



**YKGI Limited**

(Incorporated in the Republic of Singapore on 8 August 2022)  
(Company Registration No: 202227645Z)



# A WORLD OF FLAVOURS

ANNUAL REPORT 2023

# Mission

To relentlessly fulfil ever-changing demands. At the same time to tantalise the taste buds of our customers and placing a lasting smile on their faces.

# Vision

To be Asia's leading food and beverage group with the most diversified portfolio of brands and concepts.

## CONTENTS

01

CORPORATE  
PROFILE

02

CORPORATE  
INFORMATION

03

OPERATING  
PRESENCE

04

OUR  
GROWTH STORY

06

CHAIRMAN'S  
STATEMENT

09

OPERATION  
REVIEW

10

FINANCIAL  
REVIEW

12

FINANCIAL  
HIGHLIGHTS

15

BOARD OF  
DIRECTORS

17

SENIOR  
MANAGEMENT

19

GROUP  
STRUCTURE

20

SUSTAINABILITY  
REPORT

This Annual Report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd., ("Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). This Annual Report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Mr Mah How Soon - Registered Professional, 36 Robinson Road, #10-06, City House Singapore 068877, sponsor@rhtgoc.com.



**PastaGo**  
Fresh Made Pasta



**吃茶子**  
TAIWAN  
EST.1998



**Victoria Bakery** 利維多



**MINCED MEAT NOODLE**

## CORPORATE PROFILE

Yew Kee is an established homegrown brand with a track record of more than 30 years in the business of food and beverage (“F&B”) operations. Our Group’s origins can be traced to the 1950s when the father of our Group’s founder, Executive Chairman and Executive Director, commenced operations of a pushcart selling braised duck in Nee Soon. Today, our Group owns and/or operates a diverse portfolio of nine (9) non-Halal and Halal brands, and operates them through **77 retail outlets** across the country. Our Group is also the **exclusive franchisee of the CHICHA San Chen brand of tea shops** in Singapore.

Our Group’s principal business activities are (i) F&B operations, (ii) food court management and (iii) franchising and sub-franchising.



**My Kampung**  
CHICKEN RICE

友記

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Seah Boon Lock**

*(Executive Chairman and Executive Director)*

**Seah Qin Quan**

*(Chief Executive Officer and Executive Director)*

**Wong Fook Sung (James Wong)**

*(Lead Independent Director)*

**Ng Hong Whee**

*(Independent Director)*

**Koh Kew Siong (Douglas Koh)**

*(Independent Director)*

## AUDIT AND RISK MANAGEMENT COMMITTEE

**Wong Fook Sung** *(Chairman)*

**Ng Hong Whee**

**Koh Kew Siong**

## NOMINATING COMMITTEE

**Ng Hong Whee** *(Chairman)*

**Wong Fook Sung**

**Koh Kew Siong**

## REMUNERATION COMMITTEE

**Koh Kew Siong** *(Chairman)*

**Wong Fook Sung**

**Ng Hong Whee**

## COMPANY SECRETARY

**Ms. Sharon Lim Siew Choo**

*(ACS,ACG)*

*(appointed with effect from 31 October 2023)*

## REGISTERED OFFICE

30 Cecil Street

#19-08 Prudential Tower

Singapore 049712

## SHARE REGISTRAR

**IN.CORP CORPORATE SERVICES PTE. LTD.**

30 Cecil Street

#19-08 Prudential Tower

Singapore 049712

## CONTINUING SPONSOR

**RHT CAPITAL PTE. LTD.**

36 Robinson Road

#10-06 City House

Singapore 068877

## INDEPENDENT AUDITOR

**CLA GLOBAL TS PUBLIC ACCOUNTING CORPORATION**

80 Robinson Road

#25-00

Singapore 068898

Director-in-charge: Ms. Meriana Ang Mei Ling

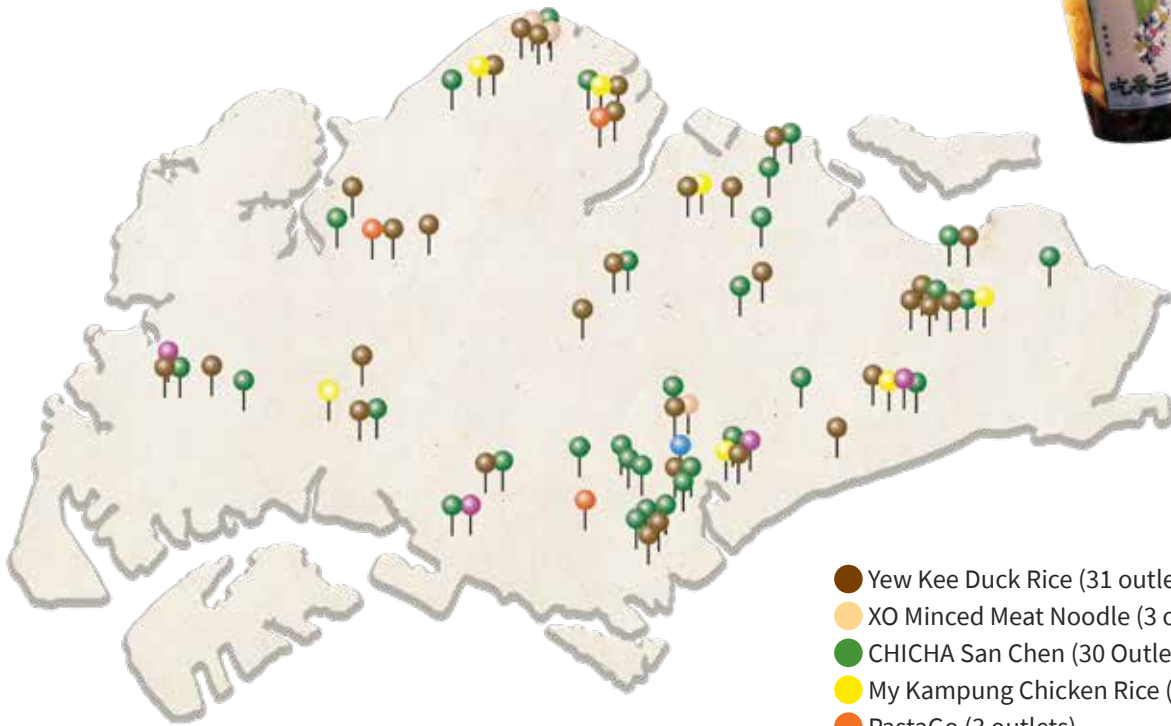
Appointed since financial year ended 31 December 2022

# OPERATING PRESENCE

The procurement, processing and preparation of key ingredients and products for

**Yew Kee Duck Rice** and **XO Minced Meat Noodle** food outlets,

as well as **CHICHA San Chen** tea shops, are carried out by our central kitchen.



- Yew Kee Duck Rice (31 outlets)
- XO Minced Meat Noodle (3 outlets)
- CHICHA San Chen (30 Outlets)
- My Kampung Chicken Rice (7 outlets)
- PastaGo (3 outlets)
- Victoria Bakery (1 outlet)
- Food Courts (4 locations)
- My Kampung Kopi House (2 outlets)

<b>47</b> FOOD OUTLETS	<b>30</b> CHICHA San Chen Tea Shops
<b>4</b> FOOD COURTS	<b>1</b> CENTRAL KITCHEN



# OUR GROWTH STORY

1987

- Opening of our first Yew Kee Duck Rice Food Outlet at Yishun



2002

- Incorporation of our subsidiary, Yew Kee Duck and Noodle House
- Establishment of our headquarters and central kitchen at Woodlands

2003

- Opening of our first Yew Kee Duck Rice standalone food shop at Liang Seah Street

2006

- Relocation of our headquarters and central kitchen to 32 Woodlands Terrace, Singapore 738452
- Opening of our first XO Minced Meat Noodle Food Outlet at Newton Circus

2016

- Our subsidiary Yew Kee Duck and Noodle House was first awarded the Tasty Singapore Brand Ambassador award by International Enterprise Singapore, Singapore Food Manufacturers' Association, Singapore Manufacturing Federation and Restaurant Association of Singapore
- Our Yew Kee Duck Rice brand was awarded the Food Masters award for Top 10 outstanding Singapore food masters in the central zone by SPH Newspapers



2013

- Our subsidiaries, Yew Kee Duck and Noodle House and Yew Kee Management were awarded the 2013/2014 Singapore Brands Awards by the Brands Entrepreneurs' Alliance (Singapore)





## 2017

- Opening of our first My Kampung food court at the Singapore Institute of Management
- Opening of our first My Kampung halal food concept at Junction Nine
- Our Yew Kee Duck Rice brand was awarded the Top 10 braised duck rice award by Shin Min Daily News
- Our Yew Kee Duck Rice brand was awarded the Heritage Brands award in recognition of our outstanding achievement in branding by the Association of Small and Medium Enterprises



## 2019

- Signing of our Master Franchise Agreement with Fang Yuan F&B International Co., Ltd.
- Opening of our first CHICHA San Chen flagship store at 313@somerset
- Opening of our first Fine Food food court at the National University of Singapore



## 2024

- Supporting wildlife conservation through adopting ducks in Singapore Zoo's Kidzworld.
- Registered our first overseas subsidiary in Macau, SAR PRC to carry on the Macau CHICHA business
- Showcased at the Singapore Food Festival 2023 with an exclusive menu, a collaboration between Yew Kee Duck Rice and PastaGo. Bringing together Yew Kee's braised duck with the contemporary flavours of PastaGo, serving up dishes such as Pasta Fries served with a spicy dipping sauce infused with Yew Kee's Speciality Chilli, Truffle Cream Sauce and Braised Duck on Kway Teow and more.

## 2023

- Successfully listed on the Catalyst Board of the SGX-ST
- Created a new brand- Kampung Kopi House selling Halal, familiar local all-day breakfast such as Traditional Toast, home-made desserts, Nanyang Coffee and many more.
- Our CHICHA San Chen tea shops were ranked number (1) for the second consecutive years by The Straits Times for best customer service category in the catering, restaurants and leisure industry.



## 2022

- Rebranding of our Group to "Yew Kee" to more accurately align our brand identity with our history and heritage
- Our CHICHA San Chen tea shops were ranked number one (1) by The Straits Times for best customer service in the catering, restaurants and leisure industry
- Our Yew Kee Duck Rice brand was awarded the Hawker Heritage Award by the Federation of Merchants' Association of Singapore
- Opening of our first PastaGo Food Outlet at JCube Shopping Mall
- Opening of our first Victoria Bakery Food Outlet at Marina Square





# *A Diverse* PORTFOLIO

“We at YKGI look forward to the future with much anticipation. The nature of the food and beverage industry in Singapore is highly dynamic and competitive with numerous challenges with the most recent being rising costs of raw material, labour, and utilities, which place pressure on F&B companies to maintain profitability.”

*Mr. Seah Boon Lock*

Chairman

Challenges aside, we are confident that the fundamentals of the F&B industry in Singapore remain robust and sound especially with the projected increase in the country's population. To better position ourselves for the opportunities ahead, the Group is actively exploring opportunities to expand its operations, including opening new outlets in strategic locations and broadening our customer base through targeted marketing efforts.

Dear Shareholders,

It is my pleasure to present YKGI Limited's (the "**Company**" or "**YKGI**" and together with its subsidiaries, the "**Group**") second Annual Report for the financial year ended 31 December 2023 ("**FY2023**") since the Group's IPO and listing on the SGX-ST.

### OVERVIEW

Amidst the slow and uneven global recovery and challenging business environment in the macroeconomy, the real GDP growth for Singapore was at 1.1%, a decline from the 3.8% growth registered for 2022. <sup>1</sup>Consumer Price Index ("**CPI**") stood at 4.8%, lower than the 6.1% recorded in 2022, with rising costs of living continuing to be felt by households in Singapore amongst a gradual easing of inflation. Despite the challenges, the Group maintained its profitability, albeit a decreased one compared to the previous financial year ended 31 December 2022 ("**FY2022**").

### FINANCIAL PERFORMANCE

The Group has three main business segments, namely (i) the F&B Operations Business; (ii) the Food Court Business; and (iii) the Franchise Business.

During the financial year under review, the Group's revenue increased by 10.2% over the S\$56.2 million achieved in FY2022 to reach S\$61.9 million. Revenue contribution from our F&B Operations business increased by S\$4.0 million led by the expansion of operational stores in FY2023, and combined with the increase in product prices throughout the year. For our Food Court business, the revenue contribution grew by S\$1.8 million that was attributable to the higher demand in addition to the opening of a new food court located in Changi City Point and partially offset by the closure of one existing food court at Kampong Chai Chee

Community Club.

In contrast, the Franchise business noted a marginal decrease of S\$0.1 million in revenue contribution as all our franchise business had been GST registered in FY2023 without any corresponding adjustments in prices, coupled with the decrease in online sales following the lifting of Community Safe Management Measures in the preceding year.

### DEVELOPMENTS DURING THE YEAR

As part of its growth strategy, the Group is proactively exploring opportunities to enhance market presence, including considering new outlet locations, expanding product offerings, and diversifying its brand portfolio through strategic partnerships and new brand development initiatives.

In FY2023, the Group had strategically expanded its operations by inaugurating a new food court at Changi City Point, underscoring the Group's commitment to growth. Concurrently, we were also actively optimising our store portfolio by decisively nipping off unprofitable outlets and opening new ones in locations with abundant business opportunities and potential.

On 28 December 2023, the Group announced its wholly owned subsidiary, YKGI Ventures Pte. Ltd. entered into a shareholders' agreement with Hachioji Trading Limited to incorporate a company to carry on the Macau CHICHA Business and the first CHICHA San Chen outlet is expected to commence operation in the second half of FY2024.

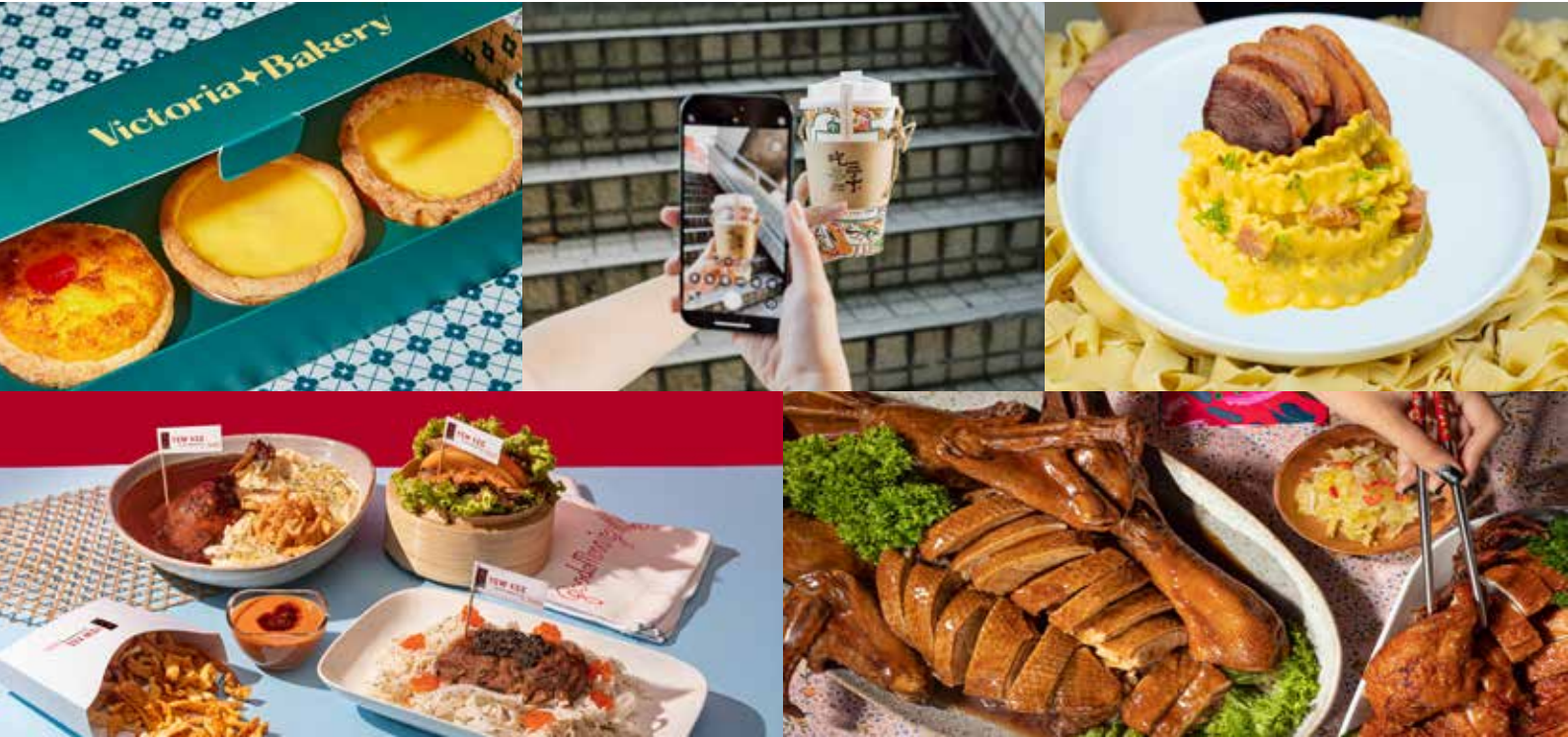
### SEEKING AVENUES OF GROWTH

The F&B industry in Singapore is one that faces persistent and dynamic challenges that could significantly impact businesses operating within it. Most

#### Notes:

(1) <https://www.mti.gov.sg/Resources/Economic-Survey-of-Singapore/2023/Economic-Survey-of-Singapore-2023> Chapter 1 - Economic Performance

# CHAIRMAN'S STATEMENT



notably, rising costs, encompassing food ingredients, rental, other operating expenses and labour, all pose substantial pressure on the profitability of F&B companies. The industry faces ongoing challenges such as a manpower shortage and the implementation of a progressive wage model, mandating increases in minimum wages for workers. Given these obstacles and the heightened competition, the Group anticipates a challenging operating environment within the F&B industry.

On the global scale, downside risks in the global economy remain. Persistent core inflation in advanced economies, high interest rates, the long-drawn Israel-Hamas conflict and war in Ukraine continue to put pressure on the global financial system and disrupt supply chains. And all these will affect consumer sentiments and demand, reducing economic growth and trade globally.

Although the near term global economic outlook remains

uncertain, we seek to realise our long-term and large-scale plans including expansion of existing business, growing into new markets, and strengthening supply chain capabilities. We constantly keep a lookout for good business opportunities, both organic and inorganic, that are beneficial to the Group and its shareholders in the long run.

The Group stands firm in its pursuit of expansion opportunities to broaden its revenue base, with priority placed on strengthening our core competencies to enhance operational efficiency and productivity. The Group is committed to navigating the challenging landscape while seeking avenues of growth and improvement over the next reporting period.

## DIVIDENDS

To show our appreciation to our shareholders, the Board of Directors has recommended to declare a final

tax-exempt dividend of 0.26 cents per share, subject to the approval of our shareholders at the upcoming annual general meeting.

## APPRECIATION

On behalf of the Board of Directors, I would like to thank my fellow Directors for their invaluable insights and counsel. I also wish to express my gratitude and appreciation to our shareholders for their faith and support in the business, customers for their continued patronage, business partners and stakeholders for their support in working together with the Group, our management and staff for their dedication and commitment. With sound foundations in place, we believe we will be able to steer the path towards growth and stability.

*Mr. Seah Boon Lock*  
Chairman

# OPERATION REVIEW

YKGI Limited (“YKGI” or the “Company”, and together with its subsidiaries, the “Group”) provides high-quality food and beverage (“F&B”) offerings for over 30 years and has earned a well-established reputation in the industry. With three main business segments, namely (i) the F&B Operations Business; (ii) the Food Court Business; and (iii) the Franchise Business, the Group’s diverse portfolio of brands is widely recognised for its exceptional quality and keen understanding of local consumer preferences. With a focus on diversity and quality, the Group remains competitive and meets the needs of a wide range of consumers. Furthermore, the Group’s commitment to offering both non-Halal and Halal options has enabled it to widen its reach and cater to a broader customer base.

## OUR COMPETITIVE STRENGTHS

- Vertically-integrated supply chain

The Group operates through a vertically integrated supply chain that encompasses strong procurement capabilities, a central kitchen, as well as self-operated or franchised stalls. Having a set of standardised operating procedures in place ensures that consistency in the taste, quality, and service provided across all food outlets.

The centralisation of the procurement, processing, and preparation of key ingredients and products at the central kitchen also allows for cost savings through economies of scale and facilitates the introduction of new products and the replication of the business in other markets.

- Resilient business model

The Group’s resilient business model and steady income streams through competitively priced F&B staple food products enable us to weather any unexpected outbreaks of food-related diseases. This resiliency also allows us more scope and flexibility to adapt to changing consumer tastes.

With the suitability of F&B offerings for takeaway or delivery, our Group is able to adapt effectively to any unforeseen incidences such as the COVID-19 pandemic. We are also able to capture consumers’ demands both online and offline, to garner greater revenue through wider sources.

The vertical integration of the production process also allows the Group to control the value chain to reap operational and cost efficiencies.

- Strategic locations

The Group’s food outlets and tea shops are strategically located near transport hubs and residential areas that enjoy substantial and regular footfall, in turn benefiting our earnings.

Additionally, the variety of F&B offerings of the Group appeals to a large customer base.

- Experienced and competent management team

The Group is steered by an experienced and competent management team with extensive experience and business relationships in the F&B industry, who are in turn supported by dedicated staff committed to fostering strong relationships with customers and suppliers.

All these competitive strengths combined, have positioned YKGI for continued success in the F&B industry.

## KEY OPERATIONAL UPDATES

- Innovation and product development

YKGI continues to prioritise innovation and product development to meet evolving consumer preferences. The Company continually pushes out new menu items, flavours, and offerings across its brands, which help to enhance customer engagement and drive incremental sales.

- International expansion

Building on its success in Singapore, the Group had explored opportunities for international expansion in targeted markets. We conducted market research, assessed regulatory requirements, and identified potential partners to facilitate entry into new territories and capitalise on global consumer trends. During the year, the Group made its first foray into a foreign market and had, on 28 December 2023, incorporated our first overseas subsidiary, Yew Kee Group International (Macau) Limited (“YK Macau”), in Macau to operate the “Chicha San Chen” business locally.

- Sustainability initiatives

Sustainability is at the forefront of nations, governments and companies globally. The Group reinforces its commitment to sustainability by implementing various initiatives to reduce its environmental footprint. More details can be found in the Sustainability Report.

# OPERATION REVIEW

## OUTLOOK AND PROSPECTS

In Singapore, the F&B industry contends with persistent issues like inflationary pressures as well as rising costs encompassing food ingredients, rental, other operating expenses and labour. Externally in the macroeconomic environment, persistent inflation, high interest rates, ongoing geopolitical conflicts are factors that will have a ripple effect to the entire global financial system and economic growth.

Notwithstanding, we navigate the uncertain business environment with tenacity and resilience, keeping focused on outlined business strategies and future plans to expand its operations and strengthen its presence both locally and overseas and strengthen our efficiency and supply chain capabilities.

On the overall, our prospects remain optimistic, as median monthly household incomes in Singapore are on the rise over the years. This translates to a higher capacity and willingness to spend on food, with Singaporeans known for our love for food.

YKGI will leverage on its existing track record and experience to continue growing as a home-grown multi-brand F&B operator and deliver the best value to customers and shareholders over the long term.

# FINANCIAL REVIEW

## S\$61.9m

Group Revenue



### STATEMENT OF PROFIT OR LOSS

The Group's revenue for the financial year ended 31 December 2023 ("FY2023") increased by 10.2% from S\$56.2 million for the financial year ended 31 December 2022 ("FY2022") to S\$61.9 million in FY2023. During the financial year under review, revenue from the F&B Operations segment increased by S\$4.0 million due to the expansion where we had a higher number of stores in operation. The revenue from Food Court segment also improved, with an increase of S\$1.8 million compared to the previous corresponding period. The increase is attributed to higher demand as well as the opening of one new food court in Changi City Point during the year, offset partially by the closure of one existing food court at KPCC towards the end of 2023. The higher revenue contributions from these two segments were offset by a S\$0.1

million decrease in contribution from our Franchise segment. During the financial year, all our franchise business were GST registered, with no corresponding adjustments in pricing. In addition, the Franchise segment also experienced a decrease in online sales, as the Community Safe Management Measures were lifted in October 2022 and most of the population would have resumed to pre-COVID dynamics of working in the office and business or overseas travels.

Other income fell 37.6% from S\$1.6 million in FY2022 to S\$1.0 million in FY2023, due to the tapering off of COVID-19 related grants from the government.

Purchases and related costs increased by S\$1.3 million or 9.3% from S\$14.5 million in FY2022 to S\$15.8 million in FY2023 mainly due to the sales growth and the impact of inflation.

Changes in inventories of S\$0.2 million as at 31 December 2023 compared to 31 December 2022 was due to timing of purchases and consumption of inventories.

Employee benefits increased by S\$2.6 million or 18.6% from S\$13.8 million in FY2022 to S\$16.4 million in FY2023 mainly because of the higher compensation package in FY2023 in order to retain and attract workers in a tight labour market as well as the new service agreement and employment contract of the directors and key management effective from 1 November 2022.

Depreciation expenses increased by S\$1.0 million (11.7%) to S\$9.5 million in FY2023 compared to S\$8.5 million in FY2022, mainly due to the renewal of existing outlets at higher rental capitalised as right-of-use assets and the addition of other property, plant and equipment items during FY2023.

# FINANCIAL REVIEW

Other expenses were at S\$17.9 million in FY2023, representing an increase of S\$2.6 million or 17.1% from S\$15.3 million FY2022 mainly due to: (i) one-time IPO expenses of S\$1.2 million; and (ii) increase in lease expenses related to variable rental and short-term leases of S\$0.7 million, cleaning fees of S\$0.2 million, repair and maintenance expenses of S\$0.1 million, utilities of S\$0.2 million and others of S\$0.2 million.

Finance costs increased by S\$0.6 million or 85.5% from S\$0.7 million in FY2022 to S\$1.3 million in FY2023 due to the higher interest expenses on lease liabilities for new outlets and the utilisation of the bank facility during FY2023.

Taking into account all the factors above, the Group registered a profit before income tax of S\$2.1 million in FY2023, a decrease of approximately S\$2.6 million or 54.5% from S\$4.7 million in FY2022.

## STATEMENT OF FINANCIAL POSITION

The Group's non-current assets comprise property, plant and equipment, intangible assets and deferred tax assets. As at 31 December 2023, the Group's non-current assets of approximately S\$24.6 million accounted for approximately 51.8% of the Group's total assets, of which property, plant and equipment as at 31 December 2023 amounted to approximately S\$24.2 million or 98.6% of total non-current assets. The property, plant and equipment comprise mainly cold room and equipment, computers, furniture and fittings, leasehold property, motor vehicles, office equipment, renovation and drinks and food stalls. Property, plant and equipment increased by about S\$6.8 million compared to FY2022, mainly because the Group recognised

additional right-of-use assets for new and renewal of leases in FY2023, amounted to approximately S\$13.6 million, partially off-set by the depreciation expenses of S\$7.1 million.

The Group's current assets consists of cash and bank balances, trade and other receivables and inventories, standing at S\$22.9 million and accounted for approximately 48.2% of the Group's total assets. As at 31 December 2023, cash and bank balances amounted to approximately S\$17.2 million or 75.1% of total current assets, increased by approximately S\$12.5 million compared to FY2022 which was mainly attributable to net proceeds from the issuance of new shares of S\$13.3 million from the IPO; and offset by payment of dividends of S\$2.2 million to the equity holders of the Company as well as the repayment of bank borrowings of S\$1.6 million. Trade and other receivables amounted to approximately S\$4.8 million or 21.0% of total current assets, which is mainly made up of refundable deposits related to the deposits placed with landlords for the rental of outlets by our Group. The decrease in trade and other receivables was due to the recognition of deferred IPO expenses of \$1.1 million against share capital and listing expenses in profit or loss upon the listing of the Company.

The Group's non-current liabilities consisted of lease liabilities, deferred tax liabilities and provisions. As at 31 December 2023, the Group's non-current liabilities of S\$15.6 million accounted for approximately 51.7% of the Group's total liabilities. Total non-current and current portion of lease liabilities increased by S\$7.1 million, mainly due to recognition of additional lease liabilities from new and renewal of leases in FY2023 of S\$13.9 million, partially offset by

the principal repayment of lease liabilities of S\$6.6 million.

As at 31 December 2023, the Group's non-current lease liabilities amounted to approximately S\$14.4 million, or 92.6% of total non-current liabilities as at 31 December 2023.

## STATEMENT OF CASH FLOWS

The Group recorded net cash generated by operating activities of S\$12.9 million, which was a result of operating profit before reinvestment in working capital of S\$12.9 million, adjusted for working capital inflows of S\$0.9 million and income tax paid of S\$0.9 million. The net cash from working capital of S\$0.9 million was mainly due to a decrease in trade and other receivables of S\$1.6 million; and offset by an increase in trade and other payables of S\$0.4 million, an increase in provision of S\$0.1 million and a decrease in inventories of S\$0.2 million.

