shares is determined by using the net expected amounts to be realised through the sale of assets and repayment of obligations as assessed by management based on the information provided by liquidators as at end of the financial year. This basis is adopted as the equity shares relates to companies which have been placed under liquidation proceedings in prior years. As such, management may use significant unobservable inputs when estimating the net expected amounts to be realised through the liquidation of the investee company. Management may also use qualitative assessment of whether changes or events subsequent to the relevant transaction would imply a change in the investment's fair value. Although management believes that the assumptions concerning the estimate of expected amounts to be realised are appropriate, changes in estimates and assumptions could result in changes in the carrying values of these financial assets.

Information about the valuation techniques and inputs used in determining the fair value of equity investments at fair value through profit or loss are disclosed in Notes 14 and 31(b).

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. Any changes in the probability in default may result in a change in the loss allowance currently provided for. The carrying amount of the trade and other receivables have been disclosed in Notes 10 and 11 respectively.



3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

Impairment of property, plant and equipment

The Group and Company assess annually whether property, plant and equipment have any indication of impairment in accordance with its accounting policy. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of the fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Management has assessed that the allowance for impairment, where necessary, is adequate. The carrying amounts of property, plant and equipment of the Group and Company at the end of the reporting period are disclosed in Note 18.

Depreciation and useful lives of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. As described in Note 2(g), the Group reviews the estimated useful lives of its property, plant and equipment at the end of each annual reporting period. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual value of these assets. The carrying amounts of the property, plant and equipment are disclosed in Note 18.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

4 Revenue

	Group	
	2022	2021
	\$'000	\$'000
Types of goods and services		
Food and beverage sales	16,332	19,228
Rendering of services	846	1,921
	<hr/>	<hr/>
Total	17,178	21,149
	<hr/>	<hr/>

	Group	
	2022	2021
	\$'000	\$'000
Timing of revenue recognition		
At a point in time	17,178	21,149
	<hr/>	<hr/>



5 Other operating income and gains

	Group	
	2022	2021
	\$'000	\$'000
Interest income	6	3
Rental income	3,244	2,805
Rental concession	–	914
Rental rebate on leases	80	32
Government grants income*	927	1,263
Foreign currency exchange gain, net	58	74
Write-back of amount due to outside parties	–	3
Write-back of amount due to related parties	–	41
Reversal of impairment on property, plant and equipment	114	235
Gain on disposal of investment in joint venture	400	–
Gain on disposal of non-current assets classified as held for sale	56	438
Fair value gains on equity investments at fair value through profit or loss	2,310	2,668
Dividend income on equity investments at fair value through profit or loss	1	4
Proceeds from claim settlement	–	823
Others	500	123
	<hr/>	<hr/>
Total	7,696	9,426
	<hr/>	<hr/>

- * Included in government grants income is an amount of \$340,000 (2021: \$730,000) which was recognised during the financial year under the Jobs Support Scheme (the “JSS”). Under the JSS, the Singapore Government co-funded gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees during the period of economic uncertainty.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

6 Tax credit

Tax credit attributable to profit is made up of:

	Group	
	2022	2021
	\$'000	\$'000
Current income tax	(10)	3
Deferred tax (Note 25)	(283)	(60)
	(293)	(57)

The income tax credit on the results of the financial year differs from the amount of income tax determined by applying the Singapore standard rate of income tax due to the following factors:

	Group	
	2022	2021
	\$'000	\$'000
Profit before tax	767	2,260
Tax calculated at a tax rate of 17% (2021: 17%)	130	384
Income not subject to tax	(942)	(1,348)
Expenses not deductible for tax purposes	853	1,237
Utilisation of tax losses not recognised as deferred tax asset previously	(411)	(460)
Effect of unused tax losses not recognised as deferred tax assets	125	251
Tax rebates and incentives	–	(18)
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	(31)	(100)
Others	(17)	(3)
	(293)	(57)



6 Tax credit (cont'd)

Unrecognised tax losses, capital allowances and other temporary differences

As at 30 June 2022, the Group has tax losses of approximately \$4,103,000 (2021: \$5,784,000) that are available for offset against future taxable profits, for which no deferred tax assets are recognised on these amounts due to uncertainty of their utilisation.

The use of these tax losses is subject to the agreement of tax authorities and compliance with the relevant provisions of the tax legislation of the respective countries in which the companies operate. The unutilised tax losses do not expire under current tax legislation, except for the unutilised tax losses arising from a Malaysia subsidiary which are available for carry forward up to 10 years from the year of loss and will expire in the following years:

	Group	
	2022	2021
Financial year	\$'000	\$'000
2031	875	875
2032	530	530
	1,405	1,405

The tax charge relating to each component of other comprehensive income is as follows:

	Before tax \$'000	Tax charge \$'000	After tax \$'000
30 June 2022			
Revaluation gains on property, plant and equipment	4,880	830	4,050
30 June 2021			
Revaluation gains on property, plant and equipment	10,650	1,810	8,840



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

7 Profit for the financial year

	2022	Group
	\$'000	2021
		\$'000
Profit for the financial year is arrived at after charging:		
Directors' remuneration	1,539	975
Remuneration paid to immediate family members of the Chief Executive Officer	161	161
Directors' fees	85	85
Audit fees:		
- Paid/payable to auditors of the Company	90	104
- Paid/payable to other auditors	10	60
Non-audit fees:		
- Paid/payable to auditors of the Company	18	–
- Paid/payable to other auditors	16	35
Employee benefits expense (including directors' remuneration)	7,934	8,439
Defined contribution plan (included in employee benefits expense)	535	609
Cost of inventories recognised as expense	6,023	7,066
Rental expenses (as included in "other operating expenses")	628	847
Impairment loss on trade and other receivables	9	274
Depreciation of property, plant and equipment	2,328	2,408
Depreciation of right-of-use-assets	2,073	2,936
Property, plant and equipment written off	175	33
Impairment loss on right-of-use assets	–	9
Impairment loss on goodwill	–	718
Loss on disposal of property, plant and equipment	21	148



8 Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group	
	2022	2021
Profit attributable to equity holders of the Company (\$'000)	1,060	2,317
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	139,472	139,472
Basic and diluted earnings per share (cents per share)	0.76	1.66

Basic earnings and diluted earnings per share are calculated by dividing the Group's profit for the financial year attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

9 Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank	7,710	3,027	3,567	838
Cash on hand	21	15	2	3
Cash and bank balances	7,731	3,042	3,569	841
Less: bank overdrafts	–	(370)	–	–
Cash and cash equivalents in consolidated statement of cash flow	7,731	2,672	3,569	841



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

10 Trade receivables

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Outside parties	856	861	149	342
Less: allowance for impairment loss	(20)	(321)	–	(228)
	836	540	149	114
Related parties	66	66	66	66
Less: allowance for impairment loss	(66)	(66)	(66)	(66)
	–	–	–	–
	836	540	149	114

Movements in allowance for impairment loss on trade receivables are as follows:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
At the beginning of the financial year	398	165	305	85
Addition during the financial year - simplified approach	9	274	–	220
Allowance written off during the financial year	(321)	(41)	(239)	–
At the end of the financial year	86	398	66	305



11 Other receivables and prepayments

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Other receivables	431	7,588	393	6,098
Less: allowance for impairment loss	(393)	(7,405)	(393)	(6,078)
	38	183	–	20
Amount due from related party	1,337	1,337	1,337	1,337
Less: allowance for impairment loss	(1,337)	(1,337)	(1,337)	(1,337)
Deposits	947	1,278	188	209
Prepayments	37	33	3	–
Total current	1,022	1,494	191	229
Deposits - Non-current	5	64	–	–
Total	1,027	1,558	191	229

Movements in allowance for impairment loss on other receivables are as follows:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
At the beginning of the financial year	8,742	8,808	7,415	7,415
Allowance written off during the financial year	(7,012)	–	(5,685)	–
Exchange differences	–	(66)	–	–
At the end of the financial year	1,730	8,742	1,730	7,415

Amount due from related party relates to a company owned by the non-controlling shareholder of Cocosa Holdings (Note 16).

Receivables are written-off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate. In estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

12 Inventories

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Inventories	440	6,076	13	11
Less: allowance for inventory obsolescence	–	(5,695)	–	–
	440	381	13	11
Commodities	–	5,695	–	–
Less: allowance for inventory obsolescence	–	(5,695)	–	–
Beverages and food supplies	350	293	10	8
Non-food supplies	68	60	3	3
Merchandise	22	28	–	–
	440	381	13	11

Sugar transactions

As previously announced and disclosed by the Company, Sakae Investments Pte. Ltd. (f.k.a Sakae Capital Pte. Ltd.) (“SIPL”), a subsidiary of the Company, entered into a commodity trade in December 2017 whereby a customer took delivery of 9,343 metric tonnes of sugar with a sale value of US\$4.3 million (\$5.93m) (“the Transaction”). As the customer did not pay, full provision of the related receivables was made in the financial statements for the financial year ended 30 June 2018.

Due to the substantial amount involved, an independent corporate governance and internal audit firm (“Independent Internal Auditor”) was appointed to undertake the review on this Transaction from a bona fide perspective. On 21 September 2018, an Independent Internal Auditor’s report (“the Report”) was received by the Company which noted no indication of criminal misconduct on the part of the Company, the Group and/or its Officers. However, the Report noted the highly questionable nature of the Transaction as the Company’s Representative as well as the shareholders and directors of the customer remained uncontactable. The Report also noted that the physical location of the inventory could not be ascertained.