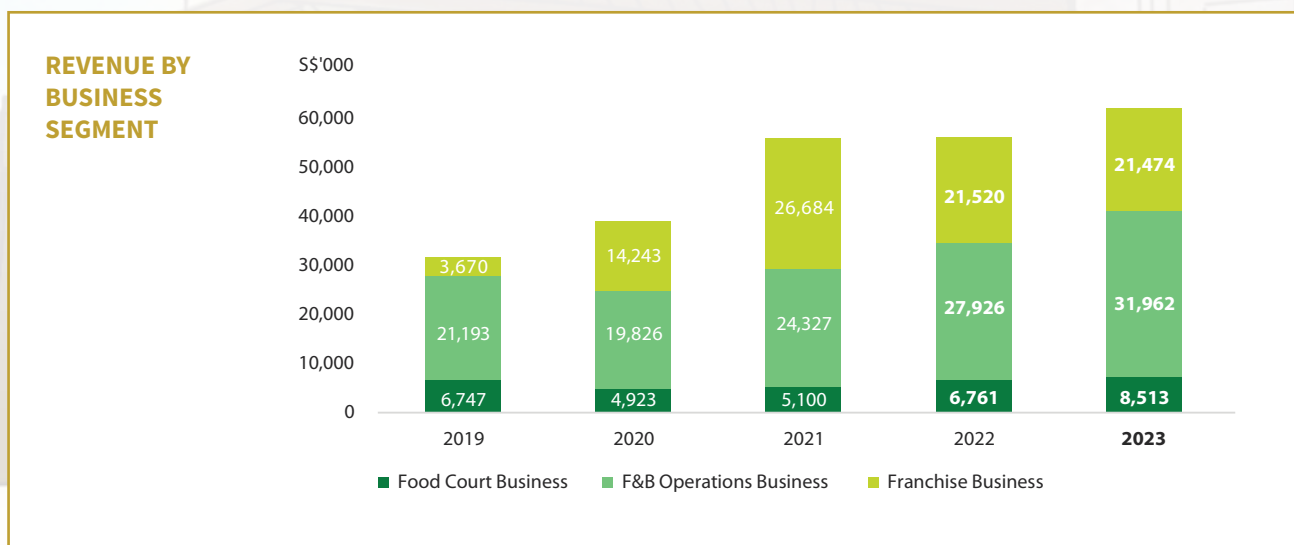
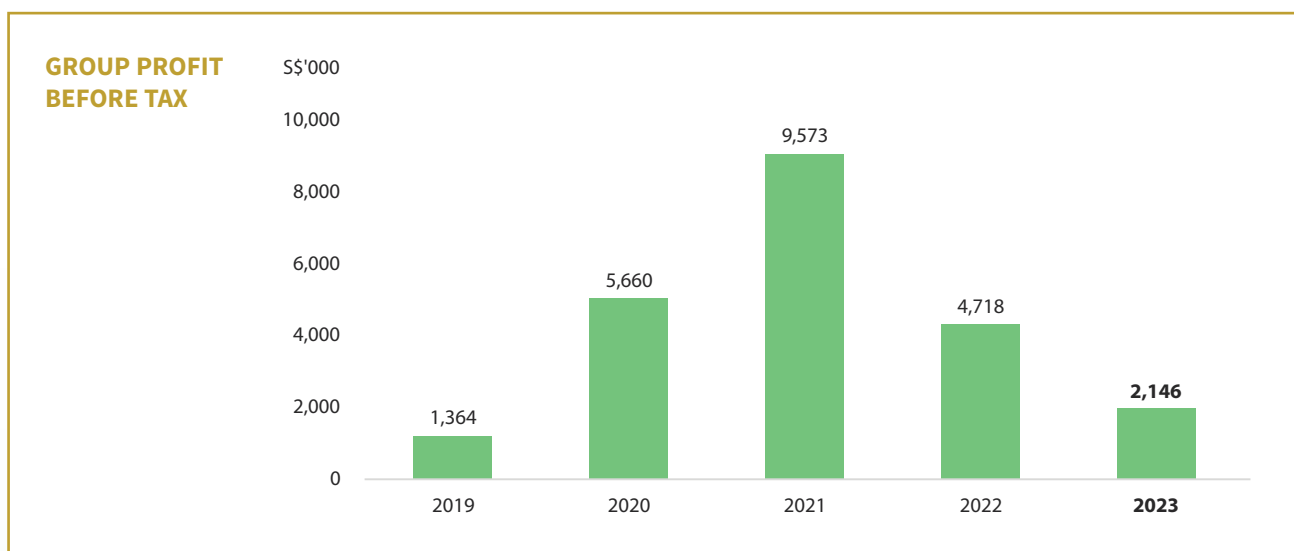
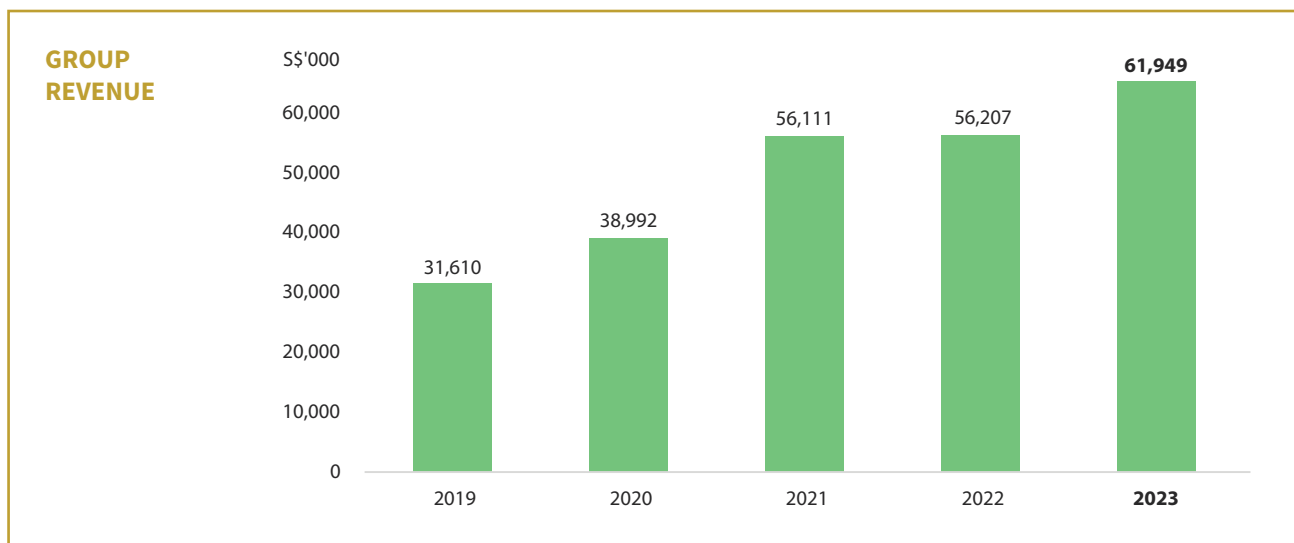
Net cash used in investing activities amounting to S\$2.5 million was attributable to additions of property, plant and equipment of S\$2.3 million, acquisition of non-controlling interests of two subsidiaries of S\$0.3 million; and offset by the interest received of S\$0.1 million.

Net cash flow generated from financing activities amounted to S\$2.1 million in FY2023, which was mainly attributable to proceeds from issuance of shares and borrowings and offset by repayment of lease liabilities and borrowings, dividends and interest.

The Group's cash and bank balances amounted to S\$17.2 million as at 31 December 2023.

# FINANCIAL HIGHLIGHTS

## FINANCIAL PERFORMANCE





## FINANCIAL POSITION

	2019	2020	2021	2022	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total assets	24,249	29,927	31,825	29,493	<b>47,518</b>
Total liabilities	19,221	21,701	15,435	24,449	<b>30,149</b>
Equity attributable to owners of the Company	4,661	7,887	15,853	4,803	<b>17,404</b>
Cash and bank balances	6,655	9,804	13,601	4,659	<b>17,202</b>
<b>Cash flows</b>					
Net cash generated from operating activities	5,865	10,535	15,634	11,627	<b>12,901</b>
Net cash used in investing activities	(2,291)	(1,586)	(1,709)	(1,057)	<b>(2,467)</b>
Net cash (used in)/generated from financing activities	(2,232)	(5,800)	(10,128)	(19,512)	<b>2,109</b>
<b>Per share information</b>					
Earnings per share (cents)	0.29	1.39	2.51	1.21	<b>0.33</b>
Net asset value per share (cents)	1.31	2.22	4.47	1.35	<b>4.09</b>

## BOARD OF DIRECTORS



*Mr. Seah Boon Lock*

*Founder, Executive Chairman  
and Executive Director*

Mr. Seah Boon Lock has more than 30 years of entrepreneurial experience in the F&B industry. He is responsible for the overall strategic direction and expansion plans for the growth and development of our Group.

In around 1987, Mr. Seah Boon Lock ventured out on his own to operate a duck rice stall at a coffee shop in Yishun, under the name of “Yu Kee Duck Rice”. On 13 December 1995, together with our Chief Administrative Officer Ms. Wee Lay Teng, Mr. Seah Boon Lock registered a partnership under the name Yew Kee Duck and Noodle House and, on 22 July 2002, incorporated our subsidiary, Yew Kee Duck and Noodle House, then known as Yu Kee Duck and Noodle House. Since the inception of our Group, Mr. Seah Boon Lock, together with our Chief Administrative Officer, Ms. Wee Lay Teng, has overseen the growth and development of our Group to reach our current operational scale of 47 Food Outlets, four (4) food courts, and 30 CHICHA San Chen tea shops in Singapore.



*Mr. Seah Qin Quan*

*CEO and Executive Director*

Mr. Seah Qin Quan serves as Group CEO for our organization, overseeing the operations of each department. He joined our Group as an Executive Director in 2015 and has brought extensive experience in the food and beverage industry.

Mr. Seah Qin Quan is a graduate of Republic Polytechnic, where he earned a Diploma in Civil Aviation in 2013. He then went on to pursue a career in the food industry, where he built a strong reputation as a visionary entrepreneur.

Mr. Seah Qin Quan has a strong vision for the future of Singaporean cuisine. His ultimate goal is to make braised duck rice a signature dish that represents the rich culinary heritage of Singapore. Mr. Seah Qin Quan has been able to make significant progress toward achieving his vision. He has launched several successful ventures that have helped to promote and preserve traditional Singaporean cuisine.

My Kampung is a distinctive food court model that was created in 2017 to meet the rising demand for halal food options in Singapore.

Mr. Seah Qin Quan recognized the opportunity to provide a space that would serve the best of Singaporean cuisine that is halal-certified.

PastaGo, on the other hand, was founded to target a younger audience with its fresh pasta offerings. The brand has been successful in attracting a new generation of customers who appreciate quality, authenticity, and innovation.

In addition to his business ventures, Mr. Seah Qin Quan is also actively involved in preserving Singapore’s hawker heritage culture. He has participated in various hawker programs and initiatives, working towards keeping the traditional hawker food culture alive. In recognition of his contributions, Yew Kee Duck Rice was awarded the Hawker Heritage Award.

Mr. Seah Qin Quan’s leadership and vision have been instrumental in driving our Group’s success. With his expertise, we have been able to expand our business and reach new heights of excellence in the food and beverage industry.



*Mr. James Wong*

*Lead Independent Director*

Mr. James Wong was the Group Financial Controller of Bonvest Holdings from June 1980 to October 1989, overseeing financial and corporate matters. Mr. James Wong was then Executive Director of his own general trading business, Santisco Pte. Ltd., from March 1991 to July 2000. He joined F&B firm Super Group Ltd. at first as General Manager of corporate finance from October 1997 and was appointed as an Executive Director of Super Group Ltd. in August 1999, a position which he held until September 2020, where he oversaw finance and corporate matters.

Mr. James Wong is currently a Financial Consultant at Fundamental Foods Pte Ltd, a role he has held since November 2020. He obtained a Bachelor of Commerce in Accountancy from Nanyang University in 1979.



*Mr. Ng Hong Whee*

*Independent Director*

Mr. Ng Hong Whee was the Chief Executive Officer and Executive Chairman of Sincap Group Limited, a company listed on Catalist from July 2011 to July 2015, and redesignated as the President of China operations of the Sincap Group Limited until November 2015.

Mr. Ng Hong Whee was an Independent Director of Spackman Entertainment Group from June 2014 to July 2022. He was the Business Development and Financial Director of Southern Angels Pte. Ltd., a manufacturer of surimi in Indonesia from 2004 to July 2011.

Mr. Ng Hong Whee is currently an Independent Director of LS 2 Holdings Limited, a company listed on SGX-Catalist. He was served as Non-Executive and Non-Independent Director of Imperium Crown Limited (formerly known as Communication Design International Limited) from May 2014 to October 2015, a company listed on the Catalist Board of the SGX-ST.

Mr. Ng Hong Whee joined Tan Kian Tin & Co. (a Certified Public Accounting firm) as an Audit Supervisor in October 1999, and was gradually promoted to an audit manager in 2001, a position he held until February 2012 and continued as a consultant until April 2012. Prior to this, he worked as an audit trainee and was gradually promoted to an audit senior in Ng Lee & Associates (a Certified Public Accounting firm).



*Mr. Douglas Koh*

*Independent Director*

Mr. Douglas Koh was a practising lawyer for more than 20 years specialising in equity capital markets and corporate governance. His former firms include Virtus Law LLP, CNPLaw LLP (formerly known as Colin Ng & Partners LLP), Harry Elias Partnership LLP and Drew & Napier LLC.

Prior to returning to Singapore to be a lawyer, Mr. Douglas Koh was working with an internet services company and a manufacturing company in the People's Republic of China.

Mr. Douglas Koh graduated from the National University of Singapore in 1992 with a Bachelor of Laws and is admitted as an advocate and solicitor of the Supreme Court of Singapore. Mr. Douglas Koh was also an independent director of Mainboard-listed LCT Holdings Limited from December 2019 until its delisting in December 2020 and Mainboard-listed New Silkroutes Group Limited (formerly known as Digiland International Limited) from November 2013 to March 2015.

## SENIOR MANAGEMENT



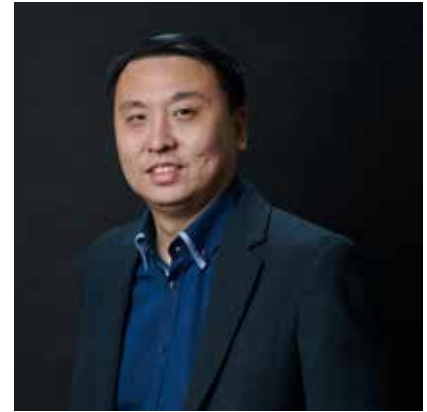
*Ms. Wee Lay Teng*

*Chief Administrative Officer*

Ms. Wee Lay Teng has more than 30 years of entrepreneurial experience in the F&B industry. She is responsible for the overall administration of our Group, including human resources, operations and marketing matters.

On 13 December 1995, together with our founder, Executive Chairman and Executive Director, Mr. Seah Boon Lock, Ms. Wee Lay Teng registered a partnership under the name Yew Kee Duck and Noodle House and, on 22 July 2002, incorporated our subsidiary, Yew Kee Duck and Noodle House, then known as Yu Kee Duck and Noodle House. Since inception of our Group, Ms. Wee Lay Teng, together with our founder, Executive Chairman and Executive Director, Mr. Seah Boon Lock, has overseen the growth and development of our Group to reach our current operational scale of 47 Food Outlets, four (4) food courts, and 30 CHICHA San Chen tea shops in Singapore.

Ms. Wee Lay Teng obtained her GCE O-Level certificate from Upper Thomson Secondary School in 1983 and a Diploma in Typewriting, Bookkeeping and Office Practice from the Singapore Institute of Commerce in July 1984. Prior to joining our Group, Ms. Wee Lay Teng was a general administrative personnel at import and export company United Agency Pte. Ltd. from 1986 to 1993 where she was responsible for general administrative duties.



*Mr. Eric Seow*

*Chief Operating Officer*

Mr. Eric Seow is responsible for the operations and development of our Group, and has more than 20 years of experience in the F&B industry. Mr. Eric Seow joined our Group in November 2018 as head of operations.

Prior to joining our Group, Mr. Eric Seow was an Operations Manager of its food court division at Koufu Pte. Ltd from August 2011 to October 2018, overseeing its food court operations both locally and overseas in Macau and leading a team of three (3) area managers responsible for 21 food courts.

Mr. Eric Seow graduated from Ngee Ann Polytechnic in 1994 with a Diploma in Electrical Engineering and began his career with in December 1997 with Provision Management & Supplies as a sales supervisor, leading a team of salesmen and running 90 provision shops. From January 2001 to July 2011, Mr. Eric Seow ran his own business under the business name Hong Leong Restaurant under which he operated two (2) coffeeshops.



*Mr. Benjamin Zhu*

*Group Financial Controller*

Mr. Benjamin Zhu is responsible for the overall financial management and reporting and internal control matters of our Group and has more than 20 years of audit and finance experience.

Prior to joining our Group in April 2022, Mr. Benjamin Zhu was a Finance Manager at CSFG (Singapore) Pte Ltd from January 2020 to March 2022, a firm dealing in investments in bonds and structured financial products, where he was responsible for the overall Financial Management and reporting and internal control matters of the firm. From April 2018 to January 2020, Mr. Benjamin Zhu was a finance manager at commodities trading firm Shandong Hi-Speed (Singapore) Pte Ltd, where he oversaw the overall financial management and reporting and internal control matters of the firm.

Mr. Benjamin Zhu began his career as a financial analyst with Shanghai Fuhua Glass Co., Ltd in July 1998, overseeing costing and quotation

of products. In December 2002, Mr. Benjamin Zhu joined accounting and advisory firm RSM Chio Lim LLP as an audit assistant, and was gradually promoted to an audit senior manager in 2010, a role which he held until June 2013. Between August 2013 and April 2018, he was a finance and risk control manager for Singapore Long Sing International Pte Ltd, a commodities trading firm where he was responsible for the overall financial management and reporting and internal control matters of the firm.

Mr. Benjamin Zhu graduated from Fudan University in 1998 with a Bachelor of Economics in Accounting and was admitted as a fellow of the Association of Chartered Certified Accountants (United Kingdom) in 2011 and qualified as a chartered accountant of Singapore with the Institute of Singapore Chartered Accountants in 2013.



*Ms. Seah Kun Miao*

*Chief Marketing officer*

Ms. Seah Kun Miao oversees brand management, integrated marketing campaigns, new product launches and business growth channels, among others, for our Group. Ms. Seah Kun Miao spearheaded the initiative to secure the Master Franchise Agreement with Fang Yuan, to operate our CHICHA San Chen tea shops, on behalf of our Group.

Prior to joining our Group as a marketing manager in January 2018, Ms. Seah Kun Miao was an ad strategist with Kobe Global Technologies Pte Ltd, an influencer marketing agency, where she developed creative strategies, liaised with influencers and clients and conducted research and copywriting, among others.

Ms. Seah Kun Miao graduated from Nanyang Polytechnic with a Diploma in Marketing in 2014 and was awarded a higher Diploma in Hotel and Hospitality Management by the Business and Hotel Management School in Lucerne, Switzerland (“BHMS”) in 2015. Ms. Seah Kun Miao also holds a Bachelor of Arts in Hotel and Hospitality Management from BHMS in conjunction with Robert Gordon University, which she obtained in 2016.

# GROUP STRUCTURE



## Notes:

- (1) The subsidiary was incorporated on 20 June 2023.
- (2) The subsidiary was incorporated on 25 September 2023.
- (3) The Group acquired the remaining 50.0% of Fine Food F&B from Mr. Tan Hwee Meng, an unrelated third party, on 18 September 2023. Please refer to the Company's announcement on 18 September 2023.
- (4) The Group acquired the remaining 20.0% of Fine Food (Nanyang) from Mr. Tan Hwee Meng, an unrelated third party, on 18 September 2023. Please refer to the Company's announcement on 18 September 2023.
- (5) The Franchising subsidiaries comprise 313CC, JEMCC, PASCC, AMKCC, CTRCC, WSCC, TPCC, PLQCC, CWPCC, MSQCC, WLPCC, NTUCC, WTCC, HGMCC, STARCC, JEWCC, TAKACC, CACC, SUNCC, NUSCC, JPCC, NOVCC, HILLCC, NEXCC, YISCC, LOTCC, EASTCC, KWMCC, CPOCC and CNPCC. In conjunction with our internal consolidation exercise, the Group is in the process of striking off all 30 CHI CHA San Chen franchise subsidiaries held through Yew Kee Two Pte. Ltd.
- (6) The remaining 30.0% of Oriental Kopi (Singapore) is held by Oriental Coffee International Sdn. Bhd., an unrelated third party. The Group acquired the remaining 30% shares from Oriental Coffee International Sdn. Bhd. in January 2024, please refer to the Company's announcement on 26 January 2024.
- (7) The remaining 10.0% of Yew Kee Group International (Macau) is held by Hachioji Trading Limited, an unrelated third party. Please refer to the Company's announcement on 28 December 2023.
- (8) The Food Outlet subsidiaries are: Yew Kee Three, Ubi 179 Food House, 108 Sembawang, Punggol WP83, 102 CR Food, YK Food (One), YK Food (Two), YK Food (Three), YK Food (Four), YK Food (Five) and Yew Kee Bakery.
- (9) The remaining 20.0% of PastaGo is held by Mr. Lim Ang Kuan, Edwin, an unrelated third party.
- (10) The Hawker subsidiaries comprise SM30 Simei, 207 (Duck Rice), 10 (XO Noodle), 480 Local Delight, Admiralty Local Delight, 51 Hougang, 2 Bukit Panjang and Ying's Traditional Food
- (11) The chart above shows YKGI's Group Structure as at 31 December 2023.



**YKGI**  LIMITED  
SINCE 1961

# SUSTAINABILITY REPORT 2023



# SUSTAINABILITY REPORT MESSAGE FROM THE BOARD

## DEAR STAKEHOLDERS,

On behalf of the Board of Directors (the “**Board**”), I am pleased to present the second annual Sustainability Report (the “**Report**”) of YKGI Limited (“**YKGI**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) for the financial year ended 31 December 2023 (“**FY2023**”).

In today’s business landscape, the significance of sustainability reporting has increased with the needs of our stakeholders and the greater availability of economic, environmental, social, and governance (“**EESG**”) data. It is now widely acknowledged that effective EESG practices not only positively shape business reputation, but also materially impacts operational considerations and long-term success by helping to attracting talent and investment. At the same time, comprehensive and forward-looking sustainability reporting can also align companies’ business strategy with the epoch-defining issue of our times: climate change.

Recognising the importance of taking effective climate-related action, we have begun using the Task Force for Climate-related Financial Disclosures (“**TCFD**”) framework in this year’s sustainability report so we can critically reflect on our existing climate-related performance, what more we can and should do, as well as how to get there. Given that FY2023 is the first year of implementation, we have included our road map towards full climate reporting, and are partially fulfilling the recommendations made under the TCFD framework for this year. We are committed to fully adopting each of the recommendations within the next few years in a measured, realistic, and progressive manner.

With the adverse effects of climate change manifesting in tangible impacts on the Food and Beverage (“**F&B**”) industry, including increased vulnerability to heat injuries for workers; reduced and more uncertain crop yields; and increased water stress in parts of the world that are major exporters of raw materials for F&B products, YKGI is facing an increasingly complex and potentially volatile operating environment.

With the continued support of our stakeholders, chief among which are our employees, customers, and suppliers, as well as the sound and committed leadership of the Board and the Senior Management team, I have every confidence that YKGI can swiftly and dynamically adapt to our stakeholders’ evolving concerns, bridge gaps in understanding, and seize new opportunities as they arise. Thank you all for embarking on this journey together with us.

## **MR. SEAH BOON LOCK**

Founder and Executive Chairman



# SUSTAINABILITY REPORT ABOUT THIS REPORT

## REPORTING SCOPE AND BOUNDARY

This Report covers the full scope of YKGI's operations in Singapore, with a focus on our three key business segments of F&B Operations, Franchise, and Food Court from 1 January 2023 to 31 December 2023. Our sole overseas subsidiary, which is based in Macau, was only incorporated on 28 December 2023 and has not been included in this Report.

## REPORTING FRAMEWORK

This Report has been prepared with reference to the Global Reporting Initiative ("**GRI**") Standards and the Task Force for Climate-related Financial Disclosures ("**TCFD**") framework. We have used the GRI Standards as it provides comprehensive guidance for preparing sustainability reports that are accurate, reliable, comparable across time, and decision-useful for our stakeholders. Meanwhile, our use of the TCFD framework commenced this year in line with the Singapore Exchange Securities Trading Limited's ("**SGX-ST**" or "**SGX**") mandatory climate reporting rules for companies in the food industry. We have adopted a phased approach to climate reporting and will become progressively more compliant with the TCFD recommendations over the ensuing reporting periods. The GRI and TCFD Content Indexes can be found at the end of this report.

This Report adheres to the Rules 711A and 711B of the Catalist Rules of the SGX-ST, as well as the guidelines outlined in Practice Note 7F on the six primary components of a sustainability report on a "comply or explain" basis. Additionally, this Report also references the United Nations Sustainable Development Goals ("**UNSDGs**") where relevant to our business.

## ASSURANCE

We have not sought external assurance for this Report and the sustainability reporting process had been reviewed by the Company's internal auditors, BDO Advisory Pte Ltd. Nevertheless, as we progress in our sustainability management and reporting capabilities, we will consider obtaining external assurance for future sustainability reports.

## FEEDBACK

We value the feedback of our stakeholders and recognise that their views can aid us in improving our sustainability performance. Should you have comments or suggestions on this Report or any of our sustainability practices, initiatives, or goals, please contact us at [info@ykgi.com.sg](mailto:info@ykgi.com.sg) or [marketing@ykgi.com.sg](mailto:marketing@ykgi.com.sg).

# SUSTAINABILITY REPORT ABOUT YKGI

## Mission

To relentlessly fulfil ever-changing demands. At the same time to tantalise the taste buds of our customers and place a lasting smile on their faces.

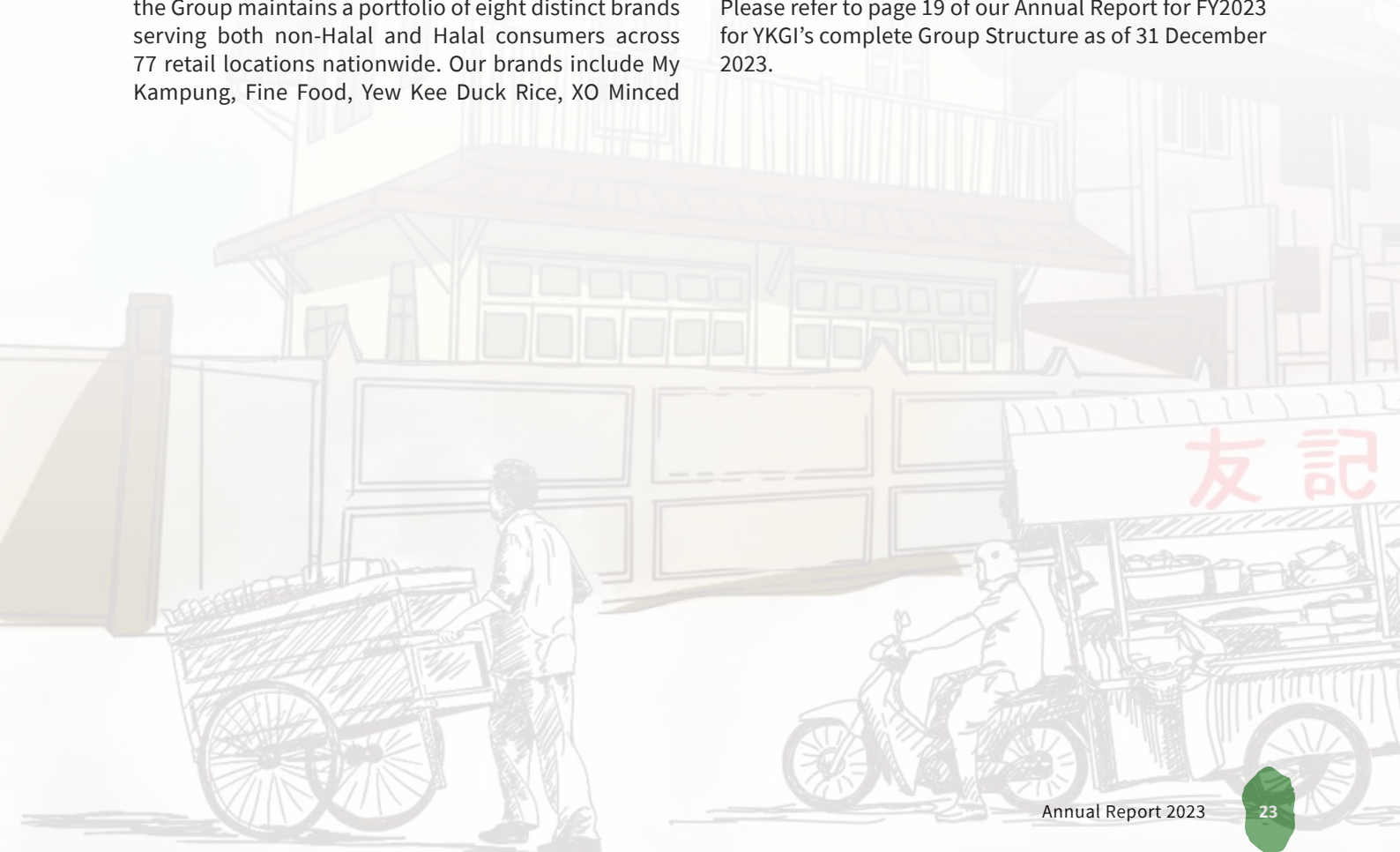
## Vision

To be Asia's leading food and beverage group with the most diversified portfolio of brands and concepts.

YKGI is a well-established local brand with a rich history spanning over 30 years in the F&B industry. The roots of our Group can be traced back to the 1950s when our founder, who now serves as the Executive Chairman and Executive Director, started a pushcart stall selling braised duck in Nee Soon. Since then, the Group has grown into a multi-segment business with activities in F&B Operations, Franchise and Food Court. Currently, the Group maintains a portfolio of eight distinct brands serving both non-Halal and Halal consumers across 77 retail locations nationwide. Our brands include My Kampung, Fine Food, Yew Kee Duck Rice, XO Minced

Meat Noodle, My Kampung Chicken Rice, PastaGo, Kampung Kopi House, and Victoria Bakery. In addition, YKGI also holds the exclusive franchise rights for the CHICHA San Chen chain of tea outlets in Singapore. Beyond management, our operations also extend to leasing and sub-leasing food courts and stalls, as well as the operation of third-party food establishments.

Please refer to page 19 of our Annual Report for FY2023 for YKGI's complete Group Structure as of 31 December 2023.



## OUR BRANDS AND PRESENCE



### YEW KEE DUCK RICE

Yew Kee Duck Rice uses the traditional Teochew method of braised duck cooking and more than 10 different types of herbs, spices and ingredients for its braised sauce. The brand's speciality chilli is a must try that complements every dish on the menu.



### MY KAMPUNG CHICKEN RICE

My Kampung Chicken Rice is a tribute to the founder's 50-years journey in the hawker business, offering a selection of classic dishes like Chicken Char Siew Rice and Chicken Cutlet Rice, along with traditional favourites like Roasted Chicken Noodles and Singapore Laksa.



### XO MINCED MEAT NOODLE

Our signature dishes, including XO Minced Meat Noodle and Gui Fei Abalone Minced Meat Noodle are carefully crafted to showcase a fusion of flavours that will be sure to delight every noodle aficionado.



### PASTAGO

PastaGo is halal-certified takeaway kiosk that serves our very own house-made pasta. Different from the usual dried pasta that is commonly found, fresh pasta is silky, smooth, and springy to taste. Each shape is thoughtfully selected to hold the ideal amount of sauce and to provide the best mouthfeel.



### FOOD COURTS

Food courts under the YKGI banner are culinary hubs that celebrate diversity. We offer a wide array of cuisines and flavours and vibrant, inclusive spaces that can surely satisfy any palate and lead to memorable gastronomic experiences.



### CHICHA SAN CHEN

Through our exclusive franchise rights to CHICHA San Chen, we aim to bring premium Taiwanese tea culture to Singapore, offering consumers a wide range of high-quality Taiwanese specialty tea, beverages, and related products. For more information, visit <https://www.chichasanchen.com.sg/>



### VICTORIA BAKERY

A premium Hong Kong-inspired bakery which marries elements of a classic Hong Kong tea house with modern touches through the use of premium ingredients. Victoria Bakery's pastries are made using traditional baking techniques and updated with modern and innovative flavours, boasting a laid-back atmosphere where customers are able to enjoy light bites, freshly baked goods and freshly-ground artisanal coffee.



### KAMPUNG KOPI HOUSE

A Halal- certified all-day breakfast spot selling Traditional toast and Nanyang Coffee. The brand's daily home-made desserts is also a crowd favourite that brings customers coming back for more.

# SUSTAINABILITY REPORT ABOUT YKGI

YKGI is well-positioned for sustained growth in the ever-evolving F&B sector. With over three decades of experience, our commitment to excellence can be seen from the high-quality products we offer across the diverse range of brands under our management. Our integrated supply chain, encompassing a rigorous procurement process, a Central Kitchen, and a mix of self-operated and franchise locations, stands us in good stead for future expansion. Furthermore, with our food outlets located in strategic areas, ensuring easy accessibility to our clientele, we are confident in the resilience and continued success of our business. Please refer to page 3 of our Annual Report for FY2023 for further details on geographical presence.

## OUR VALUE CHAIN

Our value chain represents the key relationships pivotal to YKGI's core operations and business success. The upstream component of our value chain primarily consists of our suppliers, whom our procurement team meticulously vets to ensure the quality and cost-effectiveness of the ingredients and products used in our F&B offerings. Meanwhile, the downstream component of our value chain comprises our customers, whose continued support and patronage we rely on to further grow the business. Between all of these are our other essential business relationships, including with banks, legal and professional entities, such as our internal and external auditors, and our SGX Catalist Board Sponsor. These relationships help us uphold the efficiency, transparency, and propriety of our business operations, ensuring we remain committed to sustainability and protecting the interests of our stakeholders.

## AWARDS AND RECOGNITION

As a testament to our commitment to excellence and ensuring our customers can have top quality F&B offerings, we have received the following notable awards over the course of our operations:

- In 2013/2014, our subsidiaries, Yew Kee Duck and Noodle House and Yew Kee Management, were the recipients of the Singapore Brand Awards by the Brands Entrepreneurs' Alliance (Singapore).
- In 2022 and 2023, our CHICHA San Chen tea shops were ranked first by The Straits Times for best customer service in the catering, restaurants, and leisure industry for two consecutive years running.
- In addition, our flagship Yew Kee Duck Rice brand has also been recognised in the following ways:
  - (a) Recipient of the Food Masters Award for the Top 10 outstanding Singapore food masters in the central zone in 2016 from SPH Newspapers.
  - (b) Recipient of the Top 10 braised duck rice award from Shin Min Daily News in 2017.
  - (c) Recipient of the Heritage Brands awards in recognition of its outstanding achievements in branding from the Association of Small and Medium Enterprises in 2017.
  - (d) Recipient of the Hawker Heritage Award from the Federation of Merchants' Association of Singapore in 2022.








# SUSTAINABILITY REPORT

## SUSTAINABILITY APPROACH

### STAKEHOLDER ENGAGEMENT

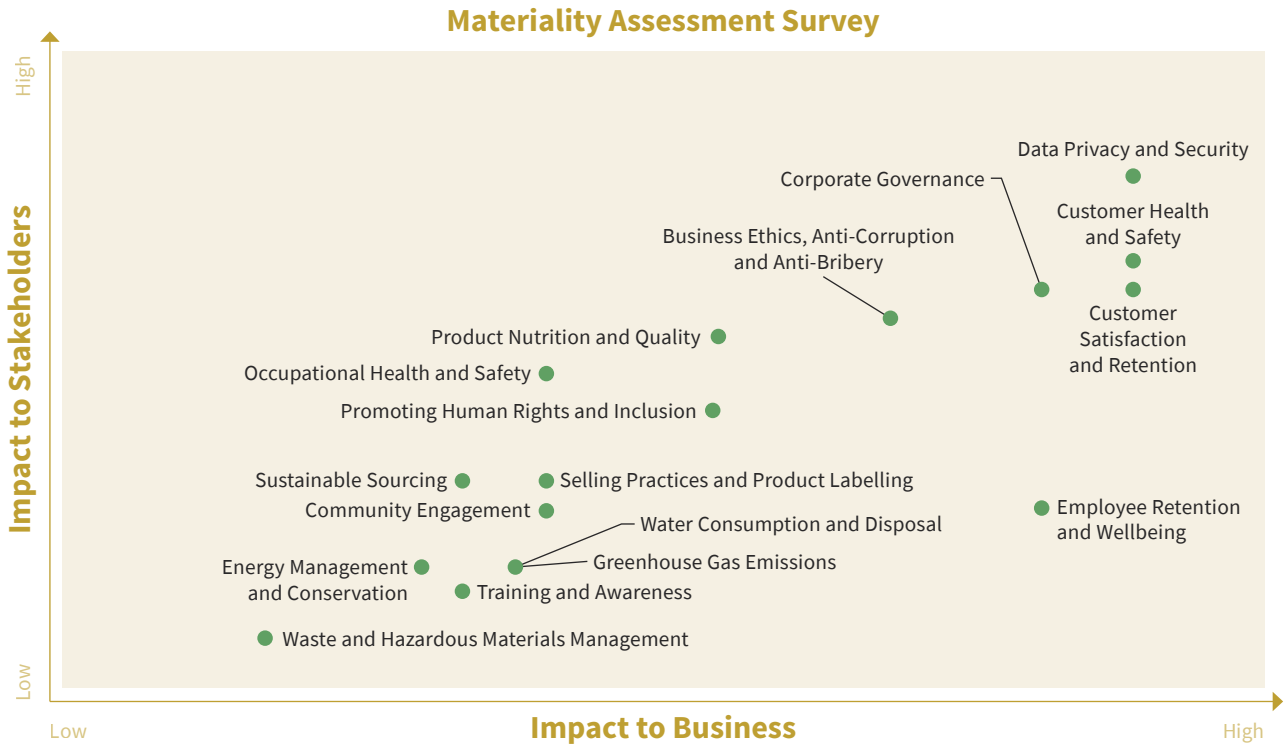
At YKGI, we recognise the importance of engaging with our stakeholders to understand their concerns and ensuring they are represented in the design of our sustainability objectives and the implementation of our sustainability initiatives and performance. Our key stakeholders are defined as those whom our activities and business operations can significantly impact, and vice versa. By engaging with our stakeholders, we aim to cultivate transparency and trust, as well as facilitate collaboration with them to effectively address the EESG challenges faced by the group and the wider F&B industry.

The following table highlights our key stakeholders, the engagement platforms we use to interact with them, as well as their main issues of concern:

Stakeholder	Engagement Platforms	Issues of Concern
<b>Employees and Workers</b> 	<ul style="list-style-type: none"> <li>Regular dialogues</li> <li>Briefings</li> <li>Team bonding events</li> <li>Service appraisal and staff recognition</li> </ul>	<ul style="list-style-type: none"> <li>Employee Retention and Wellbeing</li> <li>Occupational Health and Safety</li> <li>Promoting Human Rights and Inclusion</li> </ul>
<b>Consumers</b> 	<ul style="list-style-type: none"> <li>Daily interactions at stores</li> <li>Customer surveys/reviews</li> <li>Advertisement and media campaigns</li> <li>Online interactions</li> </ul>	<ul style="list-style-type: none"> <li>Quality of customer service</li> <li>Consistency of food quality</li> </ul>
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>Calls and email correspondence</li> <li>Supplier evaluation</li> <li>Supplier management</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance of food standards</li> <li>Consistency and quality of suppliers' products</li> <li>Resilience of supply networks to disruption</li> </ul>
<b>Business Partners</b> 	<ul style="list-style-type: none"> <li>Daily interactions at stores</li> <li>Review of customer feedback</li> <li>Interactions through traditional and digital media</li> </ul>	<ul style="list-style-type: none"> <li>Depth of customer service training</li> <li>Rigor of food safety systems</li> </ul>
<b>Communities</b> 	<ul style="list-style-type: none"> <li>Periodic employee volunteerism</li> <li>Periodic community sponsorships</li> </ul>	<ul style="list-style-type: none"> <li>Extent of employee's outreach and involvement</li> </ul>
<b>Government and Regulators</b> 	<ul style="list-style-type: none"> <li>Monthly spot checks by internal quality control officers across all outlets and the Central Kitchen</li> <li>Periodic training and seminars to raise awareness of regulatory requirements and to ensure compliance</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance of quality and hygiene standards</li> <li>Robustness of quality control regimes</li> </ul>
<b>Shareholders and Financiers</b> 	<ul style="list-style-type: none"> <li>Annual reports</li> <li>Annual general meeting</li> <li>Corporate website and communications</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance and the future direction of the Company</li> <li>Operational efficiency and corporate strategy</li> </ul>

## MATERIALITY ASSESSMENT






To determine our material topics, we first identified potential topics by conducting a landscape scan of the material topics of our peers in the F&B industry, Morgan Stanley Capital International (“**MSCI**”), as well as those assessed by the Sustainability Accounting Standards Board (“**SASB**”). We then conducted an internal prioritisation exercise involving various stakeholder representatives, assessing and ranking this universe of potential topics for their impact on our key stakeholders as well as their impact on our business. The results of this exercise can be seen from the Group’s Materiality Matrix below:




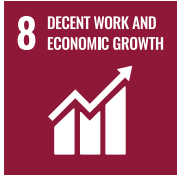





# SUSTAINABILITY REPORT

## SUSTAINABILITY APPROACH

After further deliberation on our stakeholders' feedback, the perspectives of the Group's management team and Board of Directors, as well as the UNSDGs, we narrowed our material topics to the following:

Material Topic	Impact	Management Approach	SDG Linkage
<b>Data Privacy and Security</b>	Inadequate data privacy measures risk compromising customer trust and integrity, potentially damaging reputation and undermining social and governance sustainability, while implementing robust protocols enhances trust, promotes a sustainable environment, and contributes positively to social and governance factors.	Adopting a proactive and comprehensive management approach that includes continuous risk assessments, employee training, and technological advancements to ensure robust data privacy and security aligned with sustainability goals. The Group has also put in place a personal data protection policy to protect personal data and confidential information.	
<b>Customer Health and Safety</b>	Potential negative impacts include health risks, legal consequences, loss of trust, and reputation damage, but prioritising safety fosters transparency and recovery.	We ensure customer well-being through quality control, regulation adherence, employee training, crisis response, and transparent communication. Negative impacts are managed with quality assurance, nutritional transparency, and consumer engagement.	
<b>Customer Satisfaction and Retention</b>	Negative effects include revenue loss and negative word-of-mouth, while positive outcomes involve feedback for improvement, innovation, and stronger customer relationships.	Our focus is on quality control, feedback channels, data analysis, customer-centricity, communication, and loyalty programmes. Managing impacts includes maintaining product quality, responsive service, and sustainability efforts.	
<b>Corporate Governance</b>	Potential harm includes reputation damage and legal consequences, but it can lead to enhanced transparency, accountability, and stakeholder relations.	Regular audits, risk assessments, transparency, ethical culture, and stakeholder engagement are our governance pillars. Positive impacts are upheld through strong leadership, clear policies, and compliance oversight.	
<b>Business Ethics, Anti-Corruption and Anti-Bribery</b>	Potential negative impacts encompass reputational damage and legal issues, while positive aspects involve having an ethical reputation, improved employee morale, and positive differentiation from market competitors.	We maintain ethics through a code of conduct, training, whistleblowing protection, and transparency. Positive impacts are facilitated through stakeholder engagement and a commitment to continuous improvement.	

Material Topic	Impact	Management Approach	SDG Linkage
<b>Product Nutrition and Quality</b>	Challenges include health risks and reputation damage, but they offer opportunities for innovation, customer trust, and market differentiation.	Proactive measures encompass quality control, ingredient sourcing, nutrition analysis, recall protocols, and consumer feedback. Positive impacts involve nutritional research, responsible sourcing, and continuous improvement.	
<b>Promoting Human Rights and Inclusion</b>	Potential downsides include reputational damage and talent drain, while positive impacts involve having an enhanced reputation as an employer and greater workforce diversity.	Measures include diversity training, non-discrimination policies, and grievance mechanisms. Positive impacts are achieved through inclusive hiring, equal opportunities, community engagement.	
<b>Employee Retention and Wellbeing</b>	Negative effects are staff turnover and legal risks, however, our endeavours have heightened awareness and refined policies, ultimately bolstering competitiveness.	We foster employee satisfaction through feedback, recognition, wellness programmes, and career growth. Positive impacts include wellness initiatives, flexible work options, and healthy work environment.	
<b>Occupational Health and Safety</b>	Issues include injuries and legal consequences, but proactive efforts can lead to a safety-first culture and safer work environment.	Incident reporting and investigations, emergency plans, and regular inspections ensure safety. Positive impacts are facilitated through conducting comprehensive training, safety leadership, and hazard identification.	
<b>Water Consumption and Disposal</b>	Challenges involve brand damage but addressing them leads to efficiency improvements and a sustainable reputation.	Proactive measures include water audits, efficiency, and recycling programmes. Positive impacts involve waste reduction and community engagement.	
<b>Greenhouse Gas Emissions</b>	Negative impacts include environmental harm and reputation damage, nevertheless, they fuel sustainability initiatives and the possibility of cost savings.	Emission inventory, energy efficiency, sustainable practices, and transparent reporting reduce emissions. Positive impacts involve energy efficiency and innovation.	
<b>Energy Management and Conservation</b>	Drawbacks include operational costs and resource depletion, however, they serve as catalysts for cost savings and innovation.	Energy audits, monitoring, and operational changes improve energy efficiency. Positive impacts involve the adoption of LED lighting and high energy efficiency equipment.	



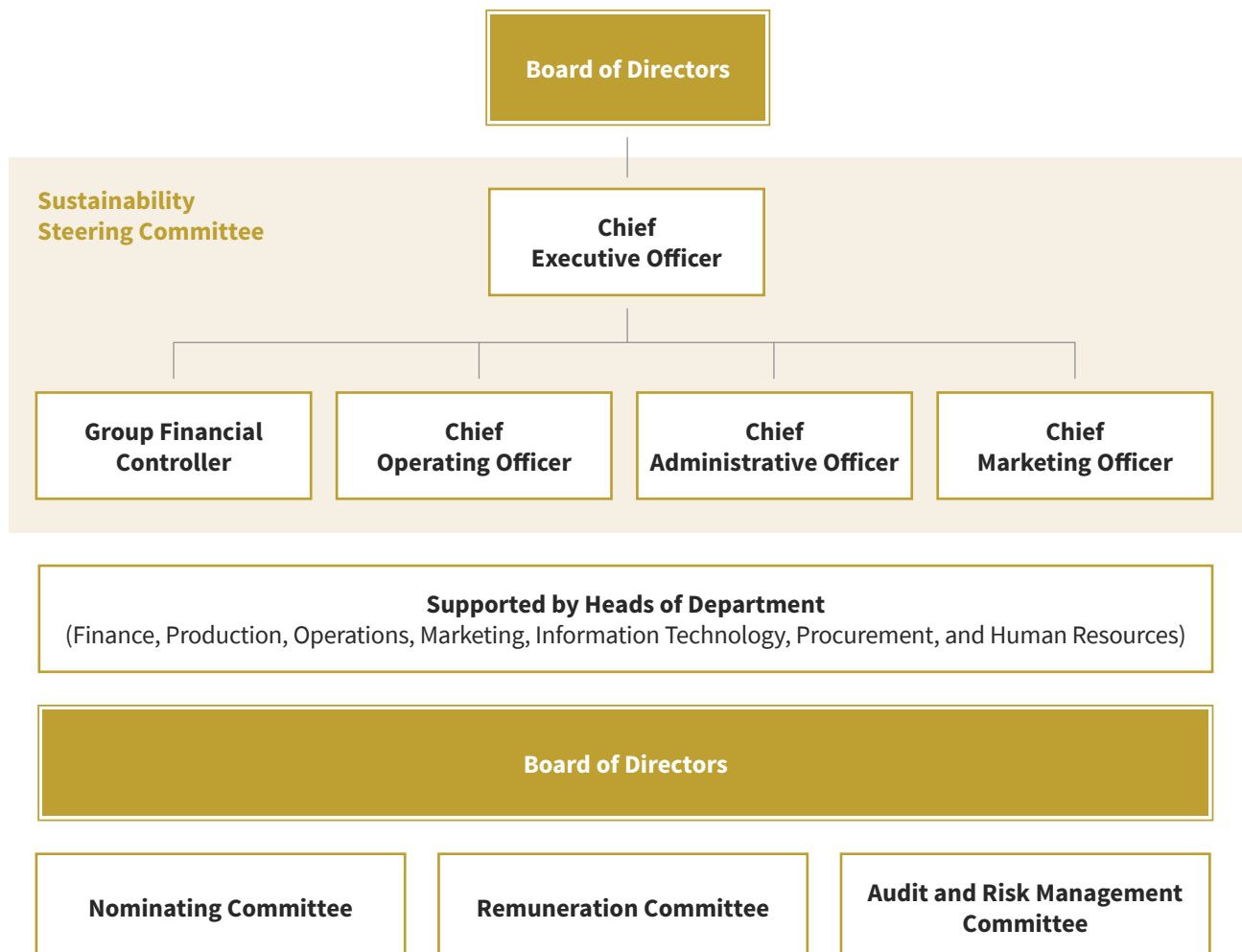
# SUSTAINABILITY REPORT

## SUSTAINABILITY APPROACH

To effectively manage our material topics and achieve our sustainability objectives, we are committed to ensuring that sustainability is integrated into our governance framework. At YKGI, the Board of Directors holds overall responsibility for the sustainability governance of the Group, including on climate-related matters. The Board is responsible for overseeing the Group’s sustainability and climate-related approach and performance, providing guidance to management on what our sustainability objectives should be and how we can achieve them. All members of the Board have attended the mandatory sustainability training for directors of listed companies as required by SGX.

Assisting the Board is our Sustainability Steering Committee (“SSC”), a team of senior management executives headed by our Chief Executive Officer (“CEO”) and are charged with the implementation of the Group’s sustainability approach. The SSC, with input from the Board, crafts YKGI’s sustainability strategy, establishes sustainability-related goals and metrics, and identifies and assesses sustainability concerns for their materiality to the Group. To ensure accountability and alignment between the Board and management on sustainability matters, the SSC provides formal updates and reports to the Board at least once annually.

YKGI’s sustainability governance structure and the committees under the Board of Directors is illustrated in the diagram below:



For more detailed information on the Board, its composition, nomination, and remuneration policies, please refer to the Corporate Governance section of our Annual Report for FY2023.

# SUSTAINABILITY REPORT

## BUSINESS ETHICS, ANTI-CORRUPTION AND ANTI-BRIBERY

We recognise the importance of having a strong corporate governance as well as high standards of business ethics, including a robust stance against corruption and bribery, to protect the reputation of the Group, our social license to operate, as well as the interests of our stakeholders. To uphold our commitment to incorruptibility and good business conduct, we have in place the following policies: (1) Board-level Oversight and Advice on Responsible Business Conduct; and (2) Code of Conduct and Whistleblowing Policy.

### BOARD-LEVEL OVERSIGHT AND ADVICE ON RESPONSIBLE BUSINESS CONDUCT

Over the course of business operations, we understand and accept that our employees and other stakeholders may encounter situations that cannot be easily resolved through our standard communication channels or by simply referring to our policies on responsible business conduct. In such instances, our employees and other stakeholders can consult our Lead Independent Director and concurrently the Chairman of the Group's Audit and Risk Management Committee ("**ARMC**"), Mr Wong Fook Sung ("**Mr James Wong**" or "**Mr Wong**"), for advice on what course of action they should take. Mr Wong is the dedicated point of contact for the implementation of the Group's responsible business policies and is readily available to all employees or stakeholders should they need advice on such matters. Mr Wong can be contacted at [AC@YKGI.COM.SG](mailto:AC@YKGI.COM.SG).

### CODE OF CONDUCT AND WHISTLEBLOWING POLICY

All our employees are expected to adhere to all relevant laws and regulations as well as our Code of Conduct (the "**Code**"), which stipulates YKGI's organisation-wide professional and ethical standards. As stated in our Code, YKGI takes a zero-tolerance approach to any form of malpractice, improper behaviour, or legal malfeasance, and this is communicated clearly to all employees as well as members of our governance body. To ensure that ethical business conduct is upheld at all levels, we have in place a whistleblowing policy that all members of YKGI and our stakeholders are encouraged to use if they witness any form of professional or legal wrongdoing. Both the Code and our Whistleblowing Policy can be viewed at <https://ykgi.com.sg>.

Any member of YKGI or concerned person may, in confidence and without fear of reprisals, submit a whistleblowing report to the following email address: [AC@YKGI.COM.SG](mailto:AC@YKGI.COM.SG), which is accessible only to the Chairman of our ARMC, Mr Wong. Every report received will be independently investigated by the ARMC. In the event that a report is found to be substantiated, the ARMC will engage the Board to take the appropriate disciplinary actions against the relevant wrongdoers, as well as corrective actions on the Group's internal controls and risk management processes where required. We are pleased to report that we did not have any substantiated incidents of corruption or professional wrongdoing in FY2023, nor did we receive any whistleblowing reports for the same period. We aim to maintain this good track record of ethical business conduct for FY2024 and will regularly review our responsible business and whistleblowing policy to ensure they remain fit for purpose moving forward.

# SUSTAINABILITY REPORT

## ENERGY MANAGEMENT AND CONSERVATION

### ENERGY MANAGEMENT AND CONSERVATION

At YKGI, we recognise that environmental performance is closely interlinked with our energy consumption. As such, we are committed to improving our energy management by improving energy efficiency and reducing our energy footprint from non-renewable energy sources where possible. Presently, our main sources of energy are derived from fossil fuels and electricity purchased from the electrical grid in Singapore. These are used to power the various cooking appliances, motor vehicles, refrigeration facilities, and air conditioning systems involved in our operations.

Our energy management approach is underpinned by having a good understanding of our energy consumption, which we ensure remains up-to-date through a meticulous annual review of our energy bills. This allows us to identify energy consumption trends as well as potential areas for energy efficiency improvements. Some of the key measures we have undertaken to improve our energy management and conservation efforts include:

- Educating our employees and workers on the importance of energy conservation.
- Implementing a practice of turning off lights and equipment when they are not in use.
- Optimising heating and cooling systems to improve energy efficiency.
- Conducting routine appliance maintenance to ensure optimal performance.
- Procuring and installing energy-efficient appliances and technologies where possible. This includes switching to LED lighting and utilising energy-efficient kitchen equipment to reduce energy consumption.

### ENERGY CONSUMPTION STATISTICS

The following table displays YKGI's energy consumption by type of power source and total energy consumed for FY2022 and FY2023. The figures for FY2022 have been revised to reflect the use of more accurate data and calculation methodologies in this year's sustainability report

	FY2022	FY2023
<b>Type of Power Source</b>	<b>Energy consumption in Gigajoules (GJ)</b>	
Gas (LPG)	277,658.10	210,851.58
Gas (Town Gas)	2,141.60	1,825.84
Gasoline	233.59	366.43
Diesel	1,942.94	2,148.25
Purchased Electricity	19,552.34	22,067.36
<b>Total Energy Consumed</b>	<b>301,528.56<sup>1</sup></b>	<b>237,259.46</b>

YKGI's total energy consumption decreased from 301,528.56 GJ in FY2022 to 237,259.46 GJ in FY2023, mainly attributable to our switch away from gas-powered cooking equipment to electric-powered cooking equipment, with a corresponding sizeable decrease in the Group's LPG usage. At the same time, the Group's energy intensity, which we define as the ratio of the Group's total energy consumption to its revenue in millions of Singapore dollars ("SGD"), decreased from 5,364.32 GJ/million SGD in FY2022 to 3,829.85 GJ/million SGD in FY2023. This represents a decrease of 21.3% in terms of our total energy consumption and decrease of 28.6% in terms of our energy intensity. The greater than proportionate decrease in our energy intensity is also partly caused by the increase in the Group's revenue from S\$56.21m in FY2022 to S\$61.95m in FY2023. Setting FY2022 as our baseline year, our targets for energy management and conservation primarily concerns our energy intensity metric, whereby we hope to achieve a 1-3% improvement over the next 2 years, a 15% improvement by 2030, and a 30% improvement by 2050.

To lock in improvements made in our energy performance, we will continue our transition away from fossil fuel gas-powered cooking equipment and increase our usage of more energy-efficient electricity-powered cooking equipment. In addition, while all our energy is presently sourced from third-party vendors and are non-renewable in nature, we remain open to adding renewable energy sources into our energy mix, either through the use of power purchase agreements or self-generated means.

1 Total energy consumed in FY2022 was previously reported as 33,182.40 GJ. This was an error arising from the incorrect identification of fuel gases used by the Company. The figures for FY2022 have been corrected in this sustainability report.

# SUSTAINABILITY REPORT

## GREENHOUSE GAS EMISSIONS

Another key aspect of our environmental performance relates to our greenhouse gas (“GHG”) emissions. With global climate change threatening to bring about a slew of ramifications that can significantly impact the F&B industry, including reductions in crop yields, disruptions to supply chains, and more severe water stress, there is a strong imperative for all responsible players in the industry to monitor, manage, and work towards reducing their GHG emissions. At YKGI, we recognise the responsibility we have in effectively managing and accurately reporting our GHG emissions, in line with the Carbon Pricing Act administered by Singapore’s National Environment Agency (“NEA”).

### GHG EMISSIONS STATISTICS

The following table displays YKGI’s GHG emissions by activity type for FY2022 and FY2023. Our emission figures were computed using the methodologies of the GHG Protocol established by the World Resources Institute and the World Business Council for Sustainable Development. The emission factors for our Scope 1 emissions were sourced from the latest UK Government GHG Conversion Factors for Company Reporting tool as well as the NEA’s Reckonable Emissions Calculator tool, while the emission factors for our Scope 2 emissions were sourced from Singapore’s Energy Market Authority (“EMA”). The figures for FY2022 have been revised to reflect the use of more accurate data made available in this year’s sustainability report. We did not establish our Scope 3 GHG emissions for either FY2022 or FY2023 but will work towards doing so in future sustainability reports.

Emissions Type	FY2022	FY2023
	Amount of GHG emissions in tonnes of CO <sub>2</sub> equivalent (tCO <sub>2</sub> e)	
Scope 1	17,680.91	13,455.57
Scope 2	2,264.83	2,566.16
<b>Total Emissions</b>	<b>19,945.74<sup>2</sup></b>	<b>16,011.73</b>

Our total GHG emissions decreased from 19,945.74 tCO<sub>2</sub>e in FY2022 to 16,011.73 tCO<sub>2</sub>e in FY2023, mainly attributable to the decrease in our Scope 1 GHG emissions. At the same time, the Group’s GHG intensity, which we define as the ratio of the Group’s total GHG emissions to its revenue in millions of SGD, increased/decreased from 354.84 tCO<sub>2</sub>e/million SGD in FY2022 to 258.46 tCO<sub>2</sub>e/million SGD in FY2023. This represents a decrease of 19.7% in terms of our total GHG emissions and a decrease of 27.16% in terms of our emissions intensity.

In line with the commitment we made in last year’s sustainability report, we aim to reduce our Scope 1 and Scope 2 emissions and overall emissions intensity in the years leading up to 2030. We will set more concrete quantitative targets for our GHG emissions once we have gained more climate management expertise and assembled a more comprehensive emissions inventory incorporating our Scope 3 emissions. In the meantime, we will continue our existing efforts to reduce our carbon footprint by improving energy efficiency, adopting sustainable packaging, analysing our supply chain, optimising transportation and operational processes, collaborating with industry partners, raising consumer awareness, and practising transparent reporting.

<sup>2</sup> Total greenhouse gas emissions for FY2022 was previously reported as 2,694.54 tCO<sub>2</sub>e. This was an error arising from the incorrect identification of fuel gases used by the Company. The figures for FY2022 have been corrected in this sustainability report.

# SUSTAINABILITY REPORT

## WATER CONSUMPTION AND DISPOSAL

### MONITORING AND MANAGING WATER CONSUMPTION

Water serves as a foundational element in the F&B industry, both as an ingredient for our products and food offerings, as well as a cleaning/washing element in our production processes. At the same time, with climate change projected to lead to more erratic weather patterns and potentially less reliable water supplies, we recognise the importance of conserving water resources and using it efficiently. At YKGI, we are committed to reducing our water-related environmental footprint through the monitoring and responsible management of both our water consumption as well as the trade effluents generated by our business activities.

All the water we use in our operations are drawn from Singapore's public water provider, the Public Utilities Board ("PUB"). Water supplied by the PUB is metered, and we monitor our water consumption using the water utility bills sent to us by the PUB each month. This allows us to track usage patterns, identify areas for improvement, and devise measures to reduce water consumption. The following table illustrates our total water withdrawal, total water consumption, and water intensity for FY2022 and FY2023<sup>3</sup>:

Water-related Metrics	FY2022	FY2023
Total Water Withdrawal in megalitres (ML)	81.60	82.93
Total Water Consumption in megalitres (ML)	81.60	82.93
Water Intensity in megalitres/Revenue in millions of Singapore dollars (ML/million SGD)	1.45	1.34
Trade Effluent Discharged (ML)	3.74	3.52

For FY2023, total water consumption and water intensity was 82.93 ML and 1.34 ML/million SGD respectively. This represents an increase of 1.63% for total water consumption but a decrease of 7.59% for water intensity from FY2022 to FY2023. This increase is mainly attributable to changes in our revenue stream, whereby the sales generated by our franchise business, which has a lower water intensity decreased, while the sales generated by our food court business and F&B operations, which have a higher water intensity, increased.