In accordance with the recommendations of the Report, the Company filed a police report on the Transaction. Accordingly, SIPL reversed the sales transactions and related receivables of US\$4.3m (\$5.93m) from its books, as if the Transaction had not taken place in the financial year ended 30 June 2018. Since the physical location of the inventory could not be ascertained, SIPL had made a full allowance of \$5,695,000 of the inventory relating to this Transaction in the financial statements for the financial year ended 30 June 2018.

During the current financial year, the matter remains under investigation by the authorities. As any financial impact arising from the Transaction has been fully accounted for in the financial statements for the financial year ended 30 June 2018, management has assessed that there will be no impact to the financial statements for the financial year ended 30 June 2022 and 30 June 2021 arising from this matter and has written off the inventory against the allowance during the current financial year.



13 Convertible loan note receivable

	Group and Company	
	2022	2021
	\$'000	\$'000
Convertible loan note	–	1,017
Less: allowance for impairment loss	–	(1,017)
	<hr/>	<hr/>
	–	–
	<hr/>	<hr/>

The unsecured convertible loan note which bore interest of 6% per annum, payable quarterly, was subscribed on 25 September 2015 from a private company incorporated in Australia (“Australian Private Company”). As the Australian Private Company has been de-registered, the fully impaired amount of the convertible loan note is written-off in the current financial year.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

14 Equity investments at fair value through profit or loss

Presented as current assets:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Quoted equity shares, at fair value	–	5	–	–

Investments in quoted equity securities offer the Group and the Company the opportunity for return through dividend income and fair value gains. The fair values of these securities are based on closing quoted bid price in an active market on the last market day of the financial year.

Presented as non-current assets:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Unquoted equity shares, at fair value	4,496	9,840	4,496	9,840

Investments in unquoted equity shares relate to the following:

	Proportion of ownership interest %	Country of incorporation
Under liquidation:		
Griffin Real Estate Investment Holdings Pte Ltd (“GREIH”)	24.69	Singapore
Gryphon Capital Management Pte Ltd (“GCM”)	20.00	Singapore

The Group’s investments in GREIH and GCM were previously accounted for as investments in associates. With the commencement of liquidation proceedings in 2017, the Group reclassified its cost of investments in GREIH and GCM to available-for-sale investments during the financial period ended 30 June 2018. As of 1 July 2018, the Group reclassified the available-for-sale investments to equity investments at fair value through profit or loss following its adoption of SFRS(I) 9 *Financial Instruments*.



14 Equity investments at fair value through profit or loss (cont'd)

Fair values of the investments in unquoted equity shares are determined based on the net expected amounts to be realised through the sale of assets and repayment of obligations as assessed by management based on the information provided by liquidator as at end of financial year.

Movement for unquoted equity shares at fair value for the financial year is as follow:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance at the beginning of the financial year	9,840	9,888	9,840	9,888
Receipts of partial liquidation proceeds	(7,654)	(2,716)	(7,654)	(2,716)
Fair value gains for the financial year (Note 5)	2,310	2,668	2,310	2,668
Balance at the end of the financial year	4,496	9,840	4,496	9,840

During the current financial year, the Group received partial returns of capital from the liquidator of GREIH of \$7,654,000 (2021: \$2,716,000).



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

15 Non-current assets classified as held for sale

	2022	Group
	\$'000	2021
		\$'000
<u>Properties held for sale</u>		
Balance at the beginning of the financial year	4,022	6,425
Disposal	(3,604)	(2,457)
Exchange differences	(10)	54
	408	4,022

Details of the non-current assets classified as held for sale are as follows:

<u>Name of property</u>	<u>Description</u>	<u>Tenure</u>	<u>Existing use</u>	<u>Strata gross floor area</u>	<u>Group's interest in property</u>	
					<u>2022</u>	<u>2021</u>
Surian Residences Condominium Jalan PJU 7/15 Mutiara Damansara 47810 Petaling Jaya Selangor Darul Ehsan Malaysia - "Property 1"	One condominium unit (with 2 carparks)	Freehold	Property rental	194 sqm	100%	100%
No. 7 Jalan Udang Harimau 2 Medan Niaga Kepong 51200 Kuala Lumpur Malaysia - "Property 2"	2½ storey commercial boutique bungalow	Freehold	Office premises	1,604 sqm	NA	100%

Property 2 has been sold off during the current financial year and a gain of \$56,000 has been recognised in the consolidated profit or loss.

The Group's management and directors have reassessed and are satisfied that the Property 1 continue to meet the criteria to be classified as held for sale in accordance with *SFRS(1) 5 Non-current assets held for sale and discontinued operations*.

For Property 1, it is being actively marketed and at a price that is reasonable in relations to its fair value since the date of reclassification to non-current asset held for sale in financial year 2020. The sale has not been completed as at the end of the financial year.



16 Subsidiaries

	Company	
	2022	2021
	\$'000	\$'000
Unquoted equity shares, at cost	364	364
Less: allowance for impairment loss	(354)	(354)
	10	10
Due from subsidiaries	26,384	35,477
Less: allowance for impairment loss	(23,722)	(23,477)
	2,662	12,000
Due to subsidiaries	5,490	16,247

Amounts due from subsidiaries are interest-free, have no fixed repayment terms and they are not expected to be repaid within the next 12 months. The receivables are carried at cost as the timing of the future cash flows cannot be estimated reliably and as such, it is not practical to determine the fair values of the receivables with sufficient reliability.

Movements in allowance for impairment loss on amounts due from subsidiaries:

	Company	
	2022	2021
	\$'000	\$'000
Balance at the beginning of the financial year	23,477	25,108
Impairment loss recognised in profit and loss - Lifetime ECL		
- credit-impaired	557	-
Reversal of impairment	(305)	-
Allowance written off during the financial year	(7)	(1,631)
	23,722	23,477



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

16 Subsidiaries (cont'd)

Details of the Group's significant subsidiaries as at 30 June 2022 and 2021 are as follows:

Name of subsidiary (Country of incorporation)	Principal activities	Group's effective equity interest held	
		2022 %	2021 %
<u>Held by the Company</u>			
Apex-Pal Investment Pte. Ltd. * (Singapore)	Investment holding	100	100
Sakae Corporate Advisory Pte. Ltd. * (Singapore)	Provision of corporate advisory services	100	100
<u>Held by Apex-Pal Investment Pte. Ltd.</u>			
Alliance Support Services Pte. Ltd. * (Singapore)	Provision of cleaning services	100	100
Apex-Pal Malaysia Sdn. Bhd. ** (Malaysia)	Operation of restaurants, kiosks and cafes	100	100
Apex-Pal F&B (Beijing) Ltd *** (People's Republic of China)	Dormant	100	100
Apex-Pal (Chengdu) Co. Ltd. *** (People's Republic of China)	Operation of restaurants, kiosks and cafes	100	100
Nouvelle Events Sdn. Bhd. ** (Malaysia)	Investment property holding	100	100
Swift Equity Sdn. Bhd. ** (Malaysia)	Investment property holding	100	100
Sakae Kyo Pte. Ltd. * (Singapore)	Operation of restaurants, kiosks and cafes	100	100
Sakae Sushi (J8) Pte. Ltd. * (Singapore)	Operation of restaurants, kiosks and cafes	100	100
Hei Restaurants Chain Pte. Ltd. * (Singapore)	Operation of restaurants, kiosks and cafes	100	100



16 Subsidiaries (cont'd)

Details of the Group's significant subsidiaries as at 30 June 2022 and 2021 are as follows (cont'd):

Name of subsidiary (Country of incorporation)	Principal activities	Group's effective equity interest held	
		2022 %	2021 %
<u>Held by Apex-Pal Investment Pte. Ltd. (cont'd)</u>			
Sakae Global Resources Pte. Ltd. * (Singapore)	General wholesale trading	100	100
Nouvelle Events Holdings Pte. Ltd. * (Singapore)	Providing cold storage warehousing and logistics services	100	100
<u>Held by Sakae Global Resources Pte. Ltd.</u>			
Cocosa Holdings Pte. Ltd. *** @ (Singapore)	Investment holding	51	51
Cocosa Asia Pte. Ltd. *** @ (Singapore)	Trading in canned and frozen seafood products	51	51
<u>Held by Sakae Corporate Advisory Pte. Ltd.</u>			
Sakae Fintech Pte. Ltd. * (Singapore)	Provision of corporate advisory services, dormant	100	100
Sakae Investments Pte. Ltd. * (f.k.a Sakae Capital Pte. Ltd.) (Singapore)	Sale of commodity goods, dormant	100	100
* Audited by Baker Tilly TFW LLP			
** Audited by independent member firm of Baker Tilly International			
*** Not required to be audited			
@ Struck off after financial year ended 30 June 2022			

Management has assessed and considered that there are no subsidiaries which have non-controlling interests that are material to the Group.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

17 Joint venture

	Group	
	2022	2021
	\$'000	\$'000
Cost of investment in joint venture	–	350
Less: allowance for impairment loss	–	(350)
	<hr/>	<hr/>
Net	–	–
	<hr/>	<hr/>

Details of the Group's joint ventures as at 30 June 2022 and 30 June 2021 are as follows:

Name of joint venture (Country of incorporation)	Principal activities	Group's effective equity interest held	
		2022	2021
		%	%
<u>Held by the Company</u>			
Novitee Pte. Ltd. (Singapore)	Provision of software consultancy and development services	–	40
<u>Held by Novitee Pte. Ltd.</u>			
Balanced Consultancy Pte. Ltd. (Singapore)	Provision of software consultancy and development services	–	40
Jerisys Pte. Ltd. (Singapore)	Provision of software consultancy and development services	–	40

The Group accounts for its investments in Novitee Pte. Ltd. ("Novitee") as a Joint Venture by virtue of the Group's contractual right to appoint two out of four directors to Novitee's board.