We recognise the importance of having a sustainable water footprint and establishing water resilience in our business operations and activities, especially in light of the expected negative pressures climate change will exert on global water resources. Some of the measures we have taken to achieve the above includes studying our water usage, adopting more water-efficient technologies where possible, and encouraging our employees and suppliers to actively engage in water conservation practices.

### MONITORING AND MANAGING EFFLUENTS

At the same time, we also generate wastewater from our business operations in the form of trade effluents. We are committed to managing these trade effluents in an environmentally responsible manner and maintaining strict compliance with the PUB's regulations on the discharge of wastewater and effluents into the Singapore's public sewerage system, in particular the Sewerage and Drainage (Trade Effluent) Regulations.

While the Group does not treat our trade effluents before disposal, we have obtained a permit (also known as "**Written Approval**") from the PUB to do so, indicating that our trade effluents do meet the required minimum standards for the safe discharge of wastewater into the public sewerage system. Moving forward, we will continue to ensure our trade effluents are managed and disposed of safely and in full compliance with our legal obligations.

3 Water-related data was previously presented in cubic metres (m3) in the preceding year's sustainability report. This has been changed to megalitres (ML) to align with the GRI reporting requirements.

# SUSTAINABILITY REPORT

## EMPLOYEE RETENTION AND WELLBEING

### PROMOTING HUMAN RIGHTS AND INCLUSION

At YKGI, our employees are the foundation for our business success. We recognise that the best way to ensure a productive and motivated workforce is to have employees that feel well-respected and appreciated. To achieve this, we are committed to fostering an inclusive and equitable work environment, where staff are employed fairly and without discrimination, receive their due benefits in a manner commensurate with their job functions, and experience a healthy and balanced work-life culture.

In terms of fair employment practices, we are committed to being an equal opportunity employer which evaluates and hires prospective employees based on merit and job fit, and irrespective of background or individual characteristics. Employees also have access to our Whistleblowing platform, where they can anonymously report any instances of discriminatory treatment or potential human rights violations. All reports made will be thoroughly and independently investigated by our ARMC, with the appropriate follow-up action taken where warranted.

In terms of ensuring employees receive their due benefits, all full-time employees are entitled to annual leave, sick leave, as well as parental leave. Additionally, all employees, irrespective of employee category, are eligible to claim reimbursements for a select range of healthcare treatments, are provided workplace health and safety insurance coverage by YKGI and receive Central Provident Fund (“CPF”) contributions for their retirement savings.

In terms of cultivating a healthy and balanced work-life culture, we organise activities like staff birthday celebrations, annual staff appreciation dinners, and team bonding events to allow our employees to have fun together while fostering a stronger team spirit. In addition, we have also implemented initiatives like flexible work arrangements and the taking of breaks at regular intervals so that employees can have their preferred workloads as much as practicable, while looking after their physical and mental health.

### OUR EMPLOYMENT PROFILE

	FY2022	FY2023
<b>Breakdown of Employees by Country-source</b>		
Local Employees	471	413
Foreign Employees	162	180
<b>Breakdown of Employees by Gender</b>		
Male	256	185
Female	377	408
<b>Breakdown of Employees by Age Group</b>		
<30	343	276
30 to 50	128	169
>50	162	148
<b>Total No. of Employees</b>	<b>633</b>	<b>593</b>

# SUSTAINABILITY REPORT

## EMPLOYEE RETENTION AND WELLBEING

### BREAKDOWN OF RESIGNATIONS, NEW HIRES, AND EMPLOYEE TURNOVER RATES

	FY2022	FY2023
<b>No. of Resignations during the year by Gender</b>		
Male	95	78
Female	146	132
<b>No. of Resignations during the year by Age Group</b>		
<30	122	75
30 to 50	65	63
>50	54	72
<b>Total No. of Resignations during the year</b>	<b>241</b>	<b>210</b>

	FY2022	FY2023
<b>No. of New Hires during the year by Gender</b>		
Male	161	142
Female	283	288
<b>No. of New Hires during the year by Age Group</b>		
<30	270	251
30 to 50	95	102
>50	79	77
<b>Total No. of New Hires during the year</b>	<b>444</b>	<b>430</b>

	FY2022	FY2023
<b>Employee Turnover Rate by Gender</b>		
Male	53.2%	35.4%
Female	40.5%	33.6%
<b>Employee Turnover Rate by Age Group</b>		
<30	39.8%	24.23%
30 to 50	58.2%	42.42%
>50	44.8%	46.45%
<b>Overall Employee Turnover Rate</b>	<b>444</b>	<b>430</b>

The Group's overall employee turnover rate is consistent with the norms in the F&B industry. Nevertheless, we recognise the benefits having a stable workforce can provide in ensuring long-term success, particularly in terms of retaining skills and knowledge in the Company and building up workforce capabilities over time. To achieve this, we will continuously enhance our employee management, while striving to provide market-competitive remuneration packages and work arrangements. After considerable internal deliberations, we have decided not to set any fixed quantitative targets for our overall employee turnover rate for FY2024 and subsequent reporting periods as this remains largely influenced by factors beyond the Group's control. We will consider setting concrete targets should circumstances change in the future.

# SUSTAINABILITY REPORT

## OCCUPATIONAL HEALTH AND SAFETY

### OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

We recognise the responsibility we owe to our employees to provide them with a workplace that is safe and healthy. To do so, we have in place an occupational health and safety management system (“**OHSMS**”) which outlines our worker and workplace safety-related policies, procedures, and practices. We regularly review our OHSMS for conformance with the latest workplace health and safety regulations and industry best practices to ensure it remains up-to-date and fit-for-purpose.

Some of the main measures we have in place under our OHSMS to ensure worker and workplace safety include the following:

- i. All new employees receive on-the-job training and attend safety courses conducted by third parties to educate them on occupational health and safety practices. Additionally, all employees in our F&B operations are required to attend a compulsory course on Workplace Safety and Health.
- ii. Standard Operating Procedures (“**SOPs**”) are available to workers to refer to.
- iii. Personal protective equipment (“**PPE**”) is issued to all workers whose work requires it.
- iv. Enterprise risk reassessments are conducted annually to identify new potential hazards and mitigate the risks they pose effectively.
- v. Operation meetings are conducted regularly to keep employees abreast of workplace health and safety developments and to convey their views to management. This includes the sharing of workplace-related incidents and statistics with employees as well as monthly workplace safety talks for store managers.
- vi. Implementation of emergency preparedness and response procedures for the identification of and quick response to emergency situations, including internal and external notifications, as well as follow-up procedures.
- vii. Ensuring managerial oversight on the compliance of our F&B outlets and CHICHA San Chen tea shops with health and safety regulations, which store supervisors have primary responsibility for. This is further supplemented by a secondary layer of oversight from our area managers, who store supervisors report to.
- viii. Employees who sustain work-related injuries are eligible to claim reimbursement for their outpatient consultation fees and related medical expenses.

While we have various safety controls under our OHSMS, we recognise that their effectiveness also significantly depends on employees exercising personal responsibility. As such, we regularly emphasise this point to our employees and encourage them to take all workplace health and safety measures we have in place seriously.

With an open communication culture, employees are also encouraged to report any hazardous situations they encounter over the course of their work. In turn, our Human Resources department is responsible for the implementation of our OHSMS, with the mandate to investigate any reported occupational health and safety violations and ensuring affected workers receive the care they need. Should these safeguards prove to be insufficient, employees may escalate their concerns further to the Chairman of our ARMC, without fear of reprisal.

### BREAKDOWN OF RESIGNATIONS, NEW HIRES, AND EMPLOYEE TURNOVER RATES

	FY2022	FY2023
<b>Employment-related Metrics</b>		
No. of Employees	633	593
No. of recordable work-related injuries	1	1
Percentage of employees covered by YKGI’s occupational health and safety management system	100%	100%



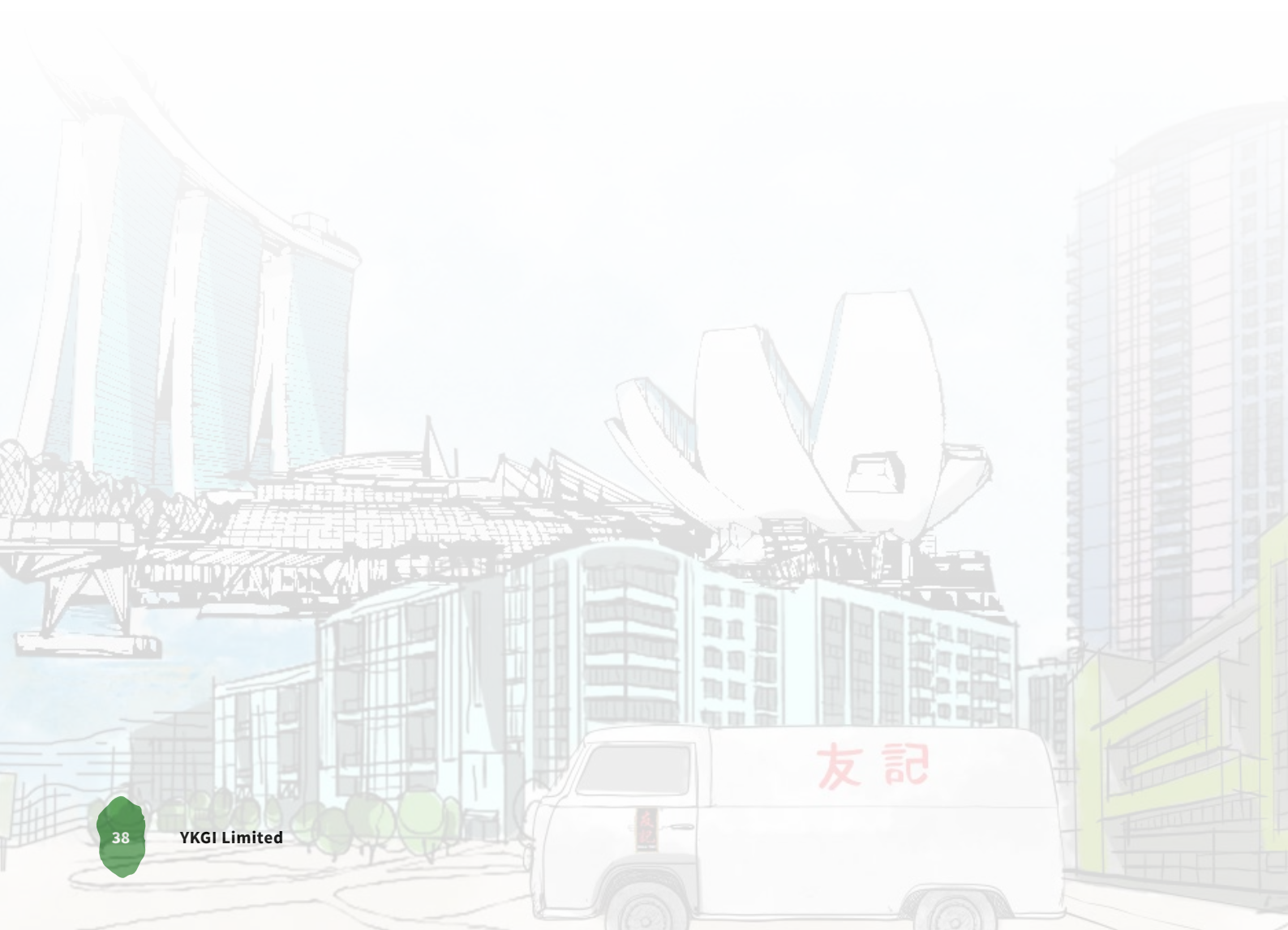
# SUSTAINABILITY REPORT

## EMPLOYEE RETENTION AND WELLBEING

In FY2023, we have continued to ensure that all our workplaces and employees are covered by our OHSMS. Despite our best efforts, we still recorded 1 work-related injury for this reporting period, which is unchanged from FY2022. This injury was a fall arising from the preparation of food and drinks in our operations. In general, burns, cuts, and falls are the most common types of injuries that tend to occur over the course of our operations. To minimise the occurrence of injuries of this nature, we have undertaken the following measures:

- Designed ergonomic workstations and kitchen layouts to reduce strain and fatigue.
- Implemented a regular maintenance schedule for kitchen equipment to ensure their safe and proper functioning throughout our business operations.
- Trained staff to recognise and report any malfunctioning equipment promptly.
- Conducting routine safety inspections to identify and address potential workplace hazards.

We remain committed to having a robust OHSMS, with the goal of achieving zero incidents of work-related injuries for the next reporting period and every reporting period thereafter.



# SUSTAINABILITY REPORT

## CUSTOMER HEALTH AND SAFETY

### CUSTOMER SATISFACTION AND RETENTION

Our customers are at the very heart of our business. For us to be successful, our customers must have full confidence in the health and safety of our food products as well as have satisfying experiences with us that encourages their repeated patronage. As such, customer health and safety as well as customer satisfaction and retention are major priorities for YKGI.

#### CUSTOMER HEALTH AND SAFETY

Our customers' health and safety are of paramount importance to us, and we are committed to offering nutritious food products that adheres to the highest and most rigorous food safety standards in Singapore. At YKGI, we ensure that 100% of our food products are assessed for health and safety risks and impacts, and our operations are regularly vetted for compliance with all applicable food safety regulations under the Singapore Food Agency ("SFA"). In the event any instances of non-compliance are discovered, our Hygiene and Quality Control Officer ("HQCO") will thoroughly investigate the matter, educate the parties involved on the proper food handling procedures and direct them to take the necessary corrective action. The respective Store Managers will then be responsible for ensuring that the proper procedures and corrective actions are fully implemented within 24 hours. During this time, the Store Managers will keep the HQCO and if necessary, the Chief Operating Officer, informed on the progress being made in restoring the affected operations to full customer health and safety compliance.

For FY2023, we received a \$700 fine as well as two non-monetary sanctions for instances of non-compliance with food health and safety regulations. This is compared to FY2022, where we received a \$1,200 fine and one non-monetary sanction. As an F&B company, we recognise that any lapse in food health and safety is one lapse too many and can severely undermine the trust our customers have in us. To ensure we remain compliant with all food health and safety regulations moving forward, our quality control ("QC") manager will conduct food quality and hygiene audits at each of our outlets at least once every month. We are committed to improving on our customer health and safety performance and ensuring zero significant instances of non-compliance, which we define as instances of non-compliance resulting in fines amounting to \$1,000 and above or the suspension of our outlet operations, in the future.

#### CUSTOMER SATISFACTION AND RETENTION

Customer satisfaction is the non-negotiable basis for the success of our business, and we are committed to ensuring our customers have the best experience possible when purchasing our products and interacting with our staff. To understand how we are performing in terms of customer satisfaction, we analyse customer reviews sourced from store managers' monthly reports, feedback directly obtained from walk-in customers, as well as online platforms like Google, Instagram, Xiao Hong Shu, Facebook, and TikTok. This allows us to form a comprehensive overview of customer sentiments and satisfaction levels.

To maximise customer satisfaction and retention, we have established a target of having zero customer complaints about our outlet stores, as well as a multi-pronged approach to effectively address customer complaints when they do arise. These are centred around (1) Customer Feedback Management; (2) Customer Experience; and (3) Customer-centric Culture.

Further details on each of the above are provided below:

# SUSTAINABILITY REPORT

## CUSTOMER HEALTH AND SAFETY

## CUSTOMER SATISFACTION AND RETENTION

### Customer Feedback Management Process Flow

1. Our marketing team acknowledges, assesses, and analyses complaints to determine if follow-up action is needed.
2. Where complaints require follow up action, we will gather critical information about the context of the customer's complaint, such as the date and time of their visit.
3. The information will then be relayed to our operations team, who will analyse the issue and provide a feedback report.
4. Based on the feedback report, our marketing team will offer explanations to the customer as well as compensation if necessary.
5. If the customer is satisfied with our response, their case is closed.
6. If the complaint remains unresolved, it is escalated to our marketing director for further assessment and determination of the next steps.

### Customer Experience Enhancement Initiatives

- a. Customer relationship management (“CRM”) initiatives for CHICHA San Chen, such as customers rewards for their in-store spending through a points accumulation system.
- b. Mobile ordering system for customers to place advance orders, reducing their need to wait in queues.
- c. Cashless payment options to expedite queue movement during peak hours.
- d. Cloud-based TV platform in our stores for customers to seamlessly receive notifications about promotions and the launch of new items.
- e. Packaging with better durability, based on customer feedback.

### Promoting a Customer-centric Culture

- a. Regular training for staff on how to improve customer satisfaction.
- b. Plans for a comprehensive omnichannel messaging service covering email, WhatsApp, Facebook, and Instagram for all our brands, allowing us to better track all customer enquiries and ensure they receive proper attention.
- c. Plans for a new monthly reporting process which categorises feedback according to the responsible managers and specific brands.
- d. Plans for focus group discussion to gain deeper insights on customer demands and preferences across different brands.
- e. Plans for a mystery shopper programme to evaluate day-to-day customer service and overall customer experience without management oversight.

# SUSTAINABILITY REPORT

## PRODUCT QUALITY AND NUTRITION

In keeping with our ambitions to be one of Singapore’s leading F&B companies, the pursuit of excellence in product quality and nutrition is a key pillar of our business ethos and operations. Recognising the wisdom of the time-worn adage “You are what you eat”, we are committed to stringent quality controls and offering the best possible food products to our customers. These are demonstrated in three ways: (1) Our Certifications; (2) Our Management Practices; and (3) Our Franchisees and Suppliers.

### OUR CERTIFICATIONS

To ensure our food products conform to the highest standards, we have a comprehensive quality assurance programme that has been externally validated and certified. We possess ISO 22000 – Food Safety Management certification, which is a testament to the effectiveness and robustness of our in-house food safety and hygiene practices. In addition, to cater to Singapore’s diverse consumer base, we are also certified by the Majlis Ugama Islam Singapura (“**MUIS**”) as a Halal-certified brand. This provides strong assurance to our Muslim customers that all our raw materials and food preparation procedures under the My Kampung Chicken Rice brand adheres to the highest locally accepted standards of Halal dietary requirements.

### OUR MANAGEMENT PRACTICES

Our Central Kitchen is the backbone of our Food Outlets, handling procurement, processing, and preparation of essential ingredients for our Yew Kee Duck Rice, XO Minced Meat Noodle outlets, and CHICHA San Chen tea shops. On the other hand, to ensure strict adherence to Halal food standards, our Halal-certified brand My Kampung Chicken Rice, outsources to a third-party kitchen.

The Central Kitchen warehouse stores centrally procured ingredients like meats, tea leaves, syrup, and sauces, while perishable items such as rice and oil are ordered daily by individual outlet supervisors. We perform monthly inventory counts to assess the remaining quantity of stock and avoid inventory obsolescence. This practice is essential for maintaining product quality and ensuring sufficient supply of key ingredients. With our Central Kitchen handling ingredient preparation, our outlet staff can focus on enhancing our F&B experience.



# SUSTAINABILITY REPORT

## PRODUCT QUALITY AND NUTRITION

Our kitchen staff undergo rigorous training that emphasises food handling, preparation, and sanitation of areas and equipment. The steps taken to identify, resolve, and prevent product quality issues or recalls are as follows:

- i. Identify: Our Central Kitchen receives raw materials and conducts thorough inspections. Once cleared, the Central Kitchen proceeds to either dispatch these items to outlet stores or begins processing the raw materials.
- ii. Resolve: If the raw materials received do not pass our quality control assessments, the Central Kitchen will return the substandard goods and request replacements. In such cases, the matter is escalated to the Heads of Department (“**HOD**”).
- iii. Prevention: Our HOD will directly engage suppliers to identify the root cause of the quality issue and jointly devise a solution with them. Suppliers will also be further assessed on their ability to adequately meet subsequent orders. If quality issues persist, our procurement team will then engage alternative suppliers.

Lastly, the quality and nutritional value of our cooked food products is upheld through proper labelling which clearly communicates their nutritional information and recommended sell-by dates, with a first-in-first-out (“**FIFO**”) policy on the sale of food products at our retail stores to complement the above. Our retail staff are all trained on such matters and are pivotal to the successful execution of our store-based quality control practices.

### OUR FRANCHISEES AND SUPPLIERS

As the Group has grown, we have diversified our business and capitalised on opportunities with other esteemed F&B brands through franchisee agreements. When we do so, we continue to apply our stringent quality standards and complement them with the best practices of our partner brands to ensure the best possible food and dining experience for our customers.

Recognising that the quality and quantity of ingredients required may vary from year to year, we exercise quality control over our supply chain by not entering into agreements with our suppliers for more than a year at each instance, with our master franchise agreement with Fang Yuan being the sole exception. We believe this approach give us the flexibility to work with the suppliers who best meet our requirements at any one time, particularly in terms of price and capacity, while also providing us with the means to introduce ESG considerations and a Code of Conduct to our suppliers.

Overall, we will continue to rely on Our Certifications, Management Practices, and Franchisees and Suppliers, and make improvements where possible, to ensure the maximum quality and nutritional standards of our food products.

# SUSTAINABILITY REPORT

## DATA PRIVACY AND SECURITY

Over the course of our business operations, we will sometimes require the collection and processing of the personal data of our stakeholders, primarily our employees and customers. As highly sensitive information, we recognise that inadequate controls over such data can lead to data leakages and thus adverse consequences on our customers and employees. This could in turn undermine the trust they have in us, damage our reputation as a business, and make us liable for legal penalties. YKGI is therefore committed to ensuring robust data management and safeguarding all personal data in our care.

Our approach to data management involves continuous risk assessments, employee training, and technological controls, which all serve to ensure compliance with the Group's personal data protection policy. Whenever YKGI gathers, processes and keep records of information relating to our workers, clients, and suppliers, and in the case of our CHICHA San Chen tea stores through a third-party vendor, we ensure that such data management actions are fully compliant with Singapore's Personal Data Protection Act 2012 ("PDPA"). At all times, only managerial-level employees and supervisors have access to such information and solely for authorised purposes. Where personal information is gathered using paper forms, these will be stored in a secure physical location in our office buildings.

Some of the key features of our Group's personal data protection policy include:

The selection of a data protection officer ("DPO"), who among other things oversees and organises our Group's data protection efforts, including the creation, implementation, and revision of data protection and related policies. Our DPO is also in charge of responding to inquiries or complaints regarding data protection.

1. Controlling access to and methods of transmitting personal data.
2. Enforcing disciplinary measures against those who violate our data protection policy.
3. Destroying personal data after a reasonable period from the point at which it becomes outdated or is no longer necessary for the purpose for which it was collected.
4. Establishing defensible grounds for processing personal data.
5. Engaging external cybersecurity professionals to conduct stress tests on our digital systems and strengthening its security based on the findings made.

We are pleased to announce that for FY2023, we had no instances of substantiated complaints concerning breaches of stakeholder privacy or the mismanagement of personal data under our care. We are committed to maintaining this positive track record for all subsequent reporting periods.

# SUSTAINABILITY REPORT

## TCFD REPORT

As an F&B business, YKGI recognises the considerable threats posed by climate change to the industry as well as the urgent need to counteract its advance while enhancing the resilience of our operations to climate-related disruptions. To do so, we are guided by the recommendations put forward by the TCFD and will progressively adopt the full suite of recommendations within the next two years in line with the climate reporting requirements stipulated by SGX. Outlined below are the TCFD recommendations the Group has adopted at present.

### GOVERNANCE

The Board maintains oversight over all sustainability-related matters across the Group, including climate-related risks and opportunities. Actions taken by the Group to address climate-related risks and opportunities are in turn spearheaded by the SSC, which is led by our CEO. The SSC, with the guidance of the Board, is responsible for establishing the Group's climate-related goals and metrics, ensuring proper inclusion of climate matters into the Group's strategic planning process, and integrating climate considerations into the day-to-day decision-making that takes place in the Group. The SSC reports to and updates the Board at least once every half-year on the Group's climate-related matters and performance.

### METRICS AND TARGETS

To ensure accountability and measure the effectiveness of our climate-related actions, we have established the following metrics:

- The total energy consumed, broken down by source, and the energy intensity ratio.
- Scope 1 GHG emissions, arising from the activities we undertake to directly produce our goods and services, including the operation of cooking equipment, refrigeration facilities, and air conditioning as well as the use of diesel and gasoline-based vehicles.
- Scope 2 GHG emissions associated with the electricity we purchase from Singapore's national grid for our operational needs.

For further details on these metrics as well as their corresponding targets, please refer to the "Energy Management and Conservation" and "Greenhouse Gas Emissions" sections of this report. As we are still in the process of assessing how our business operations relates to our GHG emissions, we have yet to set specific reduction targets for Scope 1 and Scope 2 emissions. However, we aim to have a more complete overview of this in the future and will towards the establishment of specific, measurable, achievable, realistic, and time-sensitive emissions targets.



# SUSTAINABILITY REPORT

## GRI CONTENT INDEX

<b>Statement of use</b>	YKGI Limited has reported with reference to the GRI Standards for the period from 1 January to 31 December 2023.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Reference</b>
<b>GENERAL DISCLOSURE</b>		
<b>GRI 2: General Disclosures 2021</b>	<b>The organisation and its reporting practices</b>	
	2-1 Organisational details	1 - 5, 19
	2-2 Entities included in the organisation's sustainability reporting	22
	2-3 Reporting period, frequency and contact point	22
	2-4 Restatements of information	Data on YKGI's Energy Consumption and GHG Emissions for FY2022 have been amended after taking into consideration the availability of more accurate data.
	2-5 External assurance	Nil
	<b>Activities and Workers</b>	
	2-6 Activities, value chain and other business relationships	25
	2-7 Employees	35 - 36
	2-8 Workers who are not employees	Nil
	<b>Governance</b>	
	2-9 Governance structure and composition	AR: 50
	2-10 Nomination and selection of the highest governance body	AR: 56 - 58
	2-11 Chair of the highest governance body	AR: 50
	2-12 Role of the highest governance body in overseeing the management of impacts	30, 44
	2-13 Delegation of responsibility for managing impacts	30
	2-14 Role of the highest governance body in sustainability reporting	30
	2-15 Conflicts of interest	31
	2-16 Communication of critical concerns	22
	2-17 Collective knowledge of the highest governance body	30
2-18 Evaluation of the performance of the highest governance body	AR: 58 - 59	
2-19 Remuneration policies	AR: 59 - 60	
2-20 Process to determine remuneration	AR: 61 - 62	



# SUSTAINABILITY REPORT

## GRI CONTENT INDEX

GRI Standard	Disclosure	Reference
	<b>Strategy, policies and practices</b>	
	2-22 Statement on sustainable development strategy	21
	2-23 Policy commitments	28 - 29
	2-24 Embedding policy commitments	Respective material topic sections
	2-25 Processes to remediate negative impacts	Respective material topic sections
	2-26 Mechanisms for seeking advice and raising concerns	31
	2-27 Compliance with laws and regulations	31
	2-28 Membership associations	25
	<b>Stakeholder engagement</b>	
	2-29 Approach to stakeholder engagement	26
	2-30 Collective bargaining agreements	Nil
<b>MATERIAL TOPICS</b>		
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	27 - 28
	3-2 List of material topics	28 - 29
	3-3 Management of material topics	Nil
<b>Business Ethics, Anti-Corruption, and Anti-Bribery</b>		
<b>GRI 205: Anti-Corruption 2016</b>	205-2 Communications and training about anti-corruption policies and procedures	31
	205-3 Confirmed incidents of corruption and actions taken	31
<b>Energy Management and Conservation</b>		
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	32
	302-3 Energy intensity	32
	302-4 Reduction of energy consumption	32
<b>Water Consumption and Disposal</b>		
<b>GRI 303: Water and Effluents 2018</b>	303-2 Management of water discharge-related impacts	34
	303-3 Water withdrawal	34
	303-4 Water discharge	34
<b>GRI 303: Water and Effluents 2018</b>	303-5 Water consumption	34

GRI Standard	Disclosure	Reference
<b>Greenhouse Gas Emissions</b>		
<b>GRI 306: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	33
	305-2 Energy indirect (Scope 2) GHG emissions	33
	305-4 GHG emissions intensity	33
	305-5 Reduction of GHG emissions	33
<b>Employment Retention and Wellbeing</b>		
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	35 - 36
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	35 - 36
<b>Occupational Health and Safety</b>		
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management systems	37 - 38
	403-2 Hazard identification, risk assessment, and incident investigation	37 - 38
	403-3 Occupational health services	37 - 38
	404-4 Worker participation, consultation, and communication on occupational health and safety	37 - 38
	403-5 Worker training on occupational health and safety	37 - 38
	403-6 Promotion of worker health	37 - 38
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	37 - 38
	403-8 Workers covered by an occupational health and safety management system	37 - 38
	403-9 Work-related injuries	37 - 38
<b>Customer Health and Safety</b>		
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of health and safety impacts of product and service categories	39
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	39
<b>Data Privacy and Security</b>		
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	43

# TCFD CONTENT INDEX

TCFD PILLARS	RECOMMENDED DISCLOSURES	PAGE
<b>Governance</b>		
Disclose the organisation's governance around climate-related risks and opportunities	a. Describe the board's oversight of climate-related risks and opportunities.	12, 33
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	12, 33
<b>Strategy</b>		
Disclose the organisation's governance around climate-related risks and opportunities	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
<b>Risk Management</b>		
Disclose how the organisation identifies, assesses, and manages climate-related risks	a. Describe the organisation's processes for identifying and assessing climate-related risks.	
	b. Describe the organisation's processes for managing climate-related risks.	
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
<b>Metrics and Targets</b>		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a. Disclose the metrics used the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	32 - 33, 44
	b. Disclose Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	33
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	

## FINANCIAL CONTENTS

50

Corporate  
Governance Report

81

Directors'  
Statement

86

Independent  
Auditor's Report

90

Consolidated Statement Of  
Comprehensive Income

91

Statements Of  
Financial Position

92

Consolidated Statement Of  
Changes In Equity

93

Consolidated Statement Of  
Cash Flows

95

Notes To  
The Financial Statements

141

Statistics Of  
Shareholdings

143

Notice Of  
Annual General Meeting

Proxy Form

# CORPORATE GOVERNANCE REPORT

## INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of YKGI Limited (the “**Company**”) and its subsidiaries (the “**Group**”) is committed in upholding high standards of corporate governance and practices throughout the Group, as a fundamental part of its responsibilities to protect shareholders’ interests, enhance shareholders’ value and the financial performance of the Group.

This report describes the Group’s corporate governance practices and structures that were in place during the financial year ended 31 December 2023 (“**FY2023**”) with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) pursuant to Rule 710 of the SGX-ST Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”).

The Board is pleased to report that since the Company’s IPO up to the date of this report, the Company has adhered to all principles and provisions set out in the Code pursuant to Rule 710 of the Catalist Rules as set out in this report. Where there are deviations from the Code, appropriate explanations will be provided.

## BOARD MATTERS

The Board as at the date of this Annual Report comprises the following members:

Name of Director	Designation	Board Committee Membership		
		ARMC	NC	RC
Mr. Seah Boon Lock	Executive Chairman and Executive Director	-	-	-
Mr. Seah Qin Quan	Chief Executive Officer (“ <b>CEO</b> ”) and Executive Director	-	-	-
Mr. Wong Fook Sung (“ <b>Mr. James Wong</b> ”)	Lead Independent Director	Chairman	Member	Member
Mr. Ng Hong Whee	Independent Director	Member	Chairman	Member
Mr. Koh Kew Siong (“ <b>Mr. Douglas Koh</b> ”)	Independent Director	Member	Member	Chairman

The profiles of each Director are presented under the “Board of Directors” section of the Annual Report.

### The Board’s Conduct of Affairs

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

#### Provision 1.1 of the Code: Directors’ duties and responsibilities

The Board is entrusted with the responsibility for the overall management of the Company.

The principal functions of the Board, in addition to carrying out its statutory responsibilities, inter alia, are as follows:

- overseeing the Company’s business and its performance and is collectively responsible for the long-term success of the Company.
- overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including the risk management system and internal control to safeguard shareholders’ interests and the Group’s assets and to take into account the interest of key stakeholder groups in its decision making.
- provides their independent judgement, diversified knowledge and experience to bear on issues of strategy, performance, resources and standards of conduct and ethics.
- regularly reviews the Group’s strategic business plans, the assessment of key risks by Management and the operational and financial performance of the Group to enable the Group to meet its objectives.

# CORPORATE GOVERNANCE REPORT

- responsible for shaping the Company's strategic direction and has decided to integrate sustainability components into all the Company's business and operations. This integration involves the consideration of Economic, Environmental, Social and Governance ("EESG") factors in the Company's business and operations. The Board will work alongside the Management to advance sustainability efforts within the Company.

All Directors recognise that they must discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. The Board is a representation of the shareholders in the Company and is accountable to them through effective governance of the business. All Directors are required to avoid situations where their own personal or business interests may conflict or appear to conflict with the interests of the Company.

Where a Director has a conflict of interest in the matter discussed, or it appears that the Director might have a conflict of interest in relation to the matter discussed, the Director must immediately declare his personal or business interest at the Board meeting or send a written notice to the Company containing details of his personal or business interest in the matter and the actual or potential conflict of interest.

Any Director facing a conflict of interest in the matter discussed will recuse himself from the discussions and abstain from participating in any Board decisions and voting on resolutions regarding the matter and refrain from exercising any influence over other members of the Board, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussions.

## **Provision 1.2 of the Code: Induction, training and development**

A formal letter is provided to each Director upon their appointment, setting out their relevant duties and obligations, to acquaint them with their responsibilities as Directors of the Company.

The Company conducts an orientation programme for new directors and they are briefed by Management to familiarise themselves with the Group's business and governance policies and practices. The orientation programme aims to provide the new directors with an understanding of the Group's businesses to enable them to assimilate into their new roles and to get acquainted with Management, thereby facilitating Board interaction and independent access to Management.

To keep abreast with developments in relevant sectors and to ensure that the Directors are kept informed of relevant new laws, regulations and changing commercial risks that will affect the Group, the Company encourages its Directors to attend relevant instructional or training courses at the Company's expense. In particular, the Board is regularly kept informed and updated on courses and seminars offered by the Singapore Institute of Directors ("SID") which are relevant to the training and professional development of the Directors. The Directors are also briefed on the new requirements of the SGX-ST, Companies Act 1967 and other regulatory requirements from time to time by the Company Secretary, the Auditor and the Sponsor.

As stipulated under Rule 406(3)(a) of the Catalist Rules, Directors who are appointed and who have no prior experience as directors of a listed company in Singapore will have to attend the Listed Entity Director ("LED") courses organised by the SID within one (1) year of his appointment. Mr. Seah Boon Lock, Mr. Seah Qin Quan and Mr. Wong Fook Sung have completed the required LED courses as at date of report.

In FY2023, all directors have completed sustainability training as prescribed under Rule 720(6) of the Catalist Rules.

## **Provision 1.3 of the Code: Matters requiring Board's approval**

Notwithstanding that the daily operations and management of the Company is delegated to the Executive Directors, the Board has put in place internal guidelines on matters which require Board's approval, including but not limited to the followings:

- the appointment of directors, the company secretary and the sponsor;
- any major transactions such as, inter alia, capital funding, acquisitions and disposals of assets;
- release of the Group's financial results announcements and convening of shareholders' meeting, circulars to shareholders and related announcements through SGXNet;

# CORPORATE GOVERNANCE REPORT

- alterations to the share capital of the Company;
- approving interested person transactions exceeding a certain threshold;
- any material regulatory matters and litigation cases; and
- compliance matters associated with the Catalist Rules, Securities and Futures Act or other relevant laws and regulations.

Clear directions have been disseminated to the Management that reserved matters must be approved by the Board.

## Provision 1.4 of the Code: Board Committees

The Board objectively discharges its duties and responsibilities at all times and makes decisions in the interests of the Group. The Board has delegated specific responsibilities to the various committees established by the Board, namely the Audit and Risk Management Committee (“**ARMC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”) (collectively known as the “**Board Committees**”). Each Board Committee has the authority to examine issues relevant to their terms of references and to make fair, proper and appropriate recommendations to the Board when required. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

## Provision 1.5 of the Code: Board and Board Committees Meeting

The Board meets regularly on a biannual basis and ad-hoc Board Committee and/or Board meetings are convened as and when required. In between Board meetings, any important matter will be tabled for the Board’s approval by way of circulating resolutions in writing.

The Constitution of the Company allows Directors to participate in Board meetings via electronic means. The Directors are free to discuss any information or view as presented by any member of the Board and Management.

When necessary or appropriate, members of the Board exchange views outside the formal environment of Board meetings. Each Board member is expected to objectively discharge his duties and responsibilities at all times as fiduciaries in the best interests of the Company.

The attendance record of each Director at meetings of the Board and Board Committees held during FY2023 is disclosed below:-

Name of Director	Board Meeting		ARMC Meeting		NC Meeting		RC Meeting	
	No. of Held	No. of Attended	No. of Held	No. of Attended	No. of Held	No. of Attended	No. of Held	No. of Attended
Seah Boon Lock	2	2	2	2*	2	2*	2	2*
Seah Qin Quan	2	2	2	2*	2	2*	2	2*
James Wong	2	2	2	2	2	2	2	2
Ng Hong Whee	2	2	2	2	2	2	2	2
Douglas Koh	2	2	2	2	2	2	2	2

\* By way of invitation.

The Company’s Constitution allows for meetings to be held through telephone and/or video conference. The Company Secretary or her representative also attends the Board and Board Committee meetings.

# CORPORATE GOVERNANCE REPORT

## **Provision 1.6 of the Code: Access to information**

The Company recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. The Management provides the Board with key information that is complete, adequate and in advance to enable the Directors to make timely decisions, effectively discharge their duties and make a balanced and informed assessment of the performance, position and prospects of the Company.

The Management provides members of the Board with management accounts, as well as relevant background and explanatory information relating to the matters that would be discussed in the Board meetings, prior to the scheduled meetings. All Directors are also furnished with timely updates on the financial position and any material development of the Group as and when necessary. Any additional materials or information requested by the Directors are promptly furnished. If necessary, management staff who are able to explain and provide insights to the matters to be discussed are invited to present to the Board and answer any queries that the Directors may have.

## **Provision 1.7 of the Code: Access to Management and Company Secretary**

The Directors are updated regularly on corporate governance requirements, changes in listing rules and regulations, and the performance of the Group. The Directors have separate and independent access to Management, including the CEO, the Group Financial Controller (“**GFC**”) and other key management personnel (“**KMP**”) as well as the Group’s internal and external auditors, and Company Secretary at all times.

The Company Secretary and/or her representative attends all Board and Board Committees meetings and ensures the Board procedures and the performance of the Group’s compliance obligations pursuant to the relevant statutes and regulations are followed. Under the direction of the Executive Chairman (“**Chairman**”) and CEO, the Company Secretary ensures good information flows within the Board and Board Committees and between senior management and Non-Executive Directors, as well as facilitating orientation and assisting with professional development if required. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

The Directors, either individually or as a whole, have direct access to the Group’s independent professional advisors, if necessary, to enable each Director to discharge his responsibility effectively. Any cost of obtaining professional advice will be borne by the Company.

## **Board Composition and Guidance**

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

## **Provision 2.1 of the Code: Director’s independence**

As at the date of this Annual Report, the Board consists of five (5) directors, of whom one (1) is Chairman cum Executive Director, one (1) CEO cum Executive Director and three (3) Independent Directors (“**ID**”). With more than half of the Board made up of Independent Directors, including independence from the substantial shareholders of the Company, the Board is capable of exercising independent and objective judgement on corporate affairs of the Group. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into consideration the long-term interests of the Group and its stakeholders. No individual or small group of individuals dominates the Board’s decision making.

The independence of each director is assessed and reviewed annually by the NC. In the review and deliberation of the independence of the three (3) IDs, the NC has considered the guidelines for independence set out in Provision 2.1 of the Code as well as the Catalist Rules, including whether a director has business relationships with the Group, its substantial shareholders or its officer and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the directors’ independence business judgement in the interests of the Group.



# CORPORATE GOVERNANCE REPORT

Each Independent Director is required to complete an annual declaration to confirm his/her independence based on the applicable Catalist Rules and the guidelines as set out in the Code. The Directors must also confirm whether they consider themselves independent despite not having any relationship identified under the applicable Catalist Rules and the Code.

For the year under review, the NC has assessed and is satisfied that all the three (3) Independent Directors are independent.

The Board recognises that Independent Directors may over time develop significant insights in the Group's business and operations and can continue to provide noteworthy and valuable contribution objectively to the Board as a whole. The independence of the Independent Directors must be based on the substance of their professionalism, integrity, and objectivity, and not merely based on form; such as the number of years which they have served on the Board. Nevertheless, when there are directors who have served beyond nine years from the date of their first appointment, the Board will rigorously review their continuing contributions and independence and decide if they should continue with the appointment.

As at the date of this Annual Report, none of the IDs has served on the Board beyond nine (9) years from their respective date of appointment.

**Provision 2.2 of the Code: Independent Directors make up a majority of the Board where the Chairman is not independent.**

**Provision 2.3 of the Code: Non-Executive Directors make up a majority of the Board**

The Company has complied with the relevant provisions as majority of the Board are IDs.

**Provision 2.4 of the Code: Board size and diversity**

The profiles of the Directors and key information are set out on pages 15 to 16 of this Annual Report.

The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group's businesses, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, considers that a board size of five (5) members is appropriate.

The Board believes that its current board size and the existing composition of the Board Committees effectively serve the Group. It provides diversity and allows for informed and constructive discussion and effective decision making at the Board meetings. The Board will, however, continue to review opportunities to refresh the Board with a view to expanding the skills, experience and diversity of the Board as a whole.

In reviewing Board composition and succession planning, the NC considers the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.

The Group's Board Diversity Policy endorses the principle that its Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business so as to mitigate against groupthink and to ensure that the Group has the opportunity to benefit from all available talents. In reviewing Board composition and succession planning, the NC considers the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.

The current Board composition reflects the Company's commitment to board diversity. The NC conducts its annual review of the composition of the Board, which comprises members from different backgrounds whose core competencies, qualifications, skills and experiences, meet with the requirements of the Group at the point in time. Each Director has been appointed on the strength of his calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group's strategy and the performance of its business.

# CORPORATE GOVERNANCE REPORT

The NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. It will also continue its identification and evaluation of suitable candidates to ensure that there is diversity to the Board.

## **Provision 2.5 of the Code: Meeting of Non-Executive Directors without Management**

The Independent Directors, led by the Lead Independent Director (“LID”), meet amongst themselves at least once a year without the presence of the Management to discuss and evaluate the performance of the Management as well as the remuneration of the executive directors. The feedback and views expressed by the Independent Directors were communicated by the LID to the Board and/or the Chairman, as appropriate.

During FY2023, the IDs met once in the absence of Management.

## **Chairman and Chief Executive Officer**

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

## **Provision 3.1 of the Code: Separation of the roles of the Chairman and the CEO**

The roles of the Chairman of the Board and the CEO are separate to ensure clear distinction of responsibilities, appropriate balance of power and increased accountability. Mr. Seah Boon Lock serves as the Chairman of the Group, whereas Mr. Seah Qin Quan is the Group’s CEO. Mr. Seah Qin Quan reports to the Board led by the Chairman. The Chairman is the father of the CEO.

All major proposals and decisions made by the Chairman and CEO are discussed and reviewed by the ARMC. Their performance and appointment are reviewed periodically by the NC and the packages are reviewed periodically by the RC. As the ARMC, NC and RC consist of all Independent Directors, the Board believes that there are sufficient strong and independent elements and adequate safeguards in place.

## **Provision 3.2 of the Code: Division of responsibilities between the Chairman and the CEO**

The Group’s Chairman, Mr. Seah Boon Lock, plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision. He leads the Board in its review of the Group’s strategies for sustainable growth, ensures the diversity of the Board, and provides guidance in the Group’s transformation efforts.

In addition to setting of business strategies for the Group and monitoring of the translation of the Board’s decisions and directions into executive action, he is to ensure that each member of the Board and the Management works well together with integrity and competency. As the Chairman, he with the assistance of the Company Secretary, schedules Board meetings as and when required and prepares the agenda for Board meetings and ensure sufficient allocation of time for thorough discussion of each agenda item, in particular strategic issues. He promotes an open environment for debate and ensures that Independent Directors are able to speak freely and contribute effectively.

In addition, he sets guidelines and exercises control over the quality, quantity, accurateness and timeliness of information flow between the Board and the Management. He plays a pivotal role in fostering constructive dialogue among stakeholders and provides close oversight, guidance and advice to the CEO and the Management. He also takes a leading role in ensuring the Group’s drive to achieve and maintain a high standard of corporate governance and sustainability practices with the full support of the Board, the Company Secretary and the Management.

As the Group’s CEO, Mr. Seah Qin Quan manages the members of the Management team and is responsible for implementing and reviewing the business directions and strategies for the Group as endorsed by the Board, and for operational performance and organisational excellence.

# CORPORATE GOVERNANCE REPORT

## **Provision 3.3 of the Code: Lead Independent Director**

Taking cognisance that the Chairman of the Board is an Executive Director and thus not independent, the Board has designated a LID who serves as a sounding board for the Chairman and as an intermediary between the non-executive Independent Directors and the Chairman. The current LID is Mr. James Wong. The role of the LID is to co-ordinate and to lead the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. All Independent Directors, led by the LID, meet at least once annually without the presence of Executive Directors and Management to discuss matters of significance which are thereon reported to the Chairman accordingly.

He is available to shareholders and stakeholders should they have concerns which cannot be resolved or are inappropriate or inadequate to raise through the normal communication channels with the Chairman or the Management.

There was no query or any matters which requires the LID's attention received in FY2023.

## **Board Membership**

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

## **Provision 4.1 of the Code: Role of the NC**

## **Provision 4.2 of the Code: Composition of NC**

The NC comprises the following three (3) members, all of whom including the Chairman, are IDs and the LID is one of the members of the NC:-

- Mr. Ng Hong Whee (Chairman)
- Mr. James Wong (Member)
- Mr. Douglas Koh (Member)

The written terms of reference of the NC have been approved and adopted, and including but not limited to the followings:-

- having oversight on the controls and safeguards to prevent a recurrence of the non-compliances with the regulatory requirements;
- determining annually, and as and when circumstances require, whether or not a Director is independent, in accordance with the rules;
- reviewing the composition of the Board to ensure the committee comprises an appropriate mix of skills, experience, core competencies and knowledge of our Group that the Board requires to function competently and efficiently. All Directors should be required to submit themselves for re-nomination and re-election at regular intervals and at least every three (3) years;
- deciding how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval by the Board, which address how the Board has enhanced long term shareholders' value. The Board will also implement a process to be proposed by the Nominating Committee for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director to the effectiveness of the Board (if applicable);
- reviewing succession plans for the Directors; and
- reviewing and approving the employment of persons related to the Directors or Substantial Shareholders and the proposed terms of their employment.

The NC is responsible for identifying and nominating candidates for the Board, determining annually, whether a Director is independent in accordance with the guidelines set out in the Code, filling board vacancies as well as to put in place plans for succession.

# CORPORATE GOVERNANCE REPORT

## **Provision 4.3 of the Code: Director appointment and re-nomination**

### ***Process for Selection and Appointment of New Directors***

The NC is responsible for identifying candidates and reviewing all nominations for the appointments of new directors in the following order: (i) determining the desirable competencies for the appointment, and after consultation with the Management, (ii) assessing the suitability of the candidates and conducting an open dialogue to ensure that each candidate is aware of his/her role and obligations and (iii) submitting a final shortlist for recommendation to the Board.

The search and nomination process for new directors, led by the NC, is as follows:

- The NC evaluates the balance, skills, knowledge and experience of the existing Board and the requirements of the Group. In light of such evaluation, the NC determines the role and key attributes that an incoming director should have.
- After endorsement by the Board of the key attributes required, the NC taps on the networking resources of the existing Directors and seeks recommendations from them in relation to the potential candidates, and goes through a shortlisting process. If candidates identified from this process are not suitable, executive recruitment agencies are appointed to aid in the search process.
- The NC meets with the shortlisted candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required.
- The NC recommends the most suitable candidate to the Board for appointment as Director.

### ***Process for Re-Appointment of Directors***

The role of the NC also includes the responsibility of reviewing the re-nomination of directors who retire by rotation, taking into consideration the director's integrity, independent mindedness, contribution and performance (such as attendance, participation, preparedness and candour) and any other factors as may be determined by the NC.

Pursuant to Regulation 99 of the Constitution of the Company, one-third of the Board are to retire from office by rotation and be subject to re-appointment at the Company's Annual General Meeting ("**AGM**"). In addition, Regulation 103 of the Constitution of the Company stipulates that a director newly appointed by the Board during the financial year must retire and submit himself/herself for re-appointment at the next AGM following his/her appointment. Thereafter, the director is subject to be re-appointed at least once every three (3) years at the Company's AGM.

Retiring Director is eligible to offer themselves for re-election. Each member of the NC abstains from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his/her own performance or re-nomination as Director.

At the forthcoming AGM of the Company, the following directors will be retiring pursuant to Regulation 99 of the Company's Constitution:-

### **Regulation 99**

1. Mr. Seah Boon Lock
2. Mr. James Wong

Accordingly, the NC had recommended the aforesaid re-election of two (2) Directors and the Board had accepted the NC's recommendation. In recommending the re-election of these two (2) Directors, the NC has considered the Directors' overall contributions and performance. The details of the Directors seeking for re-election as required under Appendix 7F of the Catalist Rules are set out on page 75 to page 80 of this Annual Report.

# CORPORATE GOVERNANCE REPORT

## **Provision 4.4 of the Code: Circumstances affecting director's independence**

As described under Provision 2.1 above, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each Independent Director is required annually to confirm his/her independence. Further, the NC determines annually, and as and when circumstances require, whether a Director is independent, taking into consideration the disclosures by the Directors of any relationships with the Company, its related corporations, its substantial shareholders or its officers and the checklist completed by each Independent Director. Having made its review, the NC is of the view that all Independent Directors have satisfied the criteria for independence.

During FY2023, there was no alternate director on the Board.

## **Provision 4.5 of the Code: Multiple directorships**

The NC ensures that new directors are aware of their duties and obligations. For re-nomination and re-appointment of directors, the NC takes into consideration the competing time commitments faced by directors and their ability to devote appropriate time and attention to the Group.

Each Director is required to confirm annually to the NC as to whether he or she has any issue with competing time commitments which may impact his/her ability to provide sufficient time and attention to his/her duties as a Director of the Company. Based on the Directors' annual confirmation and the Directors' commitments and contributions to the Company, which are also evident in their level of attendance and participation at Board and Committee meetings, the NC and the Board are satisfied that all the Directors were able to and have been adequately carrying out their duties as Directors of the Company in FY2023. The NC concluded that there is no need to impose a limit on the number of board representations at this stage.

## **Board Performance**

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

**Provision 5.1 of the Code: Performance criteria and process for evaluation of the effectiveness of the Board**

**Provision 5.2 of the Code: Disclosure of assessment of the Board, Board Committees and each Director**

### ***Board Evaluation Process***

The Board, through the NC, has used its best effort to ensure that directors appointed to the Board and the Board Committees, whether individually or collectively, possess the background, experience and the relevant skills set which are critical to the Group's business. It has also ensured that each director, with his/her special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

Based on the recommendations by the NC, the Board has established processes and objective performance criteria for evaluating the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the Chairman and individual Directors to the effectiveness of the Board.

Each Director is required to complete assessment forms to evaluate the Board, Board Committees and individual Directors, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors. The evaluation of individual Directors aims to assess whether each Director continues to contribute effectively and demonstrate commitment to the role, including commitment of time for Board and Board Committee meetings, and any other duties.

The results of the Board's and Directors' evaluations would be collated by the Company Secretary and provide the summary observations to the Chairman of the NC and the Board Chairman for their review and consideration. The Board Chairman will act on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or in the case of resignation, new directors may be sought.

# CORPORATE GOVERNANCE REPORT

Following the review of the assessment of the Board, its committees and individual directors, including the Executive Chairman for FY2023, both the NC and the Board are of the view that the Board and its committees have operated effectively and each Director has contributed to the overall effectiveness of the Board in FY2023.

The NC will consider the performance of each individual Director, the Board Committees and the Board for every financial year going forward. For avoidance of doubt, each member of the NC will abstain from voting on any resolution in respect of the assessment of his/her performance or renomination as Director.

The NC is responsible for assessing the effectiveness of the Board, the Board Committees and each individual Director. All NC members have abstained from voting or review process of any matters in connection with the assessment of his/her own performance.

There was no external consultant involved in the evaluation process for each individual Director, Board and Board Committees for FY2023. Where relevant and when the need arises, the NC will consider such engagement.

## **Board Evaluation Criteria**

Part of the evaluation process is through the review of the appraisal and evaluation forms, which considered an assessment of the following key performance criteria:

- Board size and composition of the Board
- Board independence
- Board processes
- Board information and accountability
- Board performance in discharging principal functions
- Board Committee performance
- Board time commitment
- Board diversity
- Overall contribution

The primary objective of the board evaluation exercise is to create a platform for the Board and its Board Committees' members to provide constructive feedback on the board procedures and processes and the changes which should be made to enhance the effectiveness of the Board and its Board Committees.

## **REMUNERATION MATTERS**

### **Procedures for Developing Remuneration Policies**

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

### **Provision 6.2 of the Code: Composition of RC**

#### **RC Composition and Role**

The RC comprises the following three (3) members, all of whom including the Chairman, are IDs.

- Mr. Douglas Koh (Chairman)
- Mr. James Wong (Member)
- Mr. Ng Hong Whee (Member)

# CORPORATE GOVERNANCE REPORT

The RC is responsible for ensuring a formal and transparent procedure for developing policies on director and executive remuneration, and for determining the remuneration packages of individual Directors and KMP.

The written terms of reference of the RC have been approved and adopted, including but not limited to, the followings:-

- reviewing and approving the new employment of related employees and the proposed terms of their employment, and reviewing and recommending to the Board, for endorsement, the specific remuneration packages for each of the Directors and Executive Officers;
- proposing, for adoption by the Board, measurable, appropriate and meaningful performance targets for assessing the performance of the key management personnel, individual Directors and of the Board as a whole;
- ensuring that the remuneration policies and systems of our Group, as approved by the Board, support our Group's objectives and strategies, and are consistently being administered and being adhered to within our Group;
- reviewing our Group's obligations arising in the event of termination of service contracts entered into between our Group and its Directors or Executive Officers, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly generous;
- if necessary, seeking expert advice within and/or outside our Group on remuneration matters, to ensure that existing relationships, if any, between our Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;
- providing effective supervision and administration of our Group's share option scheme, and/or other equity-based plans and benefits-in-kind;
- reporting to the Board on its proceedings after each meeting on all matters within its duties and responsibilities; and
- holding a meeting of the Remuneration Committee at least once a year to coincide with key dates within the financial reporting and audit cycle.

## **Provision 6.1 of the Code: Role of the RC**

### **Provision 6.3 of the Code: RC to consider and ensure all aspect of remuneration are fair**

The RC reviews the reasonableness of the contracts of service of Executive Directors and KMP to ensure that their compensations commensurate with the responsibilities and risks involved in being a Director and that their remuneration packages are comparable within the industry and include a performance-related element with appropriate and meaningful measures of assessing performance.

The Independent Directors entitle to Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent and their responsibilities. The Directors' fees are recommended by the RC and endorsed by the Board, and subject to shareholders' approval at the annual general meeting. Except as disclosed in this Annual Report, the Independent Directors did not entitle any other remunerations from the Company.

The Executive Directors have each entered into a service agreement with the Company ("**Service Agreements**"), under which the terms of their employment are stipulated, including a monthly base salary, annual performance bonus and benefits commensurate with the position. The Executive Directors are not entitled to Directors' fees and there are no post-retirement and severance benefits except the common practice of giving notice or salary in lieu of notice in the event of termination. The Service Agreements is valid for five (5) years and subject to a renewal upon its validity lapsed.

All recommendations made by the RC on remuneration of directors and key executives will be submitted for endorsement by the Board. None of the RC is involved in setting his remuneration package. Each RC member shall abstain from reviewing, deliberating and voting on any resolution in respect of his remuneration package or that of any employees who are related to him.

# CORPORATE GOVERNANCE REPORT

## **Provision 6.4 of the Code: Expert advice on remuneration**

The RC has explicit authority within its terms of reference to seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters where necessary. There being no specific necessity, the RC did not seek the service of an external remuneration consultant to advise on remuneration matters in FY2023.

## **Level and Mix of Remuneration**

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

**Provision 7.1 and 7.3 of the Code: Remuneration of Executive Directors and key management personnel are appropriately structured to link rewards to performance.**

The annual reviews of the compensation are carried out by the RC to ensure that the remuneration of the Executive Directors and KMP commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The performance of the CEO (together with other KMP) is reviewed periodically by the RC and the Board. In structuring the compensation framework, the RC also takes into consideration the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

Executive Directors do not receive directors' fees but are remunerated as members of Management. The remuneration packages of the Executive Directors and the KMP is linked to the performance of the Group as a whole, as well as the individual performance. This is to align the remuneration with the interests of shareholders and link rewards to corporate and individual performance to promote the long-term sustainability of the Group.

Service contracts for Executive Directors, are for a fixed appointment period and do not contain onerous removal clauses.

The Company advocates a performance-based remuneration system that is flexible and responsive to the market, and the performance of the Group's business units and individual employees. In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is transparent, competitive, relevant and appropriate in finding a balance between the current and longer-term objectives of the Company so as to be able to attract, retain and motivate talents without being excessive, and thereby maximise value for shareholders.

The Company has in place Performance Incentive Schemes ("Schemes") such as the Yew Kee Employee Share Option Scheme ("ESOS") and Yew Kee Performance Share Plan ("PSP"). These Schemes serves to motivate eligible participants towards better performance through the award of shares to align themselves with the performance of the Company.

## **Provision 7.2 of the Code: Remuneration of Non-Executive Directors**

Non-Executive Directors have no service agreements (except for the letter of appointment) with the Company and their terms in office are specified in the Constitution. When reviewing the structure and level of directors' fee for the Non-Executive Directors, the RC takes into consideration the Directors' respective roles and responsibilities in the Board and its Board Committees and the frequency of Board and Board Committee meetings.

Each of the Non-Executive Directors receives a base director's fee.

The structure of the fees payable to the Non-Executive Directors of the Company for FY2023 is disclosed under Principle 8 below.

The RC is mindful that the remuneration for Non-Executive Directors should not be excessive so as not to compromise or reasonably be perceived to compromise their independence. No director is involved in deciding his/her own remuneration.



# CORPORATE GOVERNANCE REPORT

Save for directors' fees, which are subject to shareholders' approval, the IDs do not receive any other remuneration from the Company. The Directors' fees are proposed by the RC and it is appropriate and not excessive, taking into consideration the level of contributions by the directors and factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the directors. Directors' fees are recommended by the Board for approval by the shareholders at the AGM of the Company.

## Disclosure on Remuneration

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

**Provision 8.1 and 8.3 of the Code: Remuneration disclosures of Directors and key management personnel**

**Provision 8.2 of the Code: Remuneration of employee who are substantial shareholders, immediate family members of Executive Director or substantial shareholder**

The compensation packages for employees including the Executive Directors and the KMP comprised a fixed component (in the form of a basic salary) and a variable component (normally consists of cash-based annual bonus) and benefits-in-kind, where applicable, considering amongst other factors, the individual's performance, the performance of the Group and industry practices.

When determining the fixed and variable components, the individual performance is taken into consideration and remuneration recommendations are reviewed by the RC in the light of any annual guidance from the National Wages Council, competitive market practices and information gathered from market surveys. This is further reviewed along with the Group's performance, taking into consideration specific key performance indicators (involving financial and non-financial indicators) tracked over time as compared to the targets to be achieved by the Group based on its short-term and long-term objectives. The Board exercises its discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of shareholders and promote the long-term success of the Group. The overall level of remuneration is not considered to be at a level which is likely to promote behaviour contrary to the Group's risk profile.

During the financial year under review, there was no termination, retirement or post-employment benefits granted to any Director or KMP.