In the previous financial year, the Group has made an impairment charge equivalent to the full carrying amount of its cost of investments in the Joint Venture due to the persistent losses made by the Joint Venture.

On 20 August 2021, one of the Group's subsidiaries, Apex-Pal Investment Pte. Ltd. disposed its 40% shareholdings (66,667 ordinary shares) in Novitee Pte. Ltd. to a third party for total consideration of \$400,000. Accordingly, a gain on disposal of \$400,000 has been recognised in the current financial year.



18 Property, plant and equipment

Group	Leasehold building \$'000	Leasehold land \$'000	Outlet premises \$'000	Restaurant equipment \$'000	Renovation \$'000	Furniture and fittings \$'000	Computers \$'000	Motor vehicles \$'000	Office equipment \$'000	Total \$'000
Cost or valuation										
At 1 July 2020	78,000	8,774	10,179	8,821	6,806	4,068	2,496	1,574	230	120,948
Remeasurement of lease liability	–	517	–	–	–	–	–	–	–	517
Modification of lease	–	–	(2,181)	–	–	–	–	–	–	(2,181)
Additions	–	–	983	63	181	8	11	–	–	1,246
Disposals/written-off	–	–	(1,213)	(981)	(619)	(779)	(276)	–	(3)	(3,871)
Eliminated on revaluation	(1,650)	–	–	–	–	–	–	–	–	(1,650)
Revaluation increase	10,650	–	–	–	–	–	–	–	–	10,650
Exchange differences	–	–	(19)	(12)	38	5	(9)	–	(2)	1
At 30 June 2021	87,000	9,291	7,749	7,891	6,406	3,302	2,222	1,574	225	125,660
Remeasurement of lease liability	–	517	–	–	–	–	–	–	–	517
Additions	–	–	2,487	60	426	1	–	74	3	3,051
Grant received	–	–	–	(49)	–	–	–	–	–	(49)
Disposals/written-off	–	–	(2,580)	(965)	(2,830)	(635)	(118)	(359)	(3)	(7,490)
Eliminated on revaluation	(1,880)	–	–	–	–	–	–	–	–	(1,880)
Revaluation increase	4,880	–	–	–	–	–	–	–	–	4,880
Exchange differences	–	–	(28)	(31)	(18)	(28)	(19)	(1)	(1)	(126)
At 30 June 2022	90,000	9,808	7,628	6,906	3,984	2,640	2,085	1,288	224	124,563



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

18 Property, plant and equipment (cont'd)

Group	Leasehold building \$'000	Leasehold land \$'000	Outlet premises \$'000	Restaurant equipment \$'000	Renovation \$'000	Furniture and fittings \$'000	Computers \$'000	Motor vehicles \$'000	Office equipment \$'000	Total \$'000
Comprising										
At 30 June 2022										
At cost	–	9,808	7,628	6,906	3,984	2,640	2,085	1,288	224	34,563
At valuation	90,000	–	–	–	–	–	–	–	–	90,000
At 30 June 2022	90,000	9,808	7,628	6,906	3,984	2,640	2,085	1,288	224	124,563
At 30 June 2021										
At cost	–	9,291	7,749	7,891	6,406	3,302	2,222	1,574	225	38,660
At valuation	87,000	–	–	–	–	–	–	–	–	87,000
At 30 June 2021	87,000	9,291	7,749	7,891	6,406	3,302	2,222	1,574	225	125,660
Accumulated depreciation										
At 1 July 2020	–	182	4,430	8,332	5,881	3,521	2,426	1,510	226	26,508
Depreciation	1,650	185	2,751	178	388	92	53	46	1	5,344
Disposals/written-off	–	–	(1,054)	(896)	(555)	(702)	(276)	–	(3)	(3,486)
Modification of lease	–	–	(1,898)	–	–	–	–	–	–	(1,898)
Eliminated on revaluation	(1,650)	–	–	–	–	–	–	–	–	(1,650)
Exchange differences	–	–	(14)	(11)	25	(1)	(9)	–	(1)	(11)
At 30 June 2021	–	367	4,215	7,603	5,739	2,910	2,194	1,556	223	24,807
Depreciation	1,880	193	1,880	91	250	72	16	18	1	4,401
Disposals/written-off	–	–	(2,280)	(919)	(2,386)	(446)	(104)	(359)	(3)	(6,497)
Eliminated on revaluation	(1,880)	–	–	–	–	–	–	–	–	(1,880)
Exchange differences	–	–	(25)	(30)	(20)	(27)	(21)	(1)	(1)	(125)
At 30 June 2022	–	560	3,790	6,745	3,583	2,509	2,085	1,214	220	20,706



18 Property, plant and equipment (cont'd)

Group	Leasehold building \$'000	Leasehold land \$'000	Outlet premises \$'000	Restaurant equipment \$'000	Renovation \$'000	Furniture and fittings \$'000	Computers \$'000	Motor vehicles \$'000	Office equipment \$'000	Total \$'000
Accumulated impairment										
At 1 July 2020	–	–	670	129	368	262	–	–	–	1,429
Impairment loss during the financial year	–	–	9	37	42	37	–	–	–	125
Modification of lease	–	–	(192)	–	–	–	–	–	–	(192)
Reversals	–	–	–	(86)	(68)	(81)	–	–	–	(235)
Written-off	–	–	(159)	–	–	–	–	–	–	(159)
Exchange differences	–	–	(1)	(1)	12	9	–	–	–	19
At 30 June 2021	–	–	327	79	354	227	–	–	–	987
Reversals	–	–	–	(30)	(42)	(42)	–	–	–	(114)
Written-off	–	–	(259)	(18)	(305)	(172)	–	–	–	(754)
Exchange differences	–	–	(2)	(2)	–	–	–	–	–	(4)
At 30 June 2022	–	–	66	29	7	13	–	–	–	115
Carrying amount										
At 30 June 2022	90,000	9,248	3,772	132	394	118	–	74	4	103,742
At 30 June 2021	87,000	8,924	3,207	209	313	165	28	18	2	99,866



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

18 Property, plant and equipment (cont'd)

Company	Leasehold building \$'000	Leasehold land \$'000	Outlet premises \$'000	Restaurant equipment \$'000	Renovation \$'000	Furniture and fittings \$'000	Computers \$'000	Motor vehicles \$'000	Office equipment \$'000	Total \$'000
Cost or valuation										
At 1 July 2020	78,000	8,774	2,549	4,535	2,695	1,483	1,255	1,532	166	100,989
Remeasurement of lease liability	–	517	–	–	–	–	–	–	–	517
Additions	–	–	–	–	–	–	5	–	–	5
Disposals	–	–	(424)	(113)	(409)	–	(19)	(2)	–	(967)
Eliminated on revaluation	(1,650)	–	–	–	–	–	–	–	–	(1,650)
Revaluation increase	10,650	–	–	–	–	–	–	–	–	10,650
At 30 June 2021	87,000	9,291	2,125	4,422	2,286	1,483	1,241	1,530	166	109,544
Remeasurement of lease liability	–	517	–	–	–	–	–	–	–	517
Additions	–	–	–	–	–	–	–	74	3	77
Disposals/Written-off	–	–	–	(4)	–	–	–	(359)	–	(363)
Eliminated on revaluation	(1,880)	–	–	–	–	–	–	–	–	(1,880)
Revaluation increase	4,880	–	–	–	–	–	–	–	–	4,880
At 30 June 2022	90,000	9,808	2,125	4,418	2,286	1,483	1,241	1,245	169	112,775
Comprising										
At 30 June 2022										
At cost	–	9,808	2,125	4,418	2,286	1,483	1,241	1,245	169	22,775
At valuation	90,000	–	–	–	–	–	–	–	–	90,000
At 30 June 2022	90,000	9,808	2,125	4,418	2,286	1,483	1,241	1,245	169	112,775
At 30 June 2021										
At cost	–	9,291	2,125	4,422	2,286	1,483	1,241	1,530	166	22,544
At valuation	87,000	–	–	–	–	–	–	–	–	87,000
At 30 June 2021	87,000	9,291	2,125	4,422	2,286	1,483	1,241	1,530	166	109,544



18 Property, plant and equipment (cont'd)

Company	Leasehold building \$'000	Leasehold land \$'000	Outlet premises \$'000	Restaurant equipment \$'000	Renovation \$'000	Furniture and fittings \$'000	Computers \$'000	Motor vehicles \$'000	Office equipment \$'000	Total \$'000
Accumulated depreciation										
At 1 July 2020	–	182	688	4,452	2,477	1,482	1,208	1,468	166	12,123
Depreciation	1,650	185	378	57	105	1	48	46	–	2,470
Disposals	–	–	(424)	(104)	(351)	(1)	(18)	–	–	(898)
Eliminated on revaluation	(1,650)	–	–	–	–	–	–	–	–	(1,650)
At 30 June 2021	–	367	642	4,405	2,231	1,482	1,238	1,514	166	12,045
Depreciation	1,880	193	347	12	55	–	3	18	–	2,508
Disposals/Written-off	–	–	–	(4)	–	–	–	(359)	–	(363)
Eliminated on revaluation	(1,880)	–	–	–	–	–	–	–	–	(1,880)
At 30 June 2022	–	560	989	4,413	2,286	1,482	1,241	1,173	166	12,310
Accumulated impairment										
At 1 July 2020, 30 June 2021 and 30 June 2022	–	–	–	4	–	–	–	–	–	4
Carrying amount										
At 30 June 2022	90,000	9,248	1,136	1	–	1	–	72	3	100,461
At 30 June 2021	87,000	8,924	1,483	13	55	1	3	16	–	97,495



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

18 Property, plant and equipment (cont'd)

- (i) Included in Group's and Company's property, plant and equipment are right-of-use assets of \$13,020,000 and \$10,384,000 respectively (2021: \$12,131,000 and \$10,407,000) (Note 21).

- (ii) Non-cash transactions

	Group	
	2022	2021
	\$'000	\$'000
Aggregate cost of property, plant and equipment acquired	3,051	1,246
Less: acquired under lease arrangement (Note 21)	(2,487)	(983)
Less: reinstatement cost capitalised	(141)	–
	<hr/>	<hr/>
Net cash outflow for purchase of property, plant and equipment	423	263
	<hr/>	<hr/>

- (iii) The Group has pledged the leasehold building with carrying amount of \$90.0 million (2021: \$87.0 million) to secure the bank loans as disclosed in Note 20.

- (iv) The leasehold building is stated at valuation based on the market valuation as at 30 June 2022 as determined by RHT Valuation Pte Ltd (2021: RHT Valuation Pte Ltd), an independent valuer not connected with the Group. The market valuation was determined by adopting the comparable sales method, making reference to sales of similar properties in the vicinity and adjustments for differences such as type of use/specific. There has been no change to the valuation technique during the financial year. The net revaluation surplus, after related deferred tax provision, amounted to \$4,050,000 (2021: \$8,840,000) which has been recorded in the revaluation reserve. Had the leasehold building been carried under the cost model, the carrying amount would have been approximately \$12.7 million (2021: \$13.0 million).

The leasehold building is a 7-storey commercial building with an area of 209,851 sqft, located at 28 Tai Seng Street, Singapore 534106, and used as office, warehouse and central kitchen production. The Group and Company have 100% (2021: 100%) interest in the property. The property is held under a land use term for 30 years, up to 30 September 2037, with an option at expiry to extend for a further 30 years.

- (v) The Group has carried out a review of the recoverable amount of its property, plant and equipment, having regard to the ongoing performance of its outlets. The review has led to a reversal of impairment loss of \$114,000 (2021: \$235,000) recognised in the profit or loss due to prior year loss-making outlets turned profit-making in the current financial year. The recoverable amount of the property, plant and equipment are determined from value-in-use calculations. The key assumptions for the value-in-use calculation are growth rates and discount rates during the period. Management estimates discount rate using pre-tax rate of 10.0% (2021: 13.8%) that reflect current market assessment of time value of money and risk specific to the cash generating unit. The growth rates are based past performances and management's assessment of future trends and developments in the market.



18 Property, plant and equipment (cont'd)

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. Details of the leasehold building and information about the fair value hierarchy are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group and Company				
2022				
Leasehold building	–	–	90,000	90,000
2021				
Leasehold building	–	–	87,000	87,000

There were no transfers between the levels during the financial year. Details of valuation techniques and significant unobservable inputs used in the fair value measurement are as follows:

Description	Fair value		Valuation technique	Significant unobservable input	Range	
	2022 \$'000	2021 \$'000			2022 \$	2021 \$
<u>Singapore</u> Leasehold Building	90,000	87,000	Comparable sales method	Price per square foot *	428.88	414.58

* Any significant increases (decreases) in these inputs would result in a significantly higher (lower) fair value measurement.

Valuation process applied by the Group

The fair value of property, plant and equipment - leasehold building is determined by external, independent property valuers, having appropriate professional qualifications and experience in the category of property being valued at the end of every financial year. For valuation performed by external valuers, management considers the appropriateness of the valuation technique and assumptions applied by the external valuers. The valuation reports and changes in fair value measurements are analysed and reported to the Group's Chief Financial Officer regularly. Significant valuation issues are reported to the Audit Committee.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

19 Goodwill

	Group	
	2022	2021
	\$'000	\$'000
At the beginning of the financial year	–	716
Impairment loss during the financial year	–	(718)
Exchange differences	–	2
	<hr/>	<hr/>
At the end of the financial year	–	–

Goodwill acquired in a business combination is allocated to the cash generating units (“CGUs”) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated to the CGUs as follows:

	Group	
	2022	2021
	\$'000	\$'000
Apex-Pal (Malaysia) Sdn Bhd	–	–
	<hr/>	<hr/>

Full impairment on the goodwill of \$718,000 has been recognised in the previous financial year as the CGU has been making persistent losses for the past years.



20 Bank loans

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Loan A (1) (Secured)	–	614	–	614
Loan A (2) (Secured)	24,710	27,110	24,710	27,110
Loan B	4,295	5,000	4,295	5,000
Bank overdrafts	–	370	–	–
Total borrowings	29,005	33,094	29,005	32,724

Presented on the statements of financial position:

Non-current	3,068	4,271	3,068	4,271
Current	25,937	28,823	25,937	28,453
	29,005	33,094	29,005	32,724

Details of the bank loans are set out below:

Loan A (1) A long-term bank loan of \$12,374,000 was raised to finance the construction of the operational headquarters, the leasehold building at Tai Seng Street (Note 18(iii)). The bank loan carries variable interest at rates ranging between 1.52% and 1.53% (2021: 1.51% and 1.54%) per annum. The 10-year term loan is repayable over 120 monthly instalments which commenced in February 2011. As the loan contains recallable clause giving the bank unconditional rights to demand for repayment, the loan has been classified as current liability. The loan has been fully repaid during the current financial year.

Loan A (2) Short-term bank loans of \$24,710,000 (2021: \$27,110,000) bear fixed interests at rates ranging from 1.63% to 2.48% (2021: 1.61% to 1.71%) per annum and are renewable upon maturity for one to three months (2021: one to three months).

The Group has pledged the leasehold building (Note 18(iii)) with carrying amount of \$90 million (2021: \$87 million) to secure the bank loans A (1) and A (2).

Loan B 5-year Temporary Bridging Loan under Enterprise Financing Scheme is unsecured with fixed interest rate at 2.00% (2021: 2.15%) per annum.

Management is of the view that the carrying amounts of the above loans approximate fair values based on the borrowing rates available at the reporting date for bank loans with similar terms and maturity and the interest rates approximate the market interest rates.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

20 Bank loans (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Borrowings	Lease liabilities	Total
	\$'000	(Note 21)	\$'000
	\$'000	\$'000	\$'000
Balance at 1 July 2020	44,287	13,885	58,172
Changes from financing cash flows:			
- Drawdown	5,000	–	5,000
- Repayment	(15,943)	(2,233)	(18,176)
- Interest paid	(668)	(480)	(1,148)
Non-cash changes:			
- Interest expense	668	480	1,148
- Bank overdraft	(250)	–	(250)
- Rent concession and rebate	–	(946)	(946)
- New leases	–	983	983
- Lease modification	–	(91)	(91)
- Remeasurement of lease liability	–	517	517
- Exchange differences	–	55	55
Balance at 30 June 2021	33,094	12,170	45,264
Changes from financing cash flows:			
- Repayment	(3,719)	(2,122)	(5,841)
- Interest paid	(599)	(515)	(1,114)
Non-cash changes:			
- Interest expense	599	515	1,114
- Bank overdraft	(370)	–	(370)
- Rent concession and rebate	–	(80)	(80)
- New leases	–	2,487	2,487
- Remeasurement of lease liability	–	517	517
- Exchange differences	–	29	29
Balance at 30 June 2022	29,005	13,001	42,006



21 Lease liabilities

a) The Group as a lessee

Nature of the Group's leasing activities

The Group's leasing activities comprise the following:

- i) The Group leases various outlets from non-related parties. The leases have a tenure of 3 to 5 years (2021: 3 to 5 years);
- ii) The Group also makes annual lease payments for a leasehold land. The leasehold land has an original lease term of 30 years with an option to extend the lease for another 30 years. The annual lease payment is subject to revision based on the prevailing rates from the lessor.
- iii) In addition, the Group leases certain office equipment and these leases are either short-term or low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The maturity analysis of the lease liabilities is disclosed in Note 30(b).

Information about leases for which the Group is a lessee is presented below:

Carrying amount of right-of-use assets

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Classified within property, plant and equipment</u>				
Leasehold land	9,248	8,924	9,248	8,924
Outlet premises	3,772	3,207	1,136	1,483
	13,020	12,131	10,384	10,407
Additions to right-of-use assets	2,487	983	–	–

Amounts recognised in profit or loss

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Depreciation charge for the financial year</u>				
Leasehold land	193	185	193	185
Outlet premises	1,880	2,751	347	378
	2,073	2,936	540	563
<u>Lease expense not included in the measurement of lease liabilities</u>				
Lease expense - low value assets leases	17	17	6	8
Variable lease payments which do not depend on an index or rate	104	154	–	–
Rent concessions from lessors	–	(914)	–	(149)
Non-lease component - service charge	507	617	–	–
	515	480	456	411
Interest expense on lease liabilities	515	480	456	411



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

21 Lease liabilities (cont'd)

a) The Group as a lessee (cont'd)

During the financial year, total cash flow for leases amounted to \$3,265,000 (2021: \$3,501,000).