## Disclosure of Remuneration

### (i) Remuneration of Directors

The breakdown of the total remuneration (in percentage terms) of the Directors of the Company for FY2023 is set out below:

Name of Directors	Remuneration Band	Fees	Salary	Bonus	Others	Total Remuneration
Mr. Seah Boon Lock	Band 3	-	84.28%	6.23%	9.49%	100%
Mr. Seah Qin Quan	Band 3	-	86.44%	6.61%	6.95%	100%
Mr. James Wong	Band 1	100%	-	-	-	100%
Mr. Ng Hong Whee	Band 1	100%	-	-	-	100%
Mr. Douglas Koh	Band 1	100%	-	-	-	100%

- The salary and bonus amounts shown are inclusive of Employee Provident Fund contributions.
- The directors' fees were approved by shareholders at the last AGM held on 29 May 2023.
- Others included benefits in kind.

# CORPORATE GOVERNANCE REPORT

- Remuneration bands:
  - “Band 1” refers to compensation of between S\$0 and S\$250,000 per annum.
  - “Band 2” refers to compensation of between S\$250,001 and S\$500,000 per annum.
  - “Band 3” refers to compensation of between S\$500,001 and S\$750,000 per annum.

## (ii) Remuneration of KMP

The Group has four (4) KMP who is not a Director or the CEO during FY2023. The details of the remuneration (in percentage terms) for FY2023 are set out below:

Name of KMP	Remuneration Band	Salary	Bonus	Others	Total
Ms. Wee Lay Teng	Band 2	74.63%	5.39%	19.98%	100%
Mr. Eric Seow	Band 2	86.28%	4.23%	9.49%	100%
Mr. Benjamin Zhu	Band 1	78.69%	6.78%	14.53%	100%
Ms. Seah Kun Miao	Band 2	85.13%	6.16%	8.71%	100%

- Ms. Wee Lay Teng is the wife of the Chairman, Mr. Seah Boon Lock and the mother of the CEO, Mr. Seah Qin Quan.
- Ms. Seah Kun Miao is the daughter of the Chairman, Mr. Seah Boon Lock and the sister of the CEO, Mr. Seah Qin Quan.
- The salary and bonus amounts shown are inclusive of Employee Provident Fund contributions.
- Others included benefit in kind.
- Remuneration band:
  - “Band 1” refers to compensation of between S\$0 and S\$250,000 per annum.
  - “Band 2” refers to compensation of between S\$250,001 and S\$500,000 per annum.

## (iii) Remuneration of employees who are substantial shareholders and immediate family members of Executive Director/ Chairman

Name of Substantial Shareholders	Remuneration Band	Salary	Bonus	Others	Total
Mr. Seah Boon Keng	Band 1	87.45%	5.68%	6.86%	100%
Mr. Lim Fah Choy	Band 1	84.47%	5.68%	9.85%	100%

- Mr. Seah Boon Keng is the brother of Chairman, Mr. Seah Boon Lock, and uncle of CEO, Mr. Seah Qin Quan. Mr. Seah Boon Keng is a Hygiene Officer of our Group.
- Mr. Lim Fah Choy is the brother-in-law of Chairman, Mr. Seah Boon Lock, and uncle of CEO, Mr. Seah Qin Quan. Mr. Lim Fah Choy is an Area Manager of our Group.
- The salary and bonus amounts shown are inclusive of Employee Provident Fund contributions.
- Remuneration band:
  - “Band 1” refers to compensation of between S\$0 and S\$250,000 per annum.

# CORPORATE GOVERNANCE REPORT

After careful consideration and taking into account the highly competitive business environment, commercially sensitive and confidential nature of the remuneration policies of the Company, the Board is of the view that notwithstanding the deviation from Provision 8.1 of the Code, the Company is transparent on its remuneration policies, which has been disclosed not only as part of compliance with Principle 8 but also in respect of Principle 7 of the Code. In particular, the Company has elaborated on the remuneration policy governing the remuneration of the Executive Directors and the factors taken into account for the remuneration of the Independent Directors. The Company has also disclosed the remuneration paid to each Director and KMP using remuneration bands, as well as the breakdown of the components of their remuneration, for transparency. Accordingly, the Board is of the view that the non-disclosure of the exact quantum of the remuneration of each Director and KMP will not be prejudicial to the interest of shareholders and complies with the intent of Provision 8.1 of the Code.

The Company has in place Performance Incentive Schemes (“**Schemes**”) such as the Yew Kee Employee Share Option Scheme (“**ESOS**”) and Yew Kee Performance Share Plan (“**PSP**”). These Schemes serves to motivate eligible participants towards better performance through the award of shares to align themselves with the performance of the Company.

## ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

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

#### **Provision 9.1 of the Code: Board determines the nature and extend of risks**

The Board regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as determine the Company’s levels of risk tolerance and risk policies. In addition, the Board also regularly oversees the Management in the design, implementation and monitoring of the risk management and internal control systems to control, manage and mitigate these risks. The Management reviews the risk management and internal control systems and highlights all significant matters to the ARMC and Board from time to time.

The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework but recognises no cost-effective internal control system will preclude all errors and irregularities, as a system 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 the occurrence of materials errors or poor judgement in decision-making. In addition, it is essential to maintain adequate accounting records, develop and maintain an effective control environment within the Group.

The Group has implemented a system of internal controls designed to provide reasonable but not absolute assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Company’s risk management framework and internal control system covers financial, operational, compliance and information technology risks and internal controls. The ARMC oversees the Management in the design, implementation and monitoring of the risk management and internal control systems, and reviews the adequacy and effectiveness of such systems at least annually.

#### **Provision 9.2 of the Code: Assurance from the Board and KMP**

The ARMC reviewed and assessed the adequacy and effectiveness of the Group’s internal controls that address the Group’s financial, operational, compliance and information technology risks, with the assistance of the internal and external auditors and the Management.

# CORPORATE GOVERNANCE REPORT

For the financial year under review:

- (i) written assurance was received from the CEO and the GFC that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (ii) written assurance was received from the CEO and the GFC that the Group's risk management and internal controls systems in place were adequate and effective to address the financial, operational, compliance and information technology risks within the current scope of the Group's business operations.

The process of reviewing and strengthening the Group's control environment is an evolving process. Management will continue to devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

Through these reports, the Board aims to provide shareholders with a balanced and understandable assessment of the Group's financial performance, position and prospects.

The Management provides all members of the Board with sufficient and timely information on its financial performance and potential issues prior to all scheduled Board and Board Committees meetings.

The Company has complied with Rule 1207(4)(b)(iv) of Catalyst Rules in relation to the risk management policies and processes. Based on the Group's framework of management controls in place, the internal control policies and procedures established and maintained by the Group, the reviews performed by the external auditors and internal auditors, as well as the written representation by the Management, the Board, with the concurrence of the ARMC, is of the opinion that the risk management and internal control systems of the Group, addressing the financial, operational, compliance and information technology risks are adequate and effective as at 31 December 2023 to address the risks that the Group considers relevant and material to its operations.

## **Audit and Risk Committee**

### **Principle 10: The Board has an Audit and Risk Committee which discharges its duties objectively**

#### **Provision 10.1 of the Code: Role of ARMC**

#### **Provision 10.2 of the Code: Composition of ARMC**

#### **Provision 10.3 of the Code: ARMC does not comprise former partners or directors of the Company's auditing firm**

The ARMC comprises the following three (3) members, all whom including the Chairman, are IDs and the LID is one of the members of the ARMC and have recent and relevant accounting or related financial expertise or experience to discharge their responsibilities:

- Mr. James Wong (Chairman)
- Mr. Ng Hong Whee (Member)
- Mr. Douglas Koh (Member)

Mr. James Wong, the Chairman of the ARMC, possesses recent and relevant accounting or related financial management knowledge, whilst the other two (2) ARMC members have regulatory, governance and industrial background. With the current composition, the Board believes that the ARMC members are appropriately qualified to discharge their responsibilities as defined under the terms of reference, which have been approved by the Board. No former partner or director of the Company's existing auditing firm is a member of the ARMC.

The ARMC is authorised by the Board and has explicit authority to investigate any matter within its terms of reference. It has direct and unrestricted access to, and the co-operation of the Management and full discretion to invite any Executive Director or KMP to attend its meetings. The ARMC has adequate resources, including access to external consultants, lawyers or other professionals as it sees fit to provide independent counsel and advice, to assist in the review or investigation on such matters within its terms of reference as it deems appropriate at the Company's expense.

# CORPORATE GOVERNANCE REPORT

The external auditors were also invited to be present at ARMC meetings, as and when required, held during the year to, inter alia, answer or clarify any matter on accounting and auditing or internal controls. The ARMC is of the opinion that the independence and objectivity of the external auditors have not been affected based on the amount of non-audit fees paid in FY2023.

The ARMC met two (2) times in FY2023. The Executive Directors and GFC were invited to attend the meetings.

The written terms of reference of the ARMC have been approved and adopted, and they include the followings:-

- having oversight on the controls and safeguards to prevent a recurrence of the non-compliances with the regulatory requirements;
- assisting the Board in the discharge of its responsibilities on financial and reporting matters;
- reviewing the relevance and consistency of accounting standards, the significant reporting issues, recommendations and judgments made by external auditors so as to ensure the integrity of the financial statements of our Group;
- reviewing the assurance from the CEO, the COO and GFC on the financial records and financial statements of our Group;
- reviewing the adequacy, effectiveness, and independence of the external audit and internal audit function of our Group;
- reviewing and reporting to the Board, at least annually, the effectiveness and adequacy of our Group's internal control and procedures (addressing financial, operational, information technology, compliance risks) and risk management systems (such review to be carried out internally or with the assistance of any competent third parties) and discussing issues and concerns, if any, prior to the incorporation of the Directors' comments in our Group's annual report;
- making recommendations to the Directors on establishing an adequate, effective and independent internal audit function (which can be in-house or outsourced to a reputable accounting/auditing firm or corporation), and ensuring that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies;
- where applicable, ensuring that the internal audit function has unfettered access to all our Group's documents, records, properties, and personnel, including the Audit and Risk Committee, and has appropriate standing within our Group;
- reviewing our Group's financial risk areas, with a view to providing an independent oversight of our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, if the findings are material, to be immediately announced via SGXNet;
- reviewing the risk profile of our Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board;
- considering the appointment or re-appointment of the external auditors and internal auditors, the level of their remuneration and matters relating to resignation or dismissal of the external auditors and internal auditors;
- conducting periodic reviews and approval of foreign exchange transactions and hedging policies (if any) undertaken by our Group;
- reviewing and approving transactions falling within the scope of Chapter 9 of the Catalist Rules;

# CORPORATE GOVERNANCE REPORT

- reviewing and establishing procedures for receipt, retention and treatment of complaints received by our Group, among others, criminal offences involving our Group or our employees, questionable accounting, auditing, business, safety or other matters that impact negatively on our Group, and ensuring that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;
- undertaking such other reviews and projects as may be requested by our Board of Directors and reporting to our Board its findings from time to time on matters arising and requiring the attention of our Audit and Risk Committee; and
- generally undertaking such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

## **Whistleblowing Policy**

The Group has put in place a whistleblowing framework, endorsed by the ARMC, which provides the mechanisms where employees may, in confidence, raise concerns or observations about possible corporate malpractices and improprieties in financial reporting or other matters directly to [ac@ykgi.com.sg](mailto:ac@ykgi.com.sg). Details of the whistleblowing policy, together with the dedicated whistleblowing communication channels (such as email address) have been made available to all employees. It has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up action and provides assurance that employees will be protected from reprisal within the limits of the law or victimisation for whistleblowing in good faith. Anonymous reporting will also be attended to and anonymity honoured.

The whistleblowing policy and procedures are reviewed by the ARMC from time to time to ensure that they remain relevant.

The ARMC reports to the Board on such matters at the Board meetings. Should the ARMC receive reports relating to serious offences and/or criminal activities in the Group, the ARMC and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action.

The whistleblowing policy is published on the Company's website at <https://www.ykgi.com/corporate-governance>, and a copy of the whistleblowing policy is also disseminated to all employees of the Group. As at the date of this Annual Report, there was no complaint, concerns of issue and whistleblowing report received through the whistle-blowing channel.

## **Financial Reporting Matters**

The ARMC reviews the financial statements, SGXNet announcements and all related disclosures to shareholders before submission to the Board for approval. In the process, the ARMC reviews the key areas of management judgement applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have an impact on the Group's financial performance to ensure the integrity and fairness of the financial statements.

In the review of the financial statements for FY2023, the ARMC has discussed the following key audit matters impacting the financial statements with the Management and the external auditors:

### **Key audit matters**

### **How the ARMC reviewed these matters and what decisions were made**

Revenue recognition – Sales of food and beverage

ARMC reviewed the management's accounting for the revenue recognition for sales of food and beverage and internal controls over sales and cash cycle implemented by management.

As a result of the above procedures, the AC agrees with management that the accounting treatment applied is appropriate.

# CORPORATE GOVERNANCE REPORT

## **Internal Controls and Regulatory Compliance**

The ARMC assists the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that the Management creates and maintains an effective control environment. The ARMC provides a channel of communication between the Board, the Management, and the internal and external auditors on audit matters.

The ARMC also has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the Management and full discretion to invite any Director to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The ARMC meets with the internal and external auditors, without the presence of the Management, at least once a year.

Any change to accounting standards and issues which has a direct impact on financial statements will be highlighted to the ARMC from time to time by the external auditors. The external auditors will work with the Management to ensure that the Group complies with the new accounting standards, if applicable.

The ARMC reviews the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management systems through discussion with Management and its auditors and report to the Board annually.

The ARMC reviews the assurance from the CEO and GFC on the financial records and financial statements.

## **External Audit**

The ARMC reviews the scope and results of the audit carried out by the external auditors, Messrs. CLA Global TS Public Accounting Corporation, the cost effectiveness of the audit and the independence and objectivity of the external auditors. The ARMC always seeks to balance the maintenance of objectivity of the external auditors and their ability to provide value-for-money professional services.

The ARMC, in determining the independence and objectivity of the external auditors, reviewed all aspects of their relationships with them, including the processes, policies and safeguards adopted by the Group and external auditors relating to audit independence. The ARMC also considered the nature and volume of the provision of the non-audit services in FY2023. Save for the fees paid for audit engagement, the non-audit services provided by the Company's external auditors, Messrs. CLA Global TS Public Accounting Corporation are immaterial and would not affect the independence of the auditors. The ARMC is of the opinion that the external auditors are independent and were adequate and effective in performing its audit.

	<b>S\$</b>	<b>% of Fees</b>
Audit fees	290,500	90.1
Non-audit fees		
- Tax compliance services	19,000	5.9
- Sustainability reporting	13,000	4.0
Total fees	<u>322,500</u>	<u>100.0</u>

The consolidated financial statements of the Company and its subsidiaries are audited by Messrs. CLA Global TS Public Accounting Corporation. The ARMC and the Board are of the view that the audit firms are adequately resourced, of appropriate standing within the international affiliation, have reviewed and are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the Company and that the Company has complied with Rule 712 and Rule 715 of the Catalist Rules of the SGX-ST.

# CORPORATE GOVERNANCE REPORT

In reviewing the nomination of Messrs. CLA Global TS Public Accounting Corporation for re-appointment for the financial year ending 31 December 2024, the ARMC has considered the adequacy of the resources, experience and competence of Messrs. CLA Global TS Public Accounting Corporation, and has taken into account the Accounting and Corporate Regulatory Authority's ("ACRA") Audit Quality Indicators Disclosure Framework relating to Messrs. CLA Global TS Public Accounting Corporation at the firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit. The ARMC also considered the audit team's ability to work in a co-operative manner with Management whilst maintaining integrity and objectivity and its ability to deliver their services professionally and within agreed timelines.

The ARMC has recommended to the Board that the external auditors, Messrs. CLA Global TS Public Accounting Corporation, be nominated for re-appointment as the external auditors of the Company at the forthcoming AGM of the Company to be held on 29 April 2024.

None of the ARMC members are former partners or directors of the Company's external audit firm within the last twelve (12) months and none of the ARMC members hold any financial interest in the external audit firm.

## **Provision 10.4 of the Code: Internal Audit Function**

The primary role of internal audit is to assist the Board to evaluate the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Group, reviewing the internal controls of the Group to ensure prompt and accurate recording of transactions and proper safeguarding of assets and reviewing that the Group to comply with the relevant laws, regulations and policies established.

The internal audit function plans its internal audit schedule in consultation with, but independent of the Management. The ARMC examines the internal audit plan, determines the scope of audit examination and approves the internal audit budget. It also oversees the implementation of the improvements required on internal control weaknesses identified and ensures that Management provides the necessary co-operation to enable the internal auditors to perform its function. In addition, the internal auditors may be involved in ad-hoc projects initiated by the Management which require the assistance or/and assurance of the internal auditors in specific areas of concerns.

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

The size of the operations of the Group does not warrant the Group having an in-house internal audit function at this juncture. Messrs. BDO Advisory Pte Ltd, the Company's internal auditors report primarily to the Chairman of the ARMC and have unrestricted access to the documents, records, properties and personnel of the Company and of the Group. The main objective of the internal audit function is to assist the Group in evaluating and assessing the effectiveness of internal controls, and to highlight the areas where control weaknesses exist, if any. The Company continues to work with the internal auditors to identify other scope of work which will help to further enhance the robustness of the Company. Management has adopted a risk management framework and the Enterprise Risk Management ("ERM") manual. BDO facilitated an enterprise risk assessment with the Management and relevant employees to identify key risks that would impact the achievement of the Group's business objectives in FY2023. The risk assessment exercise covered pertinent risks in strategic, operational, financial, regulatory compliance and information technology areas. The effectiveness of the Group's system of internal controls are in place to address the key financial, operational, compliance and information technology risks affecting the operations are reviewed by the ARMC, together with the Board.

The Management is responsible for ensuring that the risks identified are relevant to the business environment and that controls or mitigating factors are in place. The Board reviews and approves policies and procedures for managing the identified risks. The ARMC provides independent oversight to the effectiveness of the risk management process.



# CORPORATE GOVERNANCE REPORT

In compliance with Rule 1204(10) of the Catalist Rules, the Board, with the concurrence of the ARMC, is of the opinion that the Company has a robust and effective internal control system. The system of internal controls is sufficiently adequate and effective to address the information technology controls and risk management systems, as well as the financial, operational, compliance and information technology risks based on the internal controls established and maintained by the Group and reports from the internal auditors and external auditors.

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

The ARMC has reviewed the independence, adequacy and effectiveness of the internal audit function at least annually to ensure that it is adequately resourced and has appropriate standing within the Company. Based on the review, the ARMC was of the view that the internal audit function is independent, effective and adequately resourced.

The ARMC approves the hiring, removal, evaluation and compensation of the internal auditors, who have unfettered access to all the Company's documents, records, properties and personnel, including access to the ARMC.

## ***Code of Conduct and Business Ethics***

The Company has established a Code of Conduct and Business Ethics that sets the principles of the code of conduct and business ethics which applies to all employees of the Group. This code covers areas such as conduct in workplace, business conduct, protection of the Company's assets, confidentiality of information and conflict of interest. Directors, KMP and employees are expected to observe and uphold high standards of integrity which are in compliance with the Company's policies and the law and regulations of the countries in which it operates.

## **Provision 10.5 of the Code: ARMC meets the auditor without the presence of Management annually**

The ARMC shall meet external auditors and internal auditors without the presence of the Management at least once a year so that any matter can be raised directly. For FY2023, the ARMC has met with the external auditors and internal auditors without the presence of the Management. These meetings enable the auditors to raise any issues in the course of their work directly to the ARMC.

## **SHAREHOLDER RIGHTS AND ENGAGEMENT**

### **Shareholder Rights and Conduct of General Meetings**

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

### **Provision 11.1 of the Code: Shareholders' Rights**

### **Provision 11.2 of the Code: Resolutions**

The Board is committed to being open and transparent in the conduct of the Company's affairs, while preserving the commercial interests of the Company. The Board is mindful of its obligations to provide timely and fair disclosure of material information in accordance with the Corporate Disclosure Policy. Financial Results, annual reports and other material information are released via SGXNet. Announcements released via SGXNet are also uploaded promptly on the Company's corporate website. The Company's website: <https://ykgi.com.sg/announcements/>, contains regular up to date information and corporate profile of the Group. All shareholders and the public can access for more information of the Company through this website.

# CORPORATE GOVERNANCE REPORT

All resolutions at general meetings are voted on by poll so as to better reflect shareholders' shareholding interests and ensure greater transparency. Shareholders are briefed by the appointed polling agent on the poll voting procedures at the general meetings. The appointed scrutineer will ensure that the poll process is properly carried out and the counting of the votes is verified by the scrutineer. The poll voting results of all votes cast for, or against, or abstain, each resolution and the respective percentages are announced at the meeting and via SGXNet upon the conclusion of the general meetings.

## **Provision 11.3 of the Code: Attendance at General Meetings**

At general meetings of the Company, shareholders are given the opportunity to communicate their views and are encouraged to ask the Directors and the Management questions regarding matters affecting the Company and the Group.

The Chairman, all the Directors (including the Chairmen of the ARMC, NC and RC) and the external auditors, Messrs. CLA Global TS Public Accounting Corporation, will endeavour to be present at the Company's AGM held on 29 April 2024 to address the shareholders' questions relating to the work of the Board and the Board Committees and the external auditors will assist the Directors in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

## **Provision 11.4 of the Code: Voting procedures**

Shareholders are encouraged to participate at the Company's general meetings. For those who hold their shares through nominee or custodial services, they are allowed, upon prior request through their nominee, to attend the general meetings as observers without being constrained by the two-proxy rule.

All shareholders are encouraged to attend the general meetings to ensure high level of accountability and to stay informed of the Group's strategies and visions. The Constitution allows a shareholder and corporation which provide nominee or custodial services to appoint not more than two (2) proxies to attend and vote at general meetings. The Constitution contains provision for any shareholder to vote in absentia, such as via mail, electronic mail or facsimile. In order to have a valid registration of proxy, the proxy forms must be sent in advance to the place(s) as specified in the notice of the general meetings at least 72 hours before the time set for the general meetings.

Voting in absentia such as voting via mail, electronic mail or facsimile at the general meetings may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised.

## **Provision 11.5 of the Code: Minutes of general meeting**

The Company Secretary shall prepare each item of special business in the notices of the shareholders' general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for each distinct issue. Minutes of general meetings, which include substantial comments or queries from shareholders and responses from the Board and Management are available to shareholders upon request.

The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on SGXNet and the Company's website, and the minutes will include the responses to the questions referred to the above.

## **Provision 11.6 of the Code: Dividend policy**

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, operational and capital requirements, cash flow and financial conditions, as well as general business conditions and other factors which the Board may deem appropriate. The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management. The Board will review the dividend payment from time to time and any dividend declaration will be communicated to shareholders via announcement through SGXNet.

The Board has recommended a final dividend (one-tier tax exempt) of S\$0.0026 per ordinary share for FY2023 which is subject to the Shareholders' approval at the forthcoming AGM of the Company.

# CORPORATE GOVERNANCE REPORT

## Engagement with Shareholders

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

**Provision 12.1 of the Code: Communication with shareholders**

**Provision 12.2 and 12.3 of the Code: Investor relations policy**

### *Disclosure of Information on Timely Basis*

The Group is firmly committed to corporate governance and transparency by disclosing to its stakeholders, including its shareholders, as much relevant information as is possible, in a timely, fair and transparent manner as well as to hearing its shareholders' views and addressing their concerns. By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility.

### *Investor Relations Practices*

The Company has an Investor Relations ("IR") policy outlining the principles and practices adopted in the course of its investor relations activities, including communication with shareholders and the investment community.

The IR Policy reflects avenues for communication between shareholders and the Company, including shareholders' meetings, the Company's annual report and sustainability report, the information available on the Company's website, results announcements, meetings with analysts and media, and describes how shareholders may contact the Company should they have questions. The policy thus allows for an ongoing exchange of views with shareholders, thereby promoting regular, effective and fair communication.

## MANAGING STAKEHOLDERS RELATIONSHIPS

### Engagement with Stakeholders

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

**Provision 13.1 and 13.2 of the Code: Relationships with stakeholders**

The Group has identified key stakeholders as those who are impacted by the Group's business and operation activities, and have a significant impact on the Group's sustainability. Such stakeholders include employees, shareholders, workers, its consumers, its suppliers and business partners, communities, government and regulators, and its financiers. The Company engages its stakeholders through various channels to ensure that business interests of the Group are balanced against the needs and interests of its stakeholders.

The Group's policies including the Board Diversity Policy, the IR Policy and Whistleblowing Policy facilitate the Group's engagement with its key stakeholders. In addition, the Company is present its sustainability report which reported is sustainability performance in accordance with the SGX Sustainability Report Guide, with reference to the Global Reporting Initiative ("GRI") reporting framework and has aligned its climate-related disclosure with the Task Force on Climate-related Financial Disclosure ("TCFD") in managing material economic, environmental, social and governance ("EESG"). Please refer to the Company's Sustainability Report for FY2023 set out on pages 20 to 49 of this Annual Report for further details.

Stakeholders may contact the Company through 'Contact Us' in the Company's corporate website: <https://ykgi.com.sg/contact-us/>.

# CORPORATE GOVERNANCE REPORT

## **Provision 13.3 of the Code: Communication with stakeholders**

### **Corporate Website**

The Company does not practice selective disclosure of material information. All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNet, press releases and the Company's corporate website - <https://www.ykgi.com/>.

The comprehensive website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders. It has a dedicated "Investor Relations" link which features the annual report, financial results, and related information.

## **ADDITIONAL INFORMATION REQUIRED BY THE CATALIST RULES OF THE SGX-ST**

### **1. DEALING IN SECURITIES**

In compliance with Rule 1204(19) of the Catalist Rules, the Company imposes a trading embargo on its Directors and employees of the Company from trading in its securities for the period of one (1) month prior to the announcement of the half-year and full-year financial results, or when they are in possession of unpublished material price-sensitive information.

An internal memorandum was circulated informing all persons covered by the policy that they are prohibited from dealing in the securities of the Company during the 'closed window' period until after the release of the results. The Company's internal memorandum includes the clause whereby an officer of the Company is prohibited from dealing in the Company's securities on short-term considerations.

All Directors are required to seek Board's approval before trading in the Company's shares and are also required to notify the Company Secretary of any change in his/her interest in the Company's shares within two business days of the change.

In view of the policy in place, the Board is of the opinion that the Company has complied with the recommended best practices on dealings in securities under Rule 1204(19) of the Catalist Rules.

In addition, directors, key management personnel and connected persons are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also refrained from dealing in the Company's shares on short-term considerations.

### **2. NON-SPONSORSHIP FEES**

With reference to Rule 1204(21) of the Catalist Rules, no non-sponsor fees were paid to the Company's Sponsor, RHT Capital, for FY2023.

### **3. INTERESTED PERSON TRANSACTIONS ("IPTs")**

The ARMC reviewed the Group's IPTs to ensure that the transactions were executed at normal commercial terms and did not prejudice the interests of the Group and its minority shareholders.

The Company has not obtained a general mandate from shareholders for IPTs. Save from the IPTs disclosed in the Offer Document of the Company, there is no additional IPTs of S\$100,000 and above, and the ARMC is satisfied that there were no material contracts of the Company and its subsidiaries involving the interest of the Executive Directors or any Director or controlling shareholder subsisted at the end of the financial year. In the event that a member of the ARMC is involved in any IPTs, he or she will abstain from reviewing that particular transaction.

# CORPORATE GOVERNANCE REPORT

## 4. USE OF IPO PROCEEDS

The Group raised net proceeds of S\$12.0 million. As of the date of this Annual Report, the balance of net proceeds as follows:

	Allocation of net proceeds S\$'000	Amount utilised as at the date of this Annual Report S\$'000	Balance as at the date of this Annual Report S\$'000
Expansion of our business (including opening new outlets in Singapore and overseas, expanding into more market segments, strengthening our supply chain capabilities, expanding our franchising and sub-franchising operations and undertaking strategic acquisitions and joint venture partnerships)	10,000	603 <sup>(1)</sup>	9,397
Working Capital	2,035	2,035 <sup>(2)</sup>	-
<b>Total</b>	<b>12,035</b>	<b>2,638</b>	<b>9,397</b>

Notes:

- (1) The amount of approximately S\$603,000 was utilised for payment to contractors, landlords and suppliers relating to the renovation, deposit and equipment of new outlets.
- (2) The breakdown of the utilisation of net proceeds used for general working capital purposes were as follows:

Summary of Expenses	S\$'000
Purchases from suppliers	942
Staff cost	1,093
<b>Total</b>	<b>2,035</b>

## 5. MATERIAL CONTRACTS

There were no material contracts entered into by the Company or its subsidiaries involving the interests of its Chairman or any Directors or controlling shareholders which are either still subsisting as at the end of financial year or if not then subsisting, entered into since the end of the previous financial year.