Lease liabilities are analysed as follows:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current	1,675	1,651	373	360
Non-current	11,326	10,519	9,882	9,758
	13,001	12,170	10,255	10,118

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

b) The Group as a lessor

Nature of the Group's leasing activities – Group as a lessor

The Group leased out its leasehold building to third parties and related parties for monthly lease payments. The lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from leasehold building is disclosed in Note 5.

Maturity analysis of lease payments – the Group as a lessor

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Less than one year	2,812	2,760	2,823	3,428
1 to 2 years	2,724	1,613	2,724	1,624
2 to 3 years	2,137	1,540	2,137	1,541
3 to 4 years	274	1,508	274	1,508
4 to 5 years	-	274	-	274
	7,947	7,695	7,958	8,375



22 Trade payables

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Outside parties	1,506	1,577	346	536
GST payables	130	146	53	61
Deferred revenue	3	190	–	16
	1,639	1,913	399	613

The average credit period on purchases of goods is 30 days (2021: 30 days). No interest is charged for outstanding balances exceeding its credit period.

23 Other payables and accruals

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Accrued operating expenses	522	762	254	218
Accrual for directors' fees - directors of the Company	85	85	85	85
Other payables	1,450	2,158	819	841
	2,057	3,005	1,158	1,144



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

24 Provisions

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Provision for reinstatement costs	250	338	50	50

Movements in provision for reinstatement costs are as follows:

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the financial year	338	420	50	84
Utilisation of provision during the financial year	(202)	(89)	–	–
Addition during the financial year	141	41	–	–
Reversal during the financial year	(27)	(34)	–	(34)
Balance at the end of the financial year	250	338	50	50

Provision for reinstatement costs relates to the dismantling, removing and restoring the premises to their original condition upon expiry of the leases.



25 Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movements in the deferred tax account are as follows:

	Revaluation reserve \$'000	Accelerated tax depreciation \$'000	Others \$'000	Total \$'000
Group				
At 1 July 2020	10,965	9	(177)	10,797
Charge to other comprehensive income	1,810	–	–	1,810
(Credit)/charge to profit and loss (Note 6)	(232)	–	172	(60)
Exchange differences	–	–	5	5
At 30 June 2021	12,543	9	–	12,552
Charge to other comprehensive income	830	–	–	830
Credit to profit and loss (Note 6)	(283)	–	–	(283)
At 30 June 2022	13,090	9	–	13,099

	Revaluation reserve \$'000	Accelerated tax depreciation \$'000	Total \$'000
Company			
At 1 July 2020	10,965	9	10,974
Charge to other comprehensive income	1,810	–	1,810
Credit to profit and loss	(232)	–	(232)
At 30 June 2021	12,543	9	12,552
Charge to other comprehensive income	830	–	830
Credit to profit and loss	(283)	–	(283)
At 30 June 2022	13,090	9	13,099



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

26 Share capital

	Group and Company			
	2022		2021	
	Number of issued shares '000	Total share capital \$'000	Number of issued shares '000	Total share capital \$'000
<u>Issued and fully paid up</u>				
At the beginning and end of the financial year	142,000	10,736	142,000	10,736

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

The total number of issued shares (excluding treasury shares) was 139,472,000 (2021: 139,472,000).

27 Treasury shares

	Group and Company			
	2022		2021	
	Number of ordinary shares '000	Total share capital \$'000	Number of ordinary shares '000	Total share capital \$'000
At the beginning and end of the financial year	2,528	892	2,528	892

The Company acquired 2,528,000 of its own shares through purchases on the Singapore Exchange Securities Trading Limited in December 2013. The total amount paid to acquire the shares was \$892,000 and has been deducted from shareholders' equity. The shares are held as treasury shares.

28 Revaluation reserve

The property revaluation reserve arises from the revaluation of the non-current asset held for sale (previously classified as freehold land and building on freehold land), and the revaluation of leasehold building as disclosed in Note 18(iv).



29 Related party transactions

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

In addition to the related party information disclosed elsewhere in the notes to the financial statements, the group entities entered into the following transactions with related parties during the financial year.

	Group	
	2022	2021
	\$'000	\$'000
Rental income	451	439

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the financial year is as follows:

	Group	
	2022	2021
	\$'000	\$'000
Short-term benefits	1,705	1,152
Post-employment benefits	58	50
Directors' fee	85	85
Total	1,848	1,287



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

30 Financial instruments

Categories of financial instruments

Financial instruments at the end of the reporting period are as follows:

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>				
At amortised cost	9,552	5,107	6,568	13,184
At fair value through profit or loss	4,496	9,845	4,496	9,840
	14,048	14,952	11,064	23,024
<i>Financial liabilities</i>				
At amortised cost	45,569	49,846	46,254	60,769

Financial risk management

The Group's activities expose it to market risk (including foreign exchange risk and interest rate risk), liquidity risk and credit risk. The Group's overall financial risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors provides written principles for overall financial risk management and written policies covering the specific areas above. Such written policies are reviewed periodically by the Board of Directors.

There has been no significant change to the Group's exposure to these financial risks or the manner in which it manages and measures financial risk. Market risk and credit risk exposures are measured using sensitivity analysis indicated below.



30 Financial instruments (cont'd)

a) Market risk

Foreign exchange risk

Foreign currency risk arises on certain sales and purchases transactions that are denominated in currencies other than the respective functional currencies of entities in the Group. The currency that give rise to this risk are primarily United States Dollar.

The Group's foreign currency exposure is as follows:

	Assets		Liabilities	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
United States Dollar	148	390	–	–

Sensitivity analysis of the Group's and Company's foreign exchange risk exposure is not presented as a reasonably possible change of 10% in the foreign currencies exchange rates against the Group's and Company's functional currency, with all other variables held constant will have no significant impact on the Group's and Company's net profit or loss.

Interest rate risk

The Group's and Company's exposure to the risk of changes in interest rates arises mainly from the Group's borrowings. Borrowings at variable rates expose the Group and the Company to cash flow interest rate risk (i.e. the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates).

Sensitivity analysis of the Group's and Company's interest rate risk exposures is not presented as the impact of an increase/decrease of 50 basis points in interest rates is not expected to be significant.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

30 Financial instruments (cont'd)

Financial risk management (cont'd)

b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments and having an adequate amount of committed credit facilities (Note 20). Management assessment of the use of going concern assumption is disclosed in Note 3.

The table below summarises the maturity profile of the Group's and Company's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less \$'000	1 to 5 years \$'000	More than 5 years \$'000	Total \$'000
Group				
2022				
Trade and other payables	3,563	–	–	3,563
Bank loans	26,335	3,146	–	29,481
Lease liabilities	2,203	3,077	20,253	25,533
	32,101	6,223	20,253	58,577
2021				
Trade and other payables	4,582	–	–	4,582
Bank loans	29,837	4,447	–	34,284
Lease liabilities	2,176	3,443	20,287	25,906
	36,595	7,890	20,287	64,772
Company				
2022				
Trade and other payables	1,504	–	–	1,504
Due to subsidiaries	5,490	–	–	5,490
Bank loans	26,335	3,146	–	29,481
Lease liabilities	842	1,932	20,246	23,020
	34,171	5,078	20,246	59,495
2021				
Trade and other payables	1,680	–	–	1,680
Due to subsidiaries	16,247	–	–	16,247
Bank loans	29,837	4,447	–	34,284
Lease liabilities	816	2,669	20,287	23,772
	48,580	7,116	20,287	75,983



30 Financial instruments (cont'd)

Financial risk management (cont'd)

c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed and approved by the risk management committee annually.

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivables.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company has no significant credit risk except for the amounts due from subsidiaries as disclosed in Note 16. The Group and the Company defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the financial year. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies.

The maximum exposure to credit risk of the Group and the Company is the carrying amount of each class of financial instruments presented on the statement of financial position and the amount of \$257,000 (2021: \$267,000) relating to corporate guarantees given by the Company to banks for the outlets' rental deposits of its subsidiaries.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Debts that are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Debts that are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Write-off



30 Financial instruments (cont'd)

Financial risk management (cont'd)

c) Credit risk (cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that are reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.



30 Financial instruments (cont'd)

Financial risk management (cont'd)

c) Credit risk (cont'd)

Definition of default

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

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

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

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

30 Financial instruments (cont'd)

Financial risk management (cont'd)

c) Credit risk (cont'd)

Other financial assets at amortised cost

The table below details the credit quality of the Group and Company's financial assets:

Group 2022	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
Trade receivables	Lifetime ECL (simplified approach)	922	(86)	836
Other receivables	12-month ECL	952	–	952
	Lifetime ECL	1,768	(1,730)	38
2021				
Trade receivables	Lifetime ECL (simplified approach)	938	(398)	540
Other receivables	12-month ECL	1,342	–	1,342
	Lifetime ECL	8,925	(8,742)	183
Company 2022				
Trade receivables	Lifetime ECL (simplified approach)	215	(66)	149
Other receivables	12-month ECL	188	–	188
	Lifetime ECL	1,730	(1,730)	–
Amounts due from subsidiaries	Lifetime ECL	26,384	(23,722)	2,662



30 Financial instruments (cont'd)

Financial risk management (cont'd)

c) Credit risk (cont'd)

Other financial assets at amortised cost (cont'd)

The table below details the credit quality of the Group and Company's financial assets (cont'd):

Company 2021	12-month lifetime ECL	or	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
Trade receivables	Lifetime ECL (simplified approach)		419	(305)	114
Other receivables	12-month ECL		209	–	209
	Lifetime ECL		7,435	(7,415)	20
Amounts due from subsidiaries	Lifetime ECL		35,477	(23,477)	12,000



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

31 Fair value of assets and liabilities

a) Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

- i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
- iii) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

b) Fair value measurements of assets and liabilities that are measured at fair value

The following table presents the level of fair value hierarchy for each class of assets and liabilities measured at fair value, other than plant, property and equipment which is disclosed in Note 18, on the statements of financial position at the end of the reporting period:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group				
2022				
<i>Recurring fair value measurements</i>				
Financial assets				
Financial assets, at fair value through profit or loss				
- unquoted equity shares				
	-	-	4,496	4,496
2021				
<i>Recurring fair value measurements</i>				
Financial assets				
Financial assets, at fair value through profit or loss				
- quoted equity shares				
	5	-	-	5
- unquoted equity shares				
	-	-	9,840	9,840

The fair value of the quoted equity shares was based on quoted market prices at the end of the reporting period. The basis of fair value measurement for unquoted equity shares is disclosed in Note 14.