# CORPORATE GOVERNANCE REPORT

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Pursuant to Rule 720(5) of Catalist Rules, the information relating to the directors who are seeking re-appointment at the forthcoming AGM of the Company, as set out in Appendix 7F to the Catalist Rules is set out below:

Details	Name of Director	
	Seah Boon Lock	Wong Fook Sung
Date of Appointment	8 August 2022	25 January 2023
Date of last re-appointment (if applicable)	29 May 2023	29 May 2023
Age	62	68
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Seah Boon Lock (" <b>Mr. Seah</b> ") was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Mr. Seah's experience, and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr. Wong Fook Sung (" <b>Mr. James Wong</b> ") was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Mr. James Wong's qualifications, experience, and overall contribution since he was appointed as a Director of the Company.  The Board considers Mr. James Wong to be independent for the purpose of Rule 704(7) of the Catalist Rules.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for overall strategic direction and expansion plans for the growth and development of the Group.	Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Executive Director	Lead Independent Director, Chairman of Audit and Risk Management Committee, a member of the Nominating Committee and Remuneration Committee
Professional qualifications	N/A	<ul style="list-style-type: none"> <li>Bachelor of Commerce in Accountancy from Nanyang University</li> </ul>
Working experience and occupation(s) during the past 10 years	Please refer to page 15 of this Annual Report	Please refer to page 16 of this Annual Report
Shareholding interest in the listed issuer and its subsidiaries	Mr. Seah is holding 70.0% of the shareholding in Seah & Family Pte. Ltd.. Accordingly, pursuant to section 4 of the Securities and Futures Act, Mr. Seah is deemed interested in all 336,337,700 shares held by Seah & Family Pte. Ltd. in the Company.	Nil

# CORPORATE GOVERNANCE REPORT

Details	Name of Director	
	Seah Boon Lock	Wong Fook Sung
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	Spouse of Ms. Wee Lay Teng, Chief Administrative Officer.  Father of Mr. Seah Qin Quan, Chief Executive Officer and Executive Director, Ms. Seah Kun Miao, Chief Marketing Officer.	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships	<p><b><u>Past (for the last 5 years)</u></b></p> <ul style="list-style-type: none"> <li>● 10 (XO Noodle) Pte. Ltd.</li> <li>● 108 Sembawang Pte. Ltd.</li> <li>● 2 Bukit Panjang Pte. Ltd.</li> <li>● 207 (Duck Rice) Pte. Ltd.</li> <li>● 480 Local Delight Pte. Ltd.</li> <li>● 51 Hougang Pte. Ltd.</li> <li>● Admiralty Local Delight Pte. Ltd.</li> <li>● Fine Food (Nanyang) Pte. Ltd.</li> <li>● Fine Food F&amp;B Pte. Ltd.</li> <li>● Punggol WP83 Pte. Ltd.</li> <li>● SM30 Simei Pte. Ltd.</li> <li>● Ubi 179 Food House Pte. Ltd.</li> <li>● Ying's Traditional Food Pte. Ltd.</li> <li>● YTP (Yew Tee) Pte. Ltd.</li> <li>● Yew Kee Three Pte. Ltd.</li> <li>● Yew Kee Two Pte. Ltd.</li> <li>● Yew Kee Collective Pte. Ltd.</li> <li>● Yew Kee Duck and Noodle House Pte. Ltd.</li> <li>● Yew Kee Management Pte. Ltd.</li> <li>● Toa Payoh (178) Pte. Ltd.</li> <li>● K61 F&amp;B Pte. Ltd.</li> <li>● Yu Kee Venture Pte. Ltd.</li> <li>● Treat 80 Pte. Ltd.</li> <li>● Tampines Hub Delight Pte. Ltd.</li> <li>● Combine Group Pte. Ltd.</li> <li>● You &amp; Lai Pte. Ltd.</li> <li>● Yu Kee Four Pte. Ltd.</li> <li>● Tong Fong Fatt YK Pte. Ltd.</li> <li>● Feng's Kampung Food Pte. Ltd.</li> <li>● Newton Circle Duck Rice Pte. Ltd.</li> </ul>	<p><b><u>Past (for the last 5 years)</u></b></p> <ul style="list-style-type: none"> <li>● Beecomb Foods Industries Pte. Ltd.</li> <li>● Ceres Super Pte. Ltd.</li> <li>● Jacobs Douwe Egberts HLD INV SG Pte. Ltd.</li> <li>● Jacobs Douwe Egberts HLD SCM SG Pte. Ltd.</li> <li>● Jacobs Douwe Egberts HLD SCP SG Pte. Ltd.</li> <li>● Jacobs Douwe Egberts HLD SGI SG Pte. Ltd.</li> <li>● Jacobs Douwe Egberts PRO OBS SG Pte. Ltd.</li> <li>● Jacobs Douwe Egberts RTL OWL SG Pte. Ltd.</li> <li>● Jacobs Douwe Egberts RTL SCC SG Pte. Ltd.</li> <li>● Strategic Marketing &amp; Distribution Pte. Ltd.</li> <li>● Super Investment Holdings Pte. Ltd.</li> </ul> <p><b><u>Present:</u></b></p> <ul style="list-style-type: none"> <li>● Zhongfu Investment Pte. Ltd.</li> </ul>

# CORPORATE GOVERNANCE REPORT

Details	Name of Director	
	Seah Boon Lock	Wong Fook Sung
Other Principal Commitments Including Directorships (cont'd)	<p><b>Past (for the last 5 years) (cont'd)</b></p> <ul style="list-style-type: none"> <li>● Causeway Local Delight Pte. Ltd.</li> <li>● Admiralty &amp; Kallang Pte. Ltd.</li> <li>● Yu Kee Retail Pte. Ltd.</li> <li>● Gek Poh Local Delight Pte. Ltd.</li> <li>● Gek Poh (762) Pte. Ltd.</li> <li>● IMM (SR) Pte. Ltd.</li> <li>● Vivo Local Delight Pte. Ltd.</li> <li>● CWP Delight Pte. Ltd.</li> <li>● Joo Koon Eating House Pte. Ltd.</li> <li>● Jurong Point (JP) Pte. Ltd.</li> <li>● Yu Kee Five Pte. Ltd.</li> <li>● Food Hub (2014) Pte. Ltd.</li> <li>● Food Hub F&amp;B (2014) Pte. Ltd.</li> <li>● Yu Kee One Pte. Ltd.</li> <li>● Penang Kitchen Delight Pte. Ltd.</li> <li>● SBW Local Delight Pte. Ltd.</li> <li>● SG5 F&amp;B Pte. Ltd.</li> <li>● YK Local Delight Pte. Ltd.</li> <li>● 516 Food House Pte. Ltd.</li> <li>● 805 Foodpark Pte. Ltd.</li> <li>● 823 Foodpark Pte. Ltd.</li> <li>● 9 Foodpark Pte. Ltd.</li> <li>● 96 Foodpark Pte. Ltd.</li> <li>● 99 Foodpark Pte. Ltd.</li> <li>● Foodpark Pte. Ltd.</li> <li>● K1 Foodpark Pte. Ltd.</li> <li>● K11 Foodpark Pte. Ltd.</li> <li>● K13 Foodpark Pte. Ltd.</li> <li>● K15 Foodpark Pte. Ltd.</li> <li>● K16 Foodpark Pte. Ltd.</li> <li>● K3 Foodpark Pte. Ltd.</li> <li>● K485 Foodpark Pte. Ltd.</li> <li>● K5 Foodpark Pte. Ltd.</li> <li>● K6 Foodpark Pte. Ltd.</li> <li>● K7 Foodpark Pte. Ltd.</li> <li>● K78 Foodpark Pte. Ltd.</li> <li>● K8 Foodpark Pte. Ltd.</li> <li>● Marina Square (610) Pte. Ltd.</li> <li>● J9 Holdings Pte. Ltd.</li> <li>● Feng Rong Investments Pte. Ltd.</li> <li>● AMK Hub Pte. Ltd.</li> <li>● SK (Rivervale) Pte. Ltd.</li> </ul> <p><b>Present:</b></p> <ul style="list-style-type: none"> <li>● Gambas Investment Pte. Ltd.</li> <li>● 8 Oriental Asset Pte. Ltd.</li> <li>● BB207 Pte. Ltd.</li> <li>● Seah &amp; Family Pte. Ltd.</li> <li>● Shelford Investment Holdings Pte. Ltd.</li> </ul>	



# CORPORATE GOVERNANCE REPORT

Details	Name of Director	
	Seah Boon Lock	Wong Fook Sung
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

# CORPORATE GOVERNANCE REPORT

Details	Name of Director	
	Seah Boon Lock	Wong Fook Sung
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

# CORPORATE GOVERNANCE REPORT

Details	Name of Director	
	Seah Boon Lock	Wong Fook Sung
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Please refer to page 224 to page 230 of the Company's offer Document dated 26 January 2023 for the following matters: a. IRAS Investigations; b. MOM Matter; and c. NEA and Singapore Food Agency infringements.	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No, save for the IRAS Investigation and MOM matter as stated in (j) (i) above.	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

The directors present their statement to the members together with the audited financial statements of YKGI Limited (the "Company") and its subsidiary corporations (the "Group") for the financial year ended 31 December 2023 and the statement of financial position of the Company as at 31 December 2023.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the financial statements of the Group as set out on pages 90 to 140 are drawn up so as to give a true and fair view of the financial position of the Company and the Group as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Group and Company will be able to pay its debts as and when they fall due.

## DIRECTORS

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

Mr. Seah Boon Lock  
Mr. Seah Qin Quan  
Mr. Wong Fook Sung (Mr. James Wong)  
Mr. Koh Kew Siong (Mr. Douglas Koh)  
Mr. Ng Hong Whee

## ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

## DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

The Company (No. of ordinary shares)	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 31.12.2023	At 01.01.2023	At 31.12.2023	At 01.01.2023
Mr. Seah Boon Lock	-	-	336,337,700	355,000,000

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

## DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (Continued)

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows: (continued)

Immediate and Ultimate Company – Seah & Family Pte. Ltd. (No. of ordinary shares)	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 31.12.2023	At 01.01.2023	At 31.12.2023	At 01.01.2023
Mr. Seah Boon Lock	70	70	-	-
Mr. Seah Qin Quan	10	10	-	-

- (b) Mr. Seah Boon Lock, who by virtue of his interest of not less than 20% of the issued capital of Seah & Family Pte. Ltd., is deemed to have an interest in the share capital of all subsidiary corporations of the Company at the beginning and at the end of the financial year.

The directors' interest in the ordinary shares of the Company as at 21 January 2024 were the same as those as at 31 December 2023.

## PERFORMANCE SHARE PLAN

The Yew Kee Performance Share Plan (the "Yew Kee PSP") was approved by the Company's shareholders at an Extraordinary General Meeting held on 23 December 2022.

The Yew Kee PSP will provide eligible participants ("PSP Participants") with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The Yew Kee PSP forms an integral and important component of the Group's compensation plan and is designed primarily to reward and retain employees whose services are vital to the growth and performance of the Company and/or the Group. Under the Yew Kee PSP, the award of fully-paid shares, free of charge (the "Award") are granted to the Group employees including Group Executive Directors and Group Non-Executive Directors who in the opinion of the Remuneration Committee ("RC"), have contributed or will contribute to the success and development of the Group.

Employees who are controlling shareholders or associates of controlling shareholders, and who are also Group Executives shall be eligible to participate in the Yew Kee PSP at the absolute discretion of the RC if their participation and the terms of each grant of Award and the actual number of Shares to be granted to them have been approved by the independent shareholders at a general meeting in separate resolutions for each such person, and in respect of each such person, in separate resolutions for each of (a) his participation, and (b) the terms of each grant of Award and the actual number of shares to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent shareholders of the Company for the participation in the Yew Kee PSP of a controlling shareholder or an associate of a controlling shareholder who is, at the relevant time, already a PSP Participant.

The Award will be determined at the absolute discretion of the RC which will oversee and administer the Yew Kee PSP, provided that no member of the RC shall participate in any deliberation or decision in respect of Awards granted or to be granted to him/her. In considering the grant of an Award to a participant, the RC shall take into account (where applicable) criteria such as the rank, scope of responsibilities, performance, years of services and potential for future development of the PSP Participant. The length of the vesting period in respect of each Award will be determined by the RC on a case-by-case basis taking into consideration the length of service of the participant and the need to retain the participant so as to encourage him/her to continue serving the Group for a further period even after having satisfied the performance target. No minimum vesting periods are prescribed under the Yew Kee PSP. The criteria and terms of the Awards will be applied consistently to all participants including the controlling shareholders and their associates.

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

## PERFORMANCE SHARE PLAN (Continued)

The aggregate number of shares over which the RC may grant under the Yew Kee PSP on any date, when aggregated any other share-based incentive scheme, shall not exceed 15% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings) from time to time. There were no Award granted to controlling shareholders of the Company or their associates (as defined in the SGX-ST Listing Manual Section B: Rules of Catalist) and no participant has received 5% or more of the total number of shares available under the Yew Kee PSP during the financial year ended 31 December 2023. There were no Awards granted during the financial year ended 31 December 2023.

## SHARE OPTIONS

The Yew Kee Employee Share Option Scheme (the "Yew Kee ESOS") was approved by the Company's shareholders at an Extraordinary General Meeting held on 23 December 2022.

The Yew Kee ESOS will provide eligible participants ("ESOS Participants") with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The Yew Kee ESOS is primarily a share incentive scheme. It recognises the fact that the services of ESOS Participants are important to the success and continued well-being of the Group. Implementation of the Yew Kee ESOS will enable the Company to give recognition to the contributions made by such ESOS Participants. Under the Yew Kee ESOS, the award of options (the "Options") are granted to the Group employees including Group Executive Directors and Group Non-Executive Directors who in the opinion of the RC, have contributed or will contribute to the success and development of the Group.

Employees who are controlling shareholders or associates of controlling shareholders, and who are also Group Executives shall be eligible to participate in the Yew Kee ESOS at the absolute discretion of the RC if their participation and the terms of each grant of Option and the actual number of shares to be granted to them have been approved by the independent shareholders at a general meeting in separate resolutions for each such person, and in respect of each such person, in separate resolutions for each of (a) his participation, and (b) the terms of each grant of Option and the actual number of shares to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent shareholders of the Company for the participation in the Yew Kee ESOS of a controlling shareholder or an associate of a controlling shareholder who is, at the relevant time, already a ESOS Participant.

The RC may, subject to the rules of the Yew Kee ESOS, offer to grant Option to such grantees as it may select in its absolute discretion at any time during the period when the Yew Kee ESOS is in force, except that no Option shall be granted during the period of 30 days immediately preceding the date of announcement of the Company's interim and/or final results (whichever the case may be).

The aggregate number of Shares over which the RC may grant Options on any date, when added to the number of shares issued and issuable or transferred and to be transferred in respect of all Options granted under the Yew Kee ESOS and the number of shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of the Company, including the Yew Kee PSP, shall not exceed 15% of the total number of issued shares (excluding shares held by the Company as treasury shares) on the day immediately preceding the offer date of the Options.

The aggregate number of Yew Kee ESOS Shares which may be issued or transferred to ESOS Participants who are controlling shareholders and their associates shall not exceed 25% of the shares available under the Yew Kee ESOS.

The number of Shares which may be issued or transferred pursuant to Options under the Yew Kee ESOS to each Participant who is a controlling shareholder or his associate shall not exceed 10% of the shares available under the Yew Kee ESOS.

Subject to the rules of the Yew Kee ESOS in relation to adjustments, the exercise price for each share in respect of which an Option is exercisable shall be determined by the RC at its absolute discretion, and shall be fixed by the RC at the market price; or a price which is set at a discount to the market price, the quantum of such discount to be determined by the RC in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20% of the market price in respect of that Option, or such other percentage as may be prescribed by the Catalist Rules.

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

## SHARE OPTIONS (CONTINUED)

In making any determination on whether to give a discount and the quantum of such discount as set out above, the RC shall take into consideration such criteria as the RC may, at its absolute discretion, deem appropriate, including but not limited to: (a) the performance of the Group, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth; (b) the years of service and individual performance of the eligible Participant; (c) the contribution of the eligible Participant to the success and development of the Company and/or the Group; and (d) the prevailing market conditions.

Options granted with the exercise price set at market price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Participant at any time, after the first anniversary of the offer date of that Option, provided always that the Options shall be exercised before the tenth anniversary of the relevant offer date or such earlier date as may be determined by the RC, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

Options granted with the exercise price set at a discount to market price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by a Participant after the second anniversary from the offer date of that Option, provided always that the Options shall be exercised before the tenth anniversary of the relevant offer date and fifth anniversary from the relevant offer date (in the case of a Participant who is a non-executive Director), or such earlier date as may be determined by the RC, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

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

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

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

## AUDIT AND RISK MANAGEMENT COMMITTEE

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

Mr. James Wong (Chairman)  
Mr. Douglas Koh (Member)  
Mr. Ng Hong Whee (Member)

All members of the Audit and Risk Management Committee were independent and non-executive directors.

The Audit and Risk Management Committee carried out its function in accordance with Section 201B(5) of the Singapore Companies Act 1967. It undertakes to perform inter alia the following:

- (i) the scope and the results on internal audit procedures with the internal auditor;
- (ii) the adequacy, effectiveness, independence, scope and results of the internal audit function in the overall context of the company's risk management system;
- (iii) the audit plan and results of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit; and
- (iv) the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2023 before their submission to the Board of Directors (the "Board").

The Audit and Risk Management Committee has recommended to the Board that the independent auditor, CLA Global TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

## INDEPENDENT AUDITOR

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

On behalf of the directors

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**Seah Boon Lock**  
Director

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**Seah Qin Quan**  
Director

12 April 2024



# INDEPENDENT AUDITOR'S REPORT

To the Members of YKGI Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of YKGI Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 90 to 140.

In our opinion, the accompanying financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 of Singapore (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

### Basis for Opinion

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

### Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2023. 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.

### Revenue recognition - Sales of food and beverages

Refer to Note 2.2(a) and Note 4 to the financial statements

#### **Area of focus**

The Group derives revenue primarily from sales of food and beverages which is recognised at the point in time when the customer accepts the ordered food and beverages and the control over the food and beverages is transferred to the customer. For orders from online food delivery applications, revenue is recognised at the point in time when the food and beverages are delivered to the customer, which is the point of time that the control over the food and beverages is transferred to the customer.

The Group offers customers a membership program where its customers can earn membership points from qualified purchases. The membership points can be used to redeem discount vouchers and other products related to the branding of the Group. Additionally, the Group provides customers with discount vouchers and free vouchers for complimentary drinks and other products from qualified purchases upon reaching certain amount of spending. These vouchers are distributed for free of charge by the Group through various promotional and advertising activities. The discount vouchers, free vouchers and membership points are issued concurrently with a revenue transaction and are considered as a separate performance obligations arising from transaction with customers.

# INDEPENDENT AUDITOR'S REPORT

To the Members of YKGI Limited

Key Audit Matter (continued)

## **Revenue recognition – Sales of food and beverages (continued)**

Refer to Note 2.2(a) and Note 4 to the financial statements (continued)

### ***Area of focus (continued)***

The Group estimates the value of the future redemption obligation based on the estimated value of the products for which the discount vouchers and free vouchers for complimentary drinks and other products are expected to be redeemed. It recognises the estimated fair value in the statement of financial position as contract liability. For membership points, the Group estimates the value of the future redemption obligation based on the estimated value of the products for which the membership points are expected to be redeemed based on historical redemption patterns, including an estimate of the breakage for points that will not be redeemed.

We focus on this area as a key audit matter as there is presumed fraud risk with regards to revenue recognition and revenue being one of the key performance indicators of the Group, represents the most significant item on the Group's financial statements. In addition, due to the magnitude and the characteristics of the Group's industry, the recording of the Group's revenue from sales of food and beverages involves high volume of individual transactions derived from sales to multiple customers such that we have incurred significant time and resources in carrying out our work in this area.

### ***How our audit addressed the key audit matter***

Our procedures performed in relation to the Group's sales of food and beverages included the following:

- Reviewed management's assessment on the application of SFRS(I) 15 Revenue from Contracts with Customers and considered the appropriateness of the Group's revenue recognition accounting policies;
- Tested the design and implementation of the Group's relevant key controls over the revenue recognition;
- Performed test of controls, which included testing the operating effectiveness of key controls over the sales of food and beverages;
- Performed analytical procedures and identified any unusual fluctuations and trends to identify areas where there is a higher risk of misstatement;
- Reviewed management journal entries posted to revenue to detect any indications of fraud for evidence of fraud, if any;
- Performed test of details and cut-off procedures which included inspection of corresponding daily sales reports and bank advice, on a sampling basis; and
- Reviewed the completeness and appropriateness of corresponding disclosures made in the financial statements.

### **Other Information**

Management is responsible for the other information. The other information comprises the Directors' statement and other sections of the annual report, which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

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

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

# INDEPENDENT AUDITOR'S REPORT

To the Members of YKGI Limited

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

# INDEPENDENT AUDITOR'S REPORT

To the Members of YKGI Limited

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

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

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

## Report on Other Legal and Regulatory Requirements

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

The engagement director on the audit resulting in this independent auditor's report is Meriana Ang Mei Ling.

**CLA Global TS Public Accounting Corporation**  
**Public Accountants and Chartered Accountants**

**Singapore**

12 April 2024

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	2023 \$'000	2022 \$'000
Revenue	4	61,949	56,207
Other income	5	979	1,569
Expenses			
- Purchases and related costs		(15,801)	(14,457)
- Changes in inventories		154	(238)
- Employee benefits	6	(16,411)	(13,840)
- Depreciation of property, plant and equipment	15	(9,506)	(8,511)
- Other expenses	7	(17,934)	(15,320)
- Finance costs	8	(1,284)	(692)
Total expenses		<u>(60,782)</u>	<u>(53,058)</u>
<b>Profit before income tax</b>		2,146	4,718
Income tax expense	9	<u>(672)</u>	<u>(397)</u>
<b>Net profit, representing total comprehensive income for the financial year</b>		<u>1,474</u>	<u>4,321</u>
<b>Net profit attributable to:</b>			
Equity holders of the Company		1,368	4,297
Non-controlling interests	24	<u>106</u>	<u>24</u>
		<u>1,474</u>	<u>4,321</u>
<b>Earnings per share ("EPS") for net profit attributable to equity holders of the Company (Cents per share)</b>			
Basic and diluted EPS	10	<u>0.33</u>	<u>1.21</u>

The accompanying notes form an integral part of these financial statements

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	The Group			The Company	
		31 December 2023 \$'000	31 December 2022 \$'000	1 January 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
(Restated)						
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and bank balances	11	17,202	4,659	13,601	5,487	318
Trade and other receivables	12	4,813	6,381	3,996	8,684	2,400
Inventories	13	899	745	983	-	-
		22,914	11,785	18,580	14,171	2,718
<b>Non-current assets</b>						
Investments in subsidiary corporations	14	-	-	-	2,761	2,451
Property, plant and equipment	15	24,249	17,437	13,064	-	-
Intangible assets	18	132	156	181	-	-
Investment in an associated company		-	-	*	-	-
Deferred tax assets	19	223	115	115	-	-
		24,604	17,708	13,360	2,761	2,451
<b>Total Assets</b>		47,518	29,493	31,940	16,932	5,169
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	20	5,496	5,848	5,361	147	623
Bank borrowings	21	2,498	3,665	-	-	-
Lease liabilities	16(h)	5,956	5,289	5,713	-	-
Current income tax liabilities		610	783	655	-	-
		14,560	15,585	11,729	147	623
<b>Non-current liabilities</b>						
Lease liabilities	16(h)	14,428	7,977	2,889	-	-
Deferred tax liabilities	19	47	10	10	-	-
Provisions	22	1,114	877	817	-	-
		15,589	8,864	3,716	-	-
<b>Total liabilities</b>		30,149	24,449	15,445	147	623
<b>Net assets</b>		17,369	5,044	16,495	16,785	4,546
<b>EQUITY</b>						
<b>Capital and reserves attributable to equity holders of the Company</b>						
Share capital	23	15,505	2,159	1,890	15,505	2,159
Retained profits #		1,899	2,644	14,068	1,280	2,387
		17,404	4,803	15,958	16,785	4,546
Non-controlling interests	24	(35)	241	537	-	-
<b>Total equity</b>		17,369	5,044	16,495	16,785	4,546

\* Amount less than \$1,000

# Retained profits of the Group are distributable.

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

The Group	Note	Attributable to equity holders of the Company			Non-controlling interests	Total equity
		Share capital	Retained profits	Total		
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>2023</b>						
Beginning of financial year		2,159	2,539	4,698	241	4,939
Adoption of amendments to SFRS(I) 1-12 Income Taxes	2.1	-	105	105	-	105
Beginning of financial year (restated)		2,159	2,644	4,803	241	5,044
Net profit for the financial year		-	1,368	1,368	106	1,474
Incorporation of subsidiary corporations	24	-	-	-	3	3
Issuance of new ordinary shares	23	14,000	-	14,000	-	14,000
Share issuance expenses	23	(654)	-	(654)	-	(654)
Acquisition of non-controlling interest of subsidiary corporations	24	-	55	55	(385)	(330)
Dividends declared	26	-	(2,168)	(2,168)	-	(2,168)
End of financial year		15,505	1,899	17,404	(35)	17,369
<b>2022</b>						
Beginning of financial year		1,890	13,963	15,853	537	16,390
Adoption of amendments to SFRS(I) 1-12 Income Taxes	2.1	-	105	105	-	105
Beginning of financial year (restated)		1,890	14,068	15,958	537	16,495
Net profit for the financial year		-	4,297	4,297	24	4,321
Issuance of new ordinary shares - Incorporation of subsidiary corporations	24	261	-	261	40	301
Issuance of new ordinary shares	23	8	-	8	-	8
Struck-off of a subsidiary corporation		*	-	*	-	*
Dividends declared	26	-	(15,721)	(15,721)	(360)	(16,081)
End of financial year		2,159	2,644	4,803	241	5,044

\* Amount less than \$1,000

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Note	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
Net profit		1,474	4,321
Adjustments for:			
- Amortisation of intangible assets	7	24	25
- Depreciation of property, plant and equipment	15	9,506	8,511
- Gain on termination of leases	5	(5)	(258)
- Loss/(Gain) on disposal of property, plant and equipment	5	18	(133)
- Interest income	5	(87)	-
- Interest expense	8	1,284	692
- Income tax expense	9	672	397
		12,886	13,555
Changes in working capital:			
- Inventories		(154)	238
- Trade and other receivables		1,568	(2,385)
- Trade and other payables		(352)	488
- Provisions		(131)	-
		13,817	11,896
<b>Cash generated from operations</b>		13,817	11,896
Income tax paid		(916)	(269)
<b>Net cash generated from operating activities</b>		12,901	11,627
<b>Cash flows from investing activities</b>			
Interest received		87	-
Proceeds from disposal of property, plant and equipment		68	684
Additions to property, plant and equipment	B	(2,292)	(1,741)
Acquisition of non-controlling interest of subsidiary corporations	24	(330)	-
		(2,467)	(1,057)
<b>Net cash used in investing activities</b>		(2,467)	(1,057)
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares	23	14,000	269
Share issuance expenses	23	(654)	-
Proceed from issuance of ordinary shares to non-controlling interests	23	3	40
Dividends paid to equity holders of the Company	26	(2,168)	(15,721)
Dividends paid to non-controlling interests	24	-	(360)
Proceeds from borrowings		388	6,187
Repayments of borrowings		(1,555)	(2,522)
Principal repayment of lease liabilities		(6,621)	(6,713)
Interest paid		(1,284)	(692)
		2,109	(19,512)
<b>Net cash generated from/(used in) financing activities</b>		2,109	(19,512)
<b>Net increase/(decrease) in cash and bank balances</b>		12,543	(8,942)
<b>Cash and bank balances</b>			
Beginning of the financial year		4,659	13,601
<b>End of the financial year</b>	11	17,202	4,659

The accompanying notes form an integral part of these financial statements



# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

## A. Reconciliation of liabilities arising from financing activities

	1 January 2023	Proceeds from borrowings	Principal and interest payments	Non-cash changes			31 December 2023
				Interest expense	Additions	Lease termination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bank borrowings	3,665	388	(1,722)	167	-	-	2,498
Lease liabilities	13,266	-	(7,738)	1,117	13,868	(129)	20,384

	1 January 2022	Proceeds from borrowings	Principal and interest payments	Non-cash changes			31 December 2022
				Interest expense	Additions	Lease termination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bank borrowings	-	6,187	(2,570)	48	-	-	3,665
Lease liabilities	8,602	-	(7,357)	644	11,782	(405)	13,266

## B. Reconciliation of additions to property, plant and equipment to cash flows

	The Group	
	2023	2022
	\$'000	\$'000
Total additions as per Note 15 to the financial statements	16,528	13,583
Less: Acquired under lease arrangements	(13,868)	(11,782)
Less: Movement in provision for reinstatement (Note 22)	(368)	(60)
Cash outflows for additions to property, plant and equipment	2,292	1,741

The accompanying notes form an integral part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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

## 1. General information

YKGI Limited (the "Company") is incorporated and domiciled in Singapore. The address of its registered office is at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712. The Company is listed on the Catalist, the sponsor-supervised listing platform of the Singapore Securities Trading Limited ("SGX-ST") since 6 February 2023.

The principal activity of the Company is that of an investment holding. The principal activities of the subsidiary corporations are disclosed in Note 14 to the financial statements.

## 2. Material accounting policies

### 2.1 Basis of preparation

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

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

The financial statements are presented in Singapore Dollar ("SGD or \$") and all values are rounded to the nearest thousand ("'\$000'") except when otherwise indicated.

### Interpretation and amendments to published standards effective in 2023

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

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

### Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies

The Group has adopted the amendments to SFRS(I) 1-1 for the first time in the current financial year. The amendments change the requirements in SFRS(I) 1-1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in SFRS(I) 1-1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Group has applied materiality guidance in SFRS(I) Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policies information'.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policies (continued)

### 2.1 Basis of preparation (continued)

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

The Group has adopted the amendments to SFRS(I) 1-12 for the first time in the current financial year. The amendments narrow the scope of the initial recognition exemption, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences (e.g. leases and decommissioning obligations). Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

The Group had previously recognised deferred tax for leases on an aggregate temporary difference basis and assessed the impact to be immaterial. Following the amendments, the Group is required to recognise separately deferred tax asset and deferred tax liability for the deductible and taxable temporary differences in relation to its lease liabilities and right-of-use assets respectively, which now disclosed in Note 19.

The Group applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognises deferred tax for all temporary differences related to leases and recognises deferred tax for all temporary differences related to leases and recognises the cumulative effect arising from the initial application of the amendments as an adjustment to the opening balance of retained profits at that date.

The effects of the adoption of the above amendments to SFRS(I) 1-12 are shown below:

Group	31 December	Adjustments	1 January
	2021		2022
	\$'000	\$'000	\$'000
Deferred tax assets	-	115	115
Deferred tax liabilities	-	(10)	(10)
Retained profits	13,963	105	14,068

There is no impact on the Company's financial statements for the prior financial year as a result of the adoption of the amendments to SFRS(I) 1-12.

### 2.2 Revenue recognition

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

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

#### (a) Revenue from sales of food and beverages

Revenue is recognised at the point in time when the customer accepts the ordered food and beverages and the control over the food and beverages is transferred to the customer. For orders from online food delivery applications, revenue is recognised at the point in time when the goods are delivered to the customer, which is the point of time that the control over the food and beverages is transferred to the customer.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policies (continued)

### 2.2 Revenue recognition (continued)

#### (a) Revenue from sales of food and beverages (continued)

Discount vouchers and free vouchers for complimentary drinks and other products

From time to time, the Group offers its customers discount vouchers and free vouchers for complimentary drinks and other products. The discount vouchers and free vouchers for complimentary drinks and other products can be obtained through three channels: (i) from qualified purchases when the customers reach certain amount of spending; (ii) from redemption of membership points accumulated from the membership programs of the Group; (iii) distributed for free of charge by the Group through various promotional and advertising activities.