32 Segment information

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is specifically focused on the category of each type of goods and services. The Group's reportable segments under SFRS(I) 8 *Operating Segments* are therefore as follows:

- Sakae Sushi, which is the main brand in provision of food and beverages to retail customers from the general public.
- Hei Sushi, which is the main brand in provision of halal food and beverages to retail customers from the general public.
- Other products and services, which is inclusive of other brands and services offered by the Group namely Sakae Teppanyaki, Sakae Delivery, Senjyu, Sachi, Crepes & Cream and Nouvelle Events, Japanmartsg and Sakae Corporate Advisory.

Information regarding the Group's reportable segments is presented below.

Segment revenues and results

	Revenue		Net profit	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Sakae Sushi	6,139	10,341	2,047	3,632
Hei Sushi	8,331	7,704	4,737	4,621
Other products and services	5,369	6,028	876	1,230
Less: Inter-segment revenue	(2,661)	(2,924)	–	–
Total	17,178	21,149	7,660	9,483
Depreciation			(4,401)	(5,344)
Central administration costs and directors' salaries			(9,072)	(10,157)
Other operating income			5,384	6,758
Fair value gains on equity investments at fair value through profit or loss			2,310	2,668
Finance costs			(1,114)	(1,148)
Profit before tax			767	2,260
Tax credit			293	57
Profit for the financial year			1,060	2,317

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of depreciation, central administration costs and directors' salaries, other operating income and finance costs, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.



NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

32 Segment information (cont'd)

	Segment Assets		Segment Liabilities	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Sakae Sushi	19,941	18,876	35,688	13,639
Hei Sushi	2,776	2,038	2,376	1,658
Other products and services	1,699	1,731	20,987	47,776
Unallocated corporate assets	94,496	96,845	–	–
Total	118,912	119,490	59,051	63,073

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible and certain financial assets attributable to each segment. All assets are allocated to reportable segments other than equity investments at fair value through profit or loss and leasehold building.

Other segment information

	Depreciation		Additions to property, plant and equipment	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Sakae Sushi	1,743	2,261	1,367	605
Hei Sushi	778	778	1,684	641
Other products and services	–	655	–	–
Unallocated corporate items	1,880	1,650	–	–
Total	4,401	5,344	3,051	1,246

	Property, plant and equipment written off		Reversal of impairment on property, plant and equipment	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Sakae Sushi	175	33	114	235
Total	175	33	114	235

	Impairment loss	
	2022 \$'000	2021 \$'000
Sakae Sushi	–	284
Other products and services	9	842
Total	9	1,126



32 Segment information (cont'd)

Geographical segments

In line with the Group's business strategy, the Group's operations are located mainly in Singapore and Malaysia. The segmental information for geographical regions is based on the locations of customers.

	Revenue		Property, plant and equipment	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Singapore	14,886	17,725	103,274	98,683
Malaysia	2,292	3,424	468	1,183
Total	17,178	21,149	103,742	99,866

No information about major customers is presented as the Group provides its goods and services to the general public as a whole.

33 Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The capital structure of the Group mainly consists of equity and borrowings and the Group's overall strategy remains unchanged from 2021.

34 Dividend

	Group and Company	
	2022 \$'000	2021 \$'000
Ordinary dividend paid		
Final tax-exempt dividend of 1.2 cents per share paid in respect of the previous financial year ended 30 June 2021	1,674	–

The directors have proposed a final exempt dividend for the financial year ended 30 June 2022 of 0.5 cents per share amounting to a total of \$697,000. This dividend is subject to approval by shareholders at the Annual General Meeting. These financial statements do not reflect this dividend payable, which will be accounted for in the shareholders' equity as an appropriation of profits in the financial year ending 30 June 2023.

35 Authorisation of financial statements

The consolidated financial statements of the Group and the statements of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors dated 14 October 2022.



STATISTIC OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2022

SHAREHOLDERS' INFORMATION AS AT 30 SEPTEMBER 2022

Total number of issued shares	:	142,000,000
Total number of issued shares excluding treasury shares and subsidiary holdings	:	139,472,000
Total number and percentage of treasury shares	:	2,528,000 (1.81%)
Total number and percentage of subsidiary holdings	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

The Company cannot exercise any voting rights in respect of ordinary shares held by it as treasury shares.

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Ordinary Shareholders	% of Holders	No. of Shares (excluding treasury shares)	% of Shares
1 – 99	5	0.52	118	0.00
100 – 1,000	612	63.95	90,060	0.06
1,001 – 10,000	154	16.09	756,920	0.54
10,001 – 1,000,000	177	18.50	17,008,062	12.20
1,000,001 and above	9	0.94	121,616,840	87.20
TOTAL	957	100.00	139,472,000	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	SHAREHOLDERS NAME	NUMBER OF SHARES HELD	%
1	RAFFLES NOMINEES (PTE) LIMITED	60,262,300	43.21
2	DOUGLAS FOO PEOW YONG	31,926,740	22.89
3	KGI SECURITIES (SINGAPORE) PTE. LTD.	13,860,000	9.94
4	GOH KHOON LIM	4,320,000	3.10
5	OCBC SECURITIES PRIVATE LTD	4,156,100	2.98
6	PHILLIP SECURITIES PTE LTD	2,396,700	1.72
7	LIM SONG CHIANG	2,049,400	1.47
8	JOSEPH QUEK	1,561,600	1.12
9	TAN KEK LEA (CHEN JILI)	1,084,000	0.78
10	FOO KIA HEE	770,100	0.55
11	CITIBANK NOMS SPORE PTE LTD	712,000	0.51
12	TAN YIM HENG	707,500	0.51
13	HSBC (SINGAPORE) NOMINEES PTE LTD	700,400	0.50
14	ANG HAO YAO (HONG HAOYAO)	693,200	0.50
15	DBS NOMINEES PTE LTD	662,100	0.47
16	MAYBANK SECURITIES PTE. LTD.	649,651	0.47
17	LUCIANA JASMAN	600,000	0.43
18	ALEXANDER THOMAS ZBORAY	596,000	0.43
19	PEK ENG LEONG	492,100	0.35
20	TOH SOON HUAT	475,000	0.34
	TOTAL	128,674,891	92.27



SUBSTANTIAL SHAREHOLDERS

Substantial shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 30 September 2022.

Name	No. of Ordinary shares			
	Direct Interest	% ⁽³⁾	Deemed Interest	% ⁽³⁾
Douglas Foo Peow Yong	31,926,740	22.89	60,000,100 ⁽¹⁾	43.02
Goh Khoon Lim	4,320,000	3.10	13,860,000 ⁽²⁾	9.94

Notes:

- (1) Mr Douglas Foo Peow Yong is deemed to be interested in 100 shares held by his wife, Ms Koh Yen Khoon and 60,000,000 shares held in trust by Raffles Nominees (Pte) Ltd.
- (2) Mr Goh Khoon Lim is deemed interested in 13,860,000 shares held by KGI Securities Singapore Pte. Ltd..
- (3) Percentage is based on 139,472,000 shares (excluding treasury shares and subsidiary holdings) as at 30 September 2022.

* Percentages are calculated based on the total number of issued shares (excluding treasury Shares and subsidiary holdings) as at 30 September 2022.

FREE FLOAT

As at 30 September 2022, approximately 20.15% of the total number of issued shares excluding treasury shares and subsidiary holdings was held in the hands of the public (on the basis of information available to the Company).

Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

TREASURY SHARES

As at 30 September 2022, the Company held 2,528,000 treasury shares, representing 1.81% of the total issued shares excluding treasury shares and subsidiary holdings.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of Sakae Holdings Ltd. (the “**Company**”) will be held at 28 Tai Seng Street, Sakae Building, Level 7, Singapore 534106 on Monday, 31 October 2022 at 3.00 p.m. for the following purposes:

Ordinary Business

1. To receive and adopt the Directors’ Statement and 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 re-elect Mr Ngoh York Chao Nicholas retiring by rotation pursuant to Regulation 91 of the Company’s Constitution and who, being eligible, offered himself for re-election.

(See Explanatory Note (i))

(Resolution 2)

*Mr Ngoh York Chao Nicholas will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee and member of the Audit Committee and Remuneration Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).*

3. To re-elect Mr David Pang Kam Wei retiring by rotation pursuant to Regulation 91 of the Company’s Constitution and who, being eligible, offered himself for re-election.

(See Explanatory Note (i))

(Resolution 3)

Mr David Pang Kam Wei will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee and member of the Audit Committee and Nominating Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

4. To approve a final exempt (one-tier) dividend of 0.5 cents per ordinary share for the financial year ended 30 June 2022.

(Resolution 4)

5. To approve the payment of Directors’ fees of S\$85,000 (FY2021: S\$85,000) for the financial year ended 30 June 2022.

(Resolution 5)

6. To re-appoint Messrs Baker Tilly TFW LLP as the Company’s Auditor and to authorise the Directors to fix their remuneration.

(Resolution 6)

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.



Special Business

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. Authority to allot and issue shares

“That, pursuant to Section 161 of the Companies Act 1967 (the “**Act**”) and Rule 806(2) of the Listing Manual of the SGX-ST, authority be and is hereby given to the Directors of the Company to:

- (a)
 - (1) issue shares in the capital of the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
 - (2) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the Company’s total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent (20%) of the Company’s total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below).
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) is based on the Company’s total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with (i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

- (3) in exercising the authority conferred by this Resolution, the Company 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) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

(See Explanatory Note (ii))

(Resolution 7)



NOTICE OF ANNUAL GENERAL MEETING

9. Authority to grant Awards and to allot and issue Shares under the 2021 Sakae Performance Share Scheme (“**2021 PSS**”)

“That the Directors of the Company be and are hereby authorised:

- (a) to grant Awards in accordance with the provisions of the 2021 PSS;
- (b) pursuant to Section 161 of the Act, to allot and issue from time to time such number of new Shares in the share capital of the Company as may be required to be issued pursuant to the vesting of awards under the 2021 PSS, provided always that the aggregate number of additional new Shares to be allotted and issued pursuant to the 2021 PSS (and any other share scheme(s) to be implemented by the Company (if any)) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time, and that such authority shall, unless revoked by the Company in a general meeting, continue in force until conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier;
- (c) subject to the same being allowed by law, to apply any share purchased or acquired under any share purchase mandate and to deliver such existing shares (including any shares held as treasury shares) towards the satisfaction of the Awards granted under the 2021 PSS; and
- (d) to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this resolution.”

(See Explanatory Note (iii))

(Resolution 8)

10. Proposed renewal of the Share Buy-Back Mandate

“That:

- (a) for the purposes of Sections 76C and 76E of the Act, approval be and is hereby given for the renewal of the Share Buy-Back Mandate (as hereinafter defined) the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**Shares**”) not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) on the SGX-ST (“**Market Purchase**”); and/or
 - (ii) off-market purchase(s) if effected otherwise than on the SGX-ST (or any other securities exchange on which the Shares may for the time being be listed and quoted (“**Other Exchange**”)) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act (“**Off Market Purchase**”),

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST (or Other Exchange) as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buy-Back Mandate**”);

NOTICE OF ANNUAL GENERAL MEETING



- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (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 Buy-Back Mandate are carried out to the full extent mandated;
 - (iii) the date on which the authority conferred by the Share Buy-Back Mandate is varied or revoked by Shareholders in general meeting;

- (c) in this Resolution:

“Maximum Percentage” means the number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date);

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an off-market purchase of a Share, 120% of the Average Closing Price of the Shares;

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST, or such Other Exchange, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Rules, for any corporate action that occurs after the relevant five (5) Market Day period; and

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating therein 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 be and are hereby authorised to deal with the Shares purchased or acquired by the Company pursuant to the Share Buy-Back Mandate in any manner as they think fit, which is permissible under the Act, the Listing Manual of the SGX-ST and the Share Buy-Back Mandate;
- (e) 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 or necessary to give effect to the transactions contemplated and/or authorised by this Resolution”.

(See Explanatory Note (iv))

(Resolution 9)

By Order of the Board

Chan Lai Yin
Company Secretary

Singapore, 16 October 2022



NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the detailed information of Mr Ngho York Chao Nicholas and Mr David Pang Kam Wei, who are seeking re-election at the Annual General Meeting can be found under “Supplemental Information on Directors seeking re-election”.
- (ii) Ordinary Resolution 7 is to empower the Directors from the date of the above meeting until the date of the next Annual General Meeting, to allot and issue shares and convertible securities in the Company. The aggregate number of shares (including any shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed fifty per cent (50%) of the Company’s total number of issued shares excluding treasury shares and shares (if any) held by a subsidiary of the Company. For issues of shares other than on a pro rata basis to all shareholders, the aggregate number of shares to be issued will not exceed twenty per cent (20%) of Company’s total number of issued shares excluding treasury shares and shares (if any) held by a subsidiary of the Company. 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 Instrument made or granted under this authority.
- (iii) Ordinary Resolution 8, if passed, will empower the Directors of the Company to offer and grant Awards under the 2021 PSS, and to allot and issue new Shares pursuant to the 2021 PSS, provided that the aggregate number of new Shares to be allotted and issued pursuant to the 2021 PSS and other share schemes to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless 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.
- (iv) Ordinary Resolution 9, if passed, will empower the Directors of the Company to make purchases or otherwise acquire the Company’s issued Shares from time to time subject to and in accordance with the guidelines set out in the Appendix accompanying this Notice. The authority will 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, unless previously revoked or waived at a general meeting. Please refer to the Appendix for more details.

Notes:

- i. Printed copies of this Notice will not be sent to members. Instead, this Notice will be published via announcement on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at the Company’s website at the URL www.sakaeholdings.com/agm. This Notice, Annual Report for the financial year ended 30 June 2022 (“Annual Report”), Appendix in relation to the proposed renewal of the Share Buy-Back Mandate (“Appendix”) and the Proxy Form will be sent to the members solely by electronic means via publication on the Company’s website and will also be made available on SGXNet. Printed copies of these documents will not be sent to the members of the Company. Please refer to the SGXNet website at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at the URL www.sakaeholdings.com/agm.
- ii. In view of the guidance note issued by the Singapore Exchange Regulation, a member may ask questions relating to the items on the agenda of the AGM by:
 - (a) Submitting question via mail to the Company’s registered office at 28 Tai Seng Street, Sakae Building, Level 7, Singapore 534106, or email to agm2022@sakaeholdings.com in advance of the AGM **latest by 22 October 2022 at 5.30 p.m.** or
 - (b) “live Question and Answer” at the physical AGM.

When sending questions, members should also provide their full name (for individuals)/company name (for corporate), NRIC/Passport No./Company Registration number, email address, contact number, shareholding type and number of shares held for verification.

Shareholders are encouraged to submit their questions **latest by 22 October 2022 at 5.30 p.m.** as this will allow the Company sufficient time to address and respond to these questions on 26 October 2022 after trading hours (at least 48 hours prior to the closing date and time for the lodgment of the proxy forms). The responses will be published on (i) the SGX-ST’s website; and (ii) the Company’s corporate website.

NOTICE OF ANNUAL GENERAL MEETING



- iii. A member of the Company who is entitled to attend and vote at the AGM and who is not a *Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of his shareholding and any second named proxy shall be deemed to be an alternate to the first named proxy. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
- iv. A member of the Company who is entitled to attend and vote at the AGM and who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- v. A proxy need not be a member of the Company. The Chairman of the meeting, as proxy, need not be a member of the Company.
- vi. In the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy/proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (i.e. by 3.00 p.m. on 28 October 2022), as certified by The Central Depository (Pte) Limited to the Company.
- vii. An investor who holds shares under the Central Provident Fund and Supplementary Retirement Scheme (“**CPF and SRS Investors**”) who wishes to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 3.00 p.m. on 19 October 2022). CPF and SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to the appointment of proxy/proxies for the AGM.
- viii. The instrument appointing a proxy/proxies, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:
 - (a) be deposited at the Company’s Share Registrar’s office at Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632 or
 - (b) be sent via email to agm2022@sakaeholdings.com enclosing signed PDF copy of the Proxy Form;not less than forty-eight (48) hours before the time set for the AGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF RECORD DATE

NOTICE IS HEREBY GIVEN that, subject to shareholders' approval to the proposed final dividend at the forthcoming Annual General Meeting, the Share Transfer Books and Register of Members of the Company will be closed on 8 November 2022 at 5.00 p.m. ("**Record Date**") for the purpose of determining Members' entitlements to a final tax exempt (one-tier) dividend of 0.5 cents per Ordinary Share for the financial year ended 30 June 2022 (the "**Proposed Final Dividend**").

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632 by 5.00 p.m. on the Record Date will be registered to determine Members' entitlements to the Proposed Final Dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares of the Company as at 5.00 p.m. on the Record Date will be entitled to the Proposed Final Dividend.

The Proposed Final Dividend, if approved at the forthcoming Annual General Meeting, will be paid on 15 November 2022.

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing a proxy/proxies to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing, administration and analysis by the Company (or its agents or service providers) of the appointment of proxy/proxies for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;
- (iii) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
- (iv) enabling the Company (of its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the AGM and any questions he may raise or motions he may propose/second) may be recorded by the Company for such purpose.

**SUPPLEMENTAL INFORMATION ON DIRECTORS
SEEKING RE-ELECTION**



Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the supplemental information relating to the retiring directors, Mr Ngoh York Chao Nicholas and Mr David Pang Kam Wei as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is appended below:

	Mr Ngoh York Chao Nicholas	Mr David Pang Kam Wei
Date of Appointment	18 October 2019	6 July 2020
Date of last re-appointment	29 October 2019	30 October 2020
Age	40	45
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Ngoh York Chao Nicholas for re-appointment as Independent Director of the Company. The Board has reviewed and concluded that Mr Ngoh York Chao Nicholas possesses the experience, expertise, knowledge and skills that will continue to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr David Pang Kam Wei for re-appointment as Independent Director of the Company. The Board has reviewed and concluded that Mr David Pang Kam Wei possesses the experience, expertise, knowledge and skills that will continue to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee.	Independent Director, Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee.