As the discount vouchers and free vouchers for complimentary drinks and other products obtained through channels (i) and (ii) are issued concurrent with a revenue transaction, the Group estimates the value of the future redemption obligation based on the estimated value of the products for which the discount vouchers and free vouchers for complimentary drinks and other products are expected to be redeemed, and recognises the estimated fair value in the statements of financial position as contract liability. Subsequently, contract liability is recognised as revenue at the point in time when the customer redeems the discount vouchers and free vouchers for complimentary drinks and other products in future purchases, or when the Group is legally released from its obligation based on the expiration date of the discount vouchers and free vouchers.

For discount vouchers obtained through channel (iii) for which the granting of such discount vouchers does not occur concurrently with a revenue transaction, the discount vouchers are not accounted for when such vouchers are granted and can only be applied to future purchases of certain specified products of the Group. The Group recognises as a reduction in revenue when the customers apply the discount vouchers in future purchases.

Membership program

The Group offers customers a membership program where customers can earn membership points from qualified purchases. The membership points can be used to redeem discount vouchers and other products related to the brandings of the Group.

Customers membership points earned through qualified purchases are considered as a separate performance obligation arising from transactions with customers. The Group estimates the value of the future redemption obligation based on the estimated value of the products for which the membership points are expected to be redeemed based on historical redemption patterns, including an estimate of the breakage for points that will not be redeemed.

#### (b) Rental income

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term. Contingent rentals are recognised as income in the accounting period in which they are earned.

#### (c) Management services

Revenue from provision of management services includes the upkeep of vacant stalls and allocation of such stalls to food court tenants, application for and renewal of licences, collection of takings from the daily sales of food court tenants, collection of management and cleaning fees, managing arrears, addressing complaints from food court tenants and customers and the cleaning, maintenance and repair of the food court are recognised over time on a straight-line basis over the terms of the service agreements when the Group satisfies the performance obligation according to the service agreements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policies (continued)

### 2.2 Revenue recognition (continued)

(d) Interest income

Interest income is recognised using the effective interest method.

### 2.3 Government grants

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

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown as an offset against the related cost. Government grants with no direct expenses are presented separately as other income. Government grants relating to assets are deducted against the carrying amount of the assets.

### 2.4 Group accounting

(a) Subsidiary corporations

(i) Consolidation

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

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

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the statement of 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 corporation, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policies (continued)

### 2.4 Group accounting (continued)

#### (a) Subsidiary corporations (continued)

##### (ii) Acquisitions (continued)

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

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

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

##### (iii) Business combinations involving entities under common control

The financial statements comprise the financial statements of the Company and its subsidiary corporations as at the reporting date. The financial statements of the subsidiary corporations used in the preparation of the financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

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 plant and equipment, are eliminated in full.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method.

The financial statements of the Group were prepared by applying the pooling of interest method as the Restructuring Exercise as described in Note 1.2 to the financial statements is a legal reorganisation of entities under common control. Under this method, the Company has been treated as the holding company of the subsidiary corporations for the financial years presented rather than from the completion of the Restructuring Exercise. Accordingly, the results of the Group include the results of the subsidiary corporations for the entire periods under review. Such manner of presentation reflects the economic substance of the companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidary relationships were not established.

Pursuant to this:

- Assets and liabilities are brought into the financial statements at their existing carrying amounts from the perspective of the controlling party;
- The statements of comprehensive income include the results of the acquired entities since the earliest date the entities are under common control;
- No adjustments are made to reflect the fair values on the date of combination or recognise any new assets or liabilities;
- No additional goodwill is recognised as a result of the combination;

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policies (continued)

### 2.4 Group accounting (continued)

#### (a) Subsidiary corporations (continued)

##### (iii) Business combinations involving entities under common control (continued)

- The cost of investment is recorded at the aggregate of the nominal value of the equity shares issued; and
- On consolidation, any difference between the cost of investment and the nominal value of the share capital of the merged subsidiary corporations are reflected within the equity of the Group as merger reserve.

##### (iv) Disposals

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

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

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

#### (b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

### 2.5 Property, plant and equipment

#### (a) Measurement

##### (i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

##### (ii) Components of costs

The cost of an item 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2.5 Property, plant and equipment (continued)

### (b) Depreciation

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

	<b>Useful lives</b>
Cold room and equipment	3 - 5 years
Computers	3 years
Furniture and fittings	3 years
Leasehold property	50 years
Motor vehicles	5 years
Office equipment	3 years
Renovation	3 years
Drink and food outlets	3 - 8 years

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

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

### (c) Subsequent expenditure

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

### (d) Disposal

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

## 2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

## 2.7 Impairment of non-financial assets

Property, plant and equipment (including right-of-use assets)  
Intangible assets

Property, plant and equipment (including right-of-use assets) and intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policies (continued)

### 2.7 Impairment of non-financial assets (continued)

Property, plant and equipment (including right-of-use assets) (continued)  
Intangible assets (continued)

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

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

### 2.8 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

### 2.9 Financial assets

#### (a) Classification and measurement

The Group classifies its financial assets at amortised cost. The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

#### At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not a fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### At subsequent measurement

Debt instrument – At amortised cost

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

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

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is recognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policies (continued)

### 2.9 Financial assets (continued)

#### (b) Impairment

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

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9 - Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

#### (c) 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.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

### 2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### 2.11 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policies (continued)

### 2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

### 2.13 Leases

#### (a) When the Group is the lessee

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

- Right-of-use assets

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

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

Right-of-use assets are presented within "property, plant and equipment".

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policies (continued)

### 2.13 Leases (continued)

#### (a) When the Group is the lessee (continued)

- Lease liabilities (continued)

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term.

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

- Short-term and low-value leases

The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

#### (b) When the Group is the lessor:

The Group subleases food outlets under licensing agreements to non-related parties.

##### Lessor – sublease

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use assets arising from the head lease, rather than the underlying asset.

The sublease under licensing agreements is assessed as an operating lease, the Group

recognises lease income from the sublease in profit or loss within "Revenue". The right-of-use asset relating to the head lease is not derecognised.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income. Contingent rents are recognised as income in profit or loss when earned.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policies (continued)

### 2.14 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- i. at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the reporting date; and
- ii. based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expenses in profit or loss.

### 2.15 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

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 on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Employees 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 reporting date.

Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises an accrual when it is contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policies (continued)

### 2.16 Currency translation

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group are presented in Singapore Dollar ("S\$"), which is the functional currency of the Company.

Transactions in a currency other than the Singapore Dollar ("foreign currency") are translated into the Singapore Dollar using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. 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.

### 2.17 Cash and bank balances

For the purpose of presentation in the statement of cash flows, cash and bank balances include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

### 2.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

### 2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risk specific to the obligation.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

Provisions for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events. It is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated.

The Group recognises the estimated cost of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the change in the liability is recognised in profit or loss immediately.

### 2.20 Dividends to the Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policies (continued)

### 2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

## 3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### *Impairment of property, plant and equipment (including right-of-use assets)*

The Group reviews its property, plant and equipment (including right-of-use assets) for indications of impairment at each reporting period. In the event potential impairment indicators are identified, the Group uses projections of future cash flows to determine the recoverable amounts from the assets based on management's assignment of a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Management has assessed that there is no indication that the Group's property, plant and equipment and right-of-use assets may be impaired. The carrying amount of property, plant and equipment is disclosed in Note 15 to the financial statements.

### *Determining the lease term of contracts with renewal options – The Group as lessee*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

## 4. Revenue

Disaggregation of revenue from contracts with customers

	The Group	
	2023	2022
	\$'000	\$'000
Revenue from contracts with customers:		
(i) Sales of food and beverages – Point in time		
- F&B operation business	31,962	27,911
- Franchise business	21,474	21,520
- Food court business	3,553	2,598
	<u>56,989</u>	<u>52,029</u>
(ii) Management services - Over time		
- Food court business	1,989	1,801
	<u>58,978</u>	<u>53,830</u>
Rental income (Note 17)	2,971	2,377
	<u>61,949</u>	<u>56,207</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 5. Other income

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Government grants <sup>(1)</sup>	595	720
Rental concession income	36	172
(Loss)/Gain on disposal of property, plant and equipment	(18)	133
Gain on termination of leases	5	258
Interest income	87	-
Sponsorship		
- Listing exercise	53	-
- Company events	61	25
Others	160	261
	<u>979</u>	<u>1,569</u>

(1) Included in the government grants were Wages Subsidies Scheme, Special Government Credit and Spring Government Grant.

## 6. Employee benefits

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	14,074	11,692
Employer's contribution to defined contribution plans including the Central Provident Fund	1,315	1,206
Other short-term benefits	1,022	942
	<u>16,411</u>	<u>13,840</u>

Key management's remuneration is disclosed in Note 25(b) to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 7. Other expenses

	The Group	
	2023 \$'000	2022 \$'000
Amortisation of intangible assets (Note 18)	24	25
Advertising and promotion	255	185
Cleaning fees	1,495	1,262
Fees paid/payable to auditor of the Company:		
- Audit services	291	335
- Non-audit services	17	28
Franchise and royalty fees	446	435
Foreign worker levies	863	699
Initial Public Offering ("IPO") and related expenses	1,243	-
License fees	1,116	1,316
Lease expenses – variable rental and short-term leases (Note 16(d))	1,997	1,785
Repair and maintenance	1,510	1,220
Transaction and service charges	3,470	3,527
Utilities	2,163	1,920
Others	3,044	2,583
Total other expenses	17,934	15,320

Included in the license fees for the financial year ended 31 December 2022 was miscellaneous fees payable/paid to directors and related parties in consideration for their efforts in running the food outlets amounted to \$88,000 (Note 25(a)).

## 8. Finance costs

	The Group	
	2023 \$'000	2022 \$'000
Interest expenses		
- Bank borrowings	167	48
- Lease liabilities (Note 16(c))	1,117	644
	1,284	692

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 9. Income taxes

	The Group	
	2023 \$'000	2022 \$'000
Tax expense/(credit) attributable to profit is made up of:		
Profit for the financial year:		
- Current income tax	498	399
- Deferred income tax (Note 19)	(71)	-
	427	399
- Under/(Over) provision of current income tax in prior financial years	245	(2)
	672	397

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	The Group	
	2023 \$'000	2022 \$'000
Profit before income tax	2,146	4,718
Tax calculated at tax rate of 17%	365	802
Effects of:		
- income not subject to tax	(42)	(227)
- expenses not deductible for tax purposes	434	200
- stepped income exemption and rebates	(386)	(438)
- under/(over) provision of current income tax	245	(2)
- others	56	62
	672	397

## 10. Earnings per share

Basic earnings per share have been calculated based on the net profit attributable to equity holders of the Company and weighted average number of shares of 418,095,890 ordinary shares outstanding for the financial year ended 31 December 2023 (2022: pre-placement share of 355,000,000 shares).

The fully diluted earnings per share and basic earnings per share are the same because there is no dilutive potential ordinary share.

## 11. Cash and bank balances

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash on hand	123	82	-	-
Cash at bank	17,079	4,577	5,487	318
	17,202	4,659	5,487	318

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 12. Trade and other receivables

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables				
- Non-related parties	281	444	-	-
Non-trade receivables				
- Non-related parties	23	-	-	-
- Subsidiary corporations	-	-	6,074	-
	23	-	6,074	-
Refundable security deposits	3,563	3,806	-	-
Prepayments	946	1,027	10	-
Deferred IPO expenses	-	1,104	-	-
Dividends receivable from subsidiary corporations	-	-	2,600	2,400
	4,813	6,381	8,684	2,400

Non-trade receivables from subsidiary corporations are unsecured, interest-free and repayable on demand.

Included in the prepayments as at 31 December 2023 was an advance payment to a supplier for the purchase raw materials of \$399,000 (2022: \$672,000).

## 13. Inventories

	The Group	
	2023 \$'000	2022 \$'000
Raw materials and consumables	899	745

The costs of inventories recognised as an expense during the financial year ended 31 December 2023 amounted to \$15,647,000 (2022: \$14,695,000).

## 14. Investments in subsidiary corporations

	The Company	
	2023 \$'000	2022 \$'000
Equity investments at cost		
Beginning of financial year	2,451	-
Additions pursuant to the restructuring exercise of the Company's subsidiary corporations through the share swap (Note 23)	-	2,151
Additions	310	300
End of financial year	2,761	2,451

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. Investments in subsidiary corporations (continued)

### 31 December 2023

On 20 June 2023 and 25 September 2023, the Company established two wholly owned subsidiary corporations, YKGI Ventures Pte. Ltd. and YKGI Food Court Management Pte. Ltd., by way of issuance and allotment of 300,000 and 10,000 ordinary shares for a total cash consideration of \$300,000 and \$10,000 respectively as initial capital contribution.

On 15 August 2023, the Company through its wholly owned subsidiary corporation, YKGI Ventures Pte. Ltd. established a subsidiary corporation, Oriental Kopi (Singapore) Pte. Ltd. with 70% of shareholding, by way of issuance and allotment of 7,000 ordinary shares for a total cash consideration of \$7,000 as initial capital contribution.

On 28 December 2023, the Company, through its wholly owned subsidiary corporation, YKGI Ventures Pte. Ltd., established a subsidiary corporation, Yew Kee Group International (Macau) Limited with 90% of shareholding for capital contribution of approximately \$6,264 (equivalent to Macanese Patacas ("MOP") 36,000).

### 31 December 2022

On 20 December 2022, the Company established a wholly owned subsidiary corporation, YKGI Hawker Management Pte. Ltd., by way of issuance and allotment of 300,000 ordinary shares for a total cash consideration of \$300,000 as initial capital contribution.

The Group has the following subsidiary corporations as at 31 December 2023 and 2022:

Name of subsidiary corporations	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group		Proportion of ordinary shares held by non-controlling interests	
			2023	2022	2023	2022
			%	%	%	%
<u>Held by the Company</u>						
Yew Kee Management Pte. Ltd. <sup>(a)</sup>	Manufacture of cooked-food preparations (e.g frozen dinners); Food caterers	Singapore	100	100	-	-
Yew Kee Collective Pte.Ltd. <sup>(a)</sup>	Letting and operating of self-owned or leased food courts, coffee shops and canteens (with mainly rental income); Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers)	Singapore	100	100	-	-
YKGI Hawker Management Pte. Ltd. <sup>(a)</sup>	Letting and operating of self-owned or leased food courts, coffee shops and canteens (with mainly rental income); Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers)	Singapore	100	100	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporations as at 31 December 2023 and 2022: (continued)

Name of subsidiary corporations	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group		Proportion of ordinary shares held by non-controlling interests	
			2023 %	2022 %	2023 %	2022 %
<u>Held by the Company (continued)</u>						
Yew Kee Two Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
YKGI Ventures Pte. Ltd. <sup>(a)</sup>	Other holding companies	Singapore	100	-	-	-
YKGI Food Court Management Pte. Ltd. <sup>(a)</sup>	Letting and operating of self-owned or leased food courts, coffee shops and canteens (with mainly rental income); Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers)	Singapore	100	-	-	-
<u>Held by Yew Kee Collective Pte. Ltd.</u>						
Fine Food F&B Pte. Ltd. <sup>(a)</sup>	Letting and operating of self-owned or leased food courts, coffee shops and canteens (with mainly rental income); Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers)	Singapore	100	50	-	50
Fine Food (Nanyang) Pte. Ltd. <sup>(a)</sup>	Letting and operating of self-owned or leased food courts, coffee shops and canteens (with mainly rental income); Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers)	Singapore	100	80	-	20
Yew Kee Duck and Noodle House Pte. Ltd. <sup>(a)</sup>	Letting and operating of self-owned or leased food courts, coffee shops and canteens (with mainly rental income); Food caterers	Singapore	100	100	-	-
<u>Held by YKGI Ventures Pte. Ltd.</u>						
Oriental Kopi (Singapore) Pte. Ltd. <sup>(a)</sup>	Restaurants; Cafes	Singapore	70	-	30	-
Yew Kee Group International (Macau) Limited <sup>(c)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Macau	90	-	10	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporation as at 31 December 2023 and 2022: (continued)

Name of subsidiary corporations	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group		Proportion of ordinary shares held by non-controlling interests	
			2023 %	2022 %	2023 %	2022 %
<u>Held by Yew Kee Duck and Noodle House Pte. Ltd. – Food Outlet</u>						
Yew Kee Three Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
Ubi 179 Food House Pte. Ltd. <sup>(a)</sup>	Cafes – coffee shops (including eating house); Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers)	Singapore	100	100	-	-
108 Sembawang Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers) – cooked food retailing; Wholesale of food, beverages and tobacco (including dried or canned) – cooked food wholesaling	Singapore	100	100	-	-
Punggol WP83 Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
YK Food (Three) Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Wholesale of food, beverages and tobacco (including dried or canned)	Singapore	100	100	-	-
YK Food (Four) Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Wholesale of food, beverages and tobacco (including dried or canned)	Singapore	100	100	-	-
YK Food (Five) Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Wholesale of food, beverages and tobacco (including dried or canned)	Singapore	100	100	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporation as at 31 December 2023 and 2022: (continued)

Name of subsidiary corporations	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group		Proportion of ordinary shares held by non-controlling interests	
			2023 %	2022 %	2023 %	2022 %
<u>Held by Yew Kee Duck and Noodle House Pte. Ltd. – Food Outlet (continued)</u>						
Yew Kee Bakery Pte. Ltd. <sup>(a)</sup>	Retail sale of confectionary and bakery products (not manufactured on site) and manufacture of bakery products	Singapore	100	100	-	-
207 (Duck Rice) Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers) – cooked food retailing; Wholesale of food, beverages and tobacco (including dried or canned) – cooked food wholesaling	Singapore	100	100	-	-
10 (XO Noodle) Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers) – cooked food retailing; Wholesale of food, beverages and tobacco (including dried or canned) – cooked food wholesaling	Singapore	100	100	-	-
SM30 Simei Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers) – cooked food retailing; Wholesale of food, beverages and tobacco (including dried or canned) – cooked food wholesaling	Singapore	100	100	-	-
480 Local Delight Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers) – cooked food retailing; Wholesale of food, beverages and tobacco (including dried or canned) – cooked food wholesaling	Singapore	100	100	-	-
Admiralty Local Delight Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporations as at 31 December 2023 and 2022: (continued)

Name of subsidiary corporations	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group		Proportion of ordinary shares held by non-controlling interests	
			2023	2022	2023	2022
			%	%	%	%
<u>Held by Yew Kee Duck and Noodle House Pte. Ltd. – Food Outlet (continued)</u>						
51 Hougang Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
2 Bukit Panjang Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
Ying's Traditional Food Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
<u>Held by Yew Kee Two Pte. Ltd. – Franchising</u>						
313CC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
JEMCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
PASCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
AMKCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
CTRCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
WSCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporations as at 31 December 2023 and 2022: (continued)

Name of subsidiary corporations	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group		Proportion of ordinary shares held by non-controlling interests	
			2023	2022	2023	2022
			%	%	%	%
<u>Held by Yew Kee Two Pte. Ltd. – Franchising (continued)</u>						
TPCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
PLQCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
CWPCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
MSQCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
WLPCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
NTUCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
WPTCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
HGMCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
STARCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporations as at 31 December 2023 and 2022: (continued)

Name of subsidiary corporations	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group		Proportion of ordinary shares held by non-controlling interests	
			2023 %	2022 %	2023 %	2022 %
<u>Held by Yew Kee Two Pte. Ltd. – Franchising (continued)</u>						
JEWCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
TAKACC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
CACC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
SUNCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
NUSCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
JPCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
NOVCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
HILLCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
NEXCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporations as at 31 December 2023 and 2022: (continued)

Name of subsidiary corporations	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group		Proportion of ordinary shares held by non-controlling interests	
			2023 %	2022 %	2023 %	2022 %
<u>Held by Yew Kee Two Pte. Ltd. – Franchising (continued)</u>						
YISCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
LOTCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
EASTCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
KWMCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
CNPCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-
CPOCC Pte. Ltd. <sup>(b)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	100	-	-

(a) Audited by CLA Global TS Public Accounting Corporation.

(b) All the franchising subsidiary corporations are in the midst of liquidation as at 31 December 2023 and the related business operations have been transferred to Yew Kee Two Pte. Ltd. except for CTRCC Pte. Ltd., HGMCC Pte. Ltd. and TPCC Pte. Ltd. which have been ceased operations during the financial year ended 31 December 2023. These entities are audited by CLA Global TS Public Accounting Corporation for consolidation purpose.

(c) Exempted from audit for the financial year ended 31 December 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 15. Property, plant and equipment

The Group	Cold room and equipment \$'000	Computers \$'000	Furniture and fittings \$'000	Leasehold property \$'000	Motor vehicles \$'000	Office equipment \$'000	Renovation \$'000	Drink and food outlets \$'000	Total \$'000
<b>2023</b>									
<b>Cost</b>									
Beginning of financial year	4,620	135	929	1,665	839	93	6,379	29,130	43,790
Additions	273	6	35	-	700	-	1,695	13,819	16,528
Reclassification	-	-	(64)	-	-	-	64	-	-
Disposal/Written-off	(332)	-	-	-	-	-	(180)	(5,196)	(5,708)
Lease termination	-	-	-	-	-	-	-	(562)	(562)
End of financial year	4,561	141	900	1,665	1,539	93	7,958	37,191	54,048
<b>Accumulated depreciation</b>									
Beginning of financial year	3,493	100	910	574	266	61	4,777	16,172	26,353
Depreciation charge	665	13	10	33	261	22	1,362	7,140	9,506
Reclassification	-	-	(61)	-	-	-	61	-	-
Disposal/Written-off	(305)	-	-	-	-	-	(180)	(5,137)	(5,622)
Lease termination	-	-	-	-	-	-	-	(438)	(438)
End of financial year	3,853	113	859	607	527	83	6,020	17,737	29,799
<b>Net book value</b>									
End of financial year	708	28	41	1,058	1,012	10	1,938	19,454	24,249

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 15. Property, plant and equipment (continued)

	Cold room and equipment \$'000	Computers \$'000	Furniture and fittings \$'000	Leasehold property \$'000	Motor vehicles \$'000	Office equipment \$'000	Renovation \$'000	Drink and food outlets \$'000	Total \$'000
<b>2022</b>									
<b>Cost</b>									
Beginning of financial year	4,595	150	1,048	1,665	1,291	88	5,641	22,211	36,689
Additions	509	36	19	-	455	8	912	11,644	13,583
Disposal/Written-off	(484)	(51)	(138)	-	(907)	(3)	(174)	(494)	(2,251)
Lease termination	-	-	-	-	-	-	-	(4,231)	(4,231)
End of financial year	4,620	135	929	1,665	839	93	6,379	29,130	43,790
<b>Accumulated depreciation</b>									
Beginning of financial year	3,316	148	1,004	541	503	38	3,890	14,185	23,625
Depreciation charge	610	3	44	33	253	25	1,005	6,538	8,511
Disposal/Written-off	(433)	(51)	(138)	-	(490)	(2)	(118)	(467)	(1,699)
Lease termination	-	-	-	-	-	-	-	(4,084)	(4,084)
End of financial year	3,493	100	910	574	266	61	4,777	16,172	26,353
<b>Net book value</b>									
End of financial year	1,127	35	19	1,091	573	32	1,602	12,958	17,437

(a) Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 16(a) to the financial statements.

(b) As at 31 December 2023, leasehold property of the Group with carrying amount \$1,058,000 (2022: \$1,091,000) is pledged as collateral for the Group's bank borrowing (Note 21).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 16. Leases – The Group as a lessee

### *Nature of the Group's leasing activities*

#### Drink and food outlets

The Group leases drink and food outlets for sales of food and beverages. There are restrictions or covenants imposed by the leases to sublet the asset to another party. Unless permitted by the owner, the right-of-use asset can only be used by the lessee. Typically, the leases are non-cancellable. Some leases contain an option to extend the lease for a further term, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension option. The extension option is exercised by the Group and not by the lessor upon request.

#### Motor vehicles

The Group acquires motor vehicles under lease arrangements to support the operations. The Group's obligations under these leases are secured by the lessor's title to the leased motor vehicles and guarantee by a director of the Group. There are no externally imposed covenants on these lease arrangements.

#### (a) Carrying amounts

##### ROU assets included within property, plant and equipment

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Drink and food outlets	19,454	12,958
Motor vehicles	856	333
	20,310	13,291

#### (b) Depreciation charge during the financial year

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Drink and food outlets	7,140	6,538
Motor vehicles	177	158
	7,317	6,696

#### (c) Interest expense

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expense on lease liabilities (Note 8)	1,117	644

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 16. Leases – The Group as a lessee (continued)

- (d) Lease expense not capitalised in lease liabilities

	The Group	
	2023 \$'000	2022 \$'000
Variable lease payments which do not depend on an index or rate	1,685	1,231
Short-term leases	312	554
Total (Note 7)	1,997	1,785

- (e) Total cash outflow for all leases in the respective financial years ended 31 December 2023 and 2022 was \$9,735,000 and \$9,142,000.

- (f) Additions of ROU assets in the respective financial year ended 31 December 2023 were \$14,519,000 (2022: \$12,099,000).

- (g) Future cash outflow which are not capitalised in lease liabilities

- (i) Variable lease payments

The leases for certain drink and food outlets contain variable lease payments that are based on percentage of sales generated by the stalls, on top of fixed payments. The Group negotiates variable lease payments for a variety of reasons, including minimising the fixed costs base for newly established stalls. Such variable lease payments are recognised to profit or loss when incurred and amounted to \$1,685,000 for the financial year ended 31 December 2023 (2022: \$1,231,000) (Note 16(d)).

- (ii) Extension options

The leases for drink and food outlets contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

- (h) Lease liabilities

	The Group	
	2023 \$'000	2022 \$'000
Current	5,956	5,289
Non-current	14,428	7,977
Total lease liabilities	20,384	13,266

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 17. Leases – The Group as a lessor

### *Nature of the Group's leasing activities – Group as an intermediate lessor*

Sub-leases – classified as operating leases

The Group acts as an intermediate lessor under arrangements in which it subleases out food stalls to third parties for monthly lease payments under licensing agreements. Accordingly, the Group continues to have the right to control the use of the leased assets and the sub-leases are classified as operating leases.

Income from sub-leasing the food stalls recognised during the financial year ended 31 December 2023 was \$2,971,000 (2022: \$2,377,000) (Note 4), which are based on percentage of sales generated by the stalls, on top of fixed payments.

### *Maturity analysis of lease payments – Group as a lessor*

The table below only discloses the undiscounted minimum fixed lease payments to be received by the Group for its sub-leases under licensing agreements after the reporting date as follows:

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Less than one year	1,634	1,329
One to two years	1,534	409
Two to three years	418	144
Three to four years	25	60
Total undiscounted lease payments	<u>3,611</u>	<u>1,942</u>

## 18. Intangible assets

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Franchise rights</b>		
<b>Cost</b>		
Beginning and end of financial year	<u>246</u>	<u>246</u>
<b>Accumulated amortisation</b>		
Beginning of financial year	90	65
Amortisation charge (Note 7)	24	25
End of financial year	<u>114</u>	<u>90</u>
<b>Carrying amount</b>		
End of financial year	<u>132</u>	<u>156</u>



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 19. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

	The Group	
	2023 \$'000	2022 \$'000 (Restated)
Net deferred tax assets	223	115
Net deferred tax liabilities	(47)	(10)
	<u>176</u>	<u>105</u>

The movement in the net deferred income tax account is as follows:

	The Group	
	2023 \$'000	2022 \$'000 (Restated)
Beginning of financial year	-	-
Adoption of amendments to SFRS(I) 1-12 (Note 2.1)	105	105
Beginning of financial year (restated)	105	105
Tax credited to profit or loss (Note 9)	71	-
End of financial year	<u>176</u>	<u>105</u>

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

### The Group

2023	Provisions \$'000	Lease liabilities \$'000	Total \$'000
<b>Deferred tax assets</b>			
Beginning of financial year	-	-	-
Adoption of amendments to SFRS(I) 1-12	150	2,220	2,370
Beginning of financial year (restated)	150	2,220	2,370
Tax credited to profit or loss	50	1,085	1,135
End of financial year	<u>200</u>	<u>3,305</u>	<u>3,505</u>
	<b>Accelerated tax depreciation \$'000</b>	<b>ROU assets \$'000</b>	<b>Total \$'000</b>
<b>Deferred tax liabilities</b>			
Beginning of financial year	-	-	-
Adoption of amendments to SFRS(I) 1-12	(58)	(2,207)	(2,265)
Beginning of financial year (restated)	(58)	(2,207)	(2,265)
Tax charged/(credited) to profit or loss	34	(1,098)	(1,064)
End of financial year	<u>(24)</u>	<u>(3,305)</u>	<u>(3,329)</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 19. Deferred income tax (continued)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows: (continued)

### The Group

2022 (Restated)	Provisions \$'000	Lease liabilities \$'000	Total \$'000
<b>Deferred tax assets</b>			
Beginning of financial year	-	-	-
Adoption of amendments to SFRS(I) 1-12	150	2,220	2,370
Beginning of financial year (restated)	150	2,220	2,370
Tax credited to profit or loss	-	-	-
End of financial year	150	2,220	2,370
	Accelerated tax depreciation \$'000	ROU assets \$'000	Total \$'000
<b>Deferred tax liabilities</b>			
Beginning of financial year	-	-	-
Adoption of amendments to SFRS(I) 1-12	(58)	(2,207)	(2,265)
Beginning of financial year (restated)	(58)	(2,207)	(2,265)
Tax charged to profit or loss	-	-	-
End of financial year	(58)	(2,207)	(2,265)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has concluded that the deferred tax assets will be recoverable based on the estimated future taxable income of the subsidiary corporations based on the approved business forecast for the subsidiary corporations.

## 20. Trade and other payables

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade payables				
- Non-related parties	1,148	1,484	-	-
Non-trade payables				
- Non-related parties	1,119	718	46	-
- Directors	-	320	-	-
- Subsidiary corporations	-	-	33	623
	1,119	1,038	79	623
Goods and services tax payable	351	557	-	-
Accrued expenses	2,597	2,480	68	-
Deposit from tenants	281	289	-	-
	5,496	5,848	147	623

Non-trade payables to directors and subsidiary corporations are unsecured, interest-free and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 21. Bank borrowings

	The Group	
	2023	2022
	\$'000	\$'000
Current		
Bank borrowings	2,498	3,665

The exposure of borrowings of the Group to interest rate changes and the contractual repricing dates at the reporting date are as follows:

	The Group	
	2023	2022
	\$'000	\$'000
Within six months	2,498	3,665

The bank borrowings were secured by mortgage over a leasehold