**SUPPLEMENTAL INFORMATION ON DIRECTORS
SEEKING RE-ELECTION**

	Mr Ngoh York Chao Nicholas	Mr David Pang Kam Wei
Professional qualifications	Mr Nicholas holds a Bachelor of Law from the University of Southampton.	Mr David holds a Degree in Applied Economics from the Nanyang Technological University.
Working experience and occupation(s) during the past 10 years	<p>Mr Nicholas is currently the Principal Legal Counsel, Director of Corporate and Council Affairs, Director, Membership & Industry Groups, and Director, Operations, SPMCC Pte Ltd at the Singapore Manufacturing Federation (“SMF”) since December 2018.</p> <p>Prior to joining SMF, Mr Nicholas was the Director - Criminal Law Practice & Corporate Governance Advisory matters with Optimus Chambers LLC.</p> <p>From 2014 to 2018 Mr Nicholas was an Assistant Director and Prosecuting Counsel as well as Head, Training and Development Department of Accounting and Corporate Regulatory Authority of Singapore (Seconded from the Legal Service Commission).</p> <p>From 2012 to 2014 Mr Nicholas was a Senior Prosecuting Officer with Ministry of Manpower Singapore (Seconded from the Legal Service Commission).</p> <p>From 2008 to 2012 Mr Nicholas was a Deputy Public Prosecutor and State Counsel with the Attorney-General's Chambers.</p>	<p>Mr David is currently the Chief Transformation Officer and a member of the Executive Leadership of SPH Media (“SPM”).</p> <p>Prior to joining SPM, he was a Chief Strategy Officer, Chief People Officer & Chief of Staff of Shiseido Travel Retail Asia Pacific Pte Ltd.</p> <p>Mr David was a Senior Principal with Korn Ferry (SG) Pte Ltd from 2015 to 2017. He was responsible for sales, key account development, thought leadership and consulting projects for clients in Consumer Products, Financial Services and Technology sectors.</p> <p>Mr David was a Principal with Mercer (Singapore) Pte Ltd from 2013 to 2015. He was responsible for sales, key account development and consulting projects for clients in Oil & Gas and Technology sectors.</p> <p>Mr David was a Senior Manager with Accenture Pte Ltd from 2008 to 2013. He was responsible for client account management and consulting projects in organization design, talent strategy and change management.</p>

**SUPPLEMENTAL INFORMATION ON DIRECTORS
SEEKING RE-ELECTION**



	Mr Ngho York Chao Nicholas	Mr David Pang Kam Wei
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

Other Directorships

	Mr Ngho York Chao Nicholas	Mr David Pang Kam Wei
Past (for the last 5 years)	Nil	Nil
Present	Nil	Nil



SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

INFORMATION REQUIRED

	Mr Nghoh York Chao Nicholas	Mr David Pang Kam Wei
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

**SUPPLEMENTAL INFORMATION ON DIRECTORS
SEEKING RE-ELECTION**



	Mr Nghoh York Chao Nicholas	Mr David Pang Kam Wei
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No



**SUPPLEMENTAL INFORMATION ON DIRECTORS
SEEKING RE-ELECTION**

	Mr Nghoh York Chao Nicholas	Mr David Pang Kam Wei
<p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>I. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>II. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>III. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>IV. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No
<p>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?</p>	No	No
Disclosure applicable to the appointment of Director only		
<p>Any prior experience as a director of a listed company? If yes, please provide details of prior experience.</p> <p>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.</p> <p>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).</p>	<p>N.A.</p> <p>Attended SID Listed Entity Director course</p>	<p>N.A.</p> <p>Attended SID Listed Entity Director course</p>

This page has been intentionally left blank

SAKAE HOLDINGS LTD.

(Company Registration No. 199604816E)
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT:

- Printed copies of this Notice of Annual General Meeting, Annual Report for the financial year ended 30 June 2022 ("Annual Report"), Appendix in relation to the proposed renewal of the Share Buy-Back Mandate ("Appendix") and the Proxy Form will not be sent to members. The Notice of Annual General Meeting and Proxy Form will be published by electronic means via announcement on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at the Company's website at the URL www.sakaeholdings.com/agm.
- SRS investors who wish to vote, should approach their SRS Operators to submit their votes by 3.00 p.m. on 19 October 2022.
- For investors who have used their CPF monies and/or SRS monies to buy the Company's 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.

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 16 October 2022.

I/We* _____ (Name) _____ (NRIC/Passport No.)

of _____ (Address)

being a member/members* of **SAKAE HOLDINGS LTD.** (the "**Company**"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy	
			No. of Shares	%

or failing him/her, the Chairman of the Annual General Meeting as *my/our *proxy/proxies to attend and to vote for *me/us on my/our behalf at the Annual General Meeting (the "AGM") of the Company to be held at 28 Tai Seng Street, Sakae Building, Level 7, Singapore 534106 on Monday, 31 October 2022 at 3.00 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against or abstain from voting on the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, this Proxy Form shall be disregarded and the proxy shall abstain from voting on any matter arising at the AGM and at any adjournment thereof.

No	Ordinary Resolutions:	For	Against	Abstain
1.	Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2022			
2.	Re-election of Mr Ngoh York Chao Nicholas as Director			
3.	Re-election of Mr David Pang Kam Wei as Director			
4.	Approval for a final tax exempt (one-tier) dividend			
5.	Approval for payment of Directors' fees for the financial year ended 30 June 2022			
6.	Re-appointment of Messrs Baker Tilly TFW LLP as the Company's Auditor and to authorise the Directors of the Company to fix their remuneration			
7.	Authority to allot and issue shares			
8.	Authority to grant Awards and to allot and issue Shares under the 2021 Sakae Performance Share Scheme			
9.	Proposed Renewal of the Share Buy-Back Mandate			

Note: Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" or "Abstain" from voting the relevant Resolutions, please indicate (X) or (√) within the box provided. Alternatively, please indicate the number of votes "For" or "Against" or "Abstain" against each Resolution in the boxes provided as appropriate. If you indicate (X) or (√) in the abstain box for a particular Resolution, you are directing your proxy, not to vote on that Resolution.

Dated this day of 2022

Total No. of Shares	No. of Shares
(a) CDP Register	

.....
Signature(s) of Member(s)
or, Common Seal of Corporate Member

* Delete accordingly

IMPORTANT: PLEASE SEE NOTES OVERLEAF BEFORE COMPLETING THIS FORM

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member of the Company who is entitled to attend and vote at the AGM and who is not a *Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of his shareholding and any second named proxy shall be deemed to be an alternate to the first named proxy. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
3. A member of the Company who is entitled to attend and vote at the AGM and who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
4. Members (whether individual or corporate) may also vote at the AGM by appointing the Chairman of the AGM as proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.
5. CPF and SRS Investors who wish to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 3.00 p.m. on 19 October 2022). CPF and SRS Investors should not directly appoint the Chairman as proxy to direct the vote.
6. A proxy need not be a member of the Company. The Chairman of the AGM, as proxy, need not be a member of the Company.
7. The instrument appointing a proxy/proxies must be deposited at the Company's Share Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632 or send email to agm2022@sakaeholdings.com enclosing signed PDF copy of the Proxy Form not less than forty-eight (48) hours before the time appointed for the meeting.
8. The instrument appointing a proxy/proxies as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy/proxies or the Chairman of the AGM as proxy is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorized officer.
9. Where an instrument appointing a proxy/proxies 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 the instrument of proxy, failing which the instrument may be treated as invalid.
10. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.
11. The Company shall be entitled to reject an instrument appointing a proxy/proxies 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 appointing a proxy/proxies if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at seventy two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
12. By submitting an instrument appointing a proxy/proxies, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 16 October 2022.



CORPORATE INFORMATION

BOARD OF DIRECTORS

-◆ Douglas Foo Peow Yong
(Chairman)
Foo Lilian
(Executive Director and Chief Executive Officer)
Loh Chee Peng
(Non-Executive and Independent Director)
Ngho York Chao Nicholas
(Non-Executive and Independent Director)
David Pang Kam Wei
(Non-Executive and Independent Director)

AUDIT COMMITTEE

-◆ Loh Chee Peng (Chairman)
Ngho York Chao Nicholas
David Pang Kam Wei

NOMINATING COMMITTEE

-◆ Ngho York Chao Nicholas (Chairman)
David Pang Kam Wei
Loh Chee Peng
Foo Lilian

REMUNERATION COMMITTEE

-◆ David Pang Kam Wei (Chairman)
Ngho York Chao Nicholas
Loh Chee Peng
Douglas Foo Peow Yong

COMPANY SECRETARY

-◆ Chan Lai Yin (ACIS)

REGISTERED OFFICE

-◆ 28 Tai Seng Street
Sakae Building, Level 7
Singapore 534106
Company Registration No. 199604816E
Tel: (65) 6438 6629
Fax: (65) 6438 6639

SHARE REGISTRAR

-◆ Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue, #14-07
Keppel Bay Tower
Singapore 098632

AUDITOR

-◆ Baker Tilly TFW LLP
Chartered Accountants
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778
Partner-in-charge : Khor Boon Hong
Date of appointment : Since 30 October 2020

PRINCIPAL BANKERS

-◆ United Overseas Bank Limited
DBS Bank Ltd



28 Tai Seng Street, Sakae Building, Level 7, Singapore 534106
www.sakaeholdings.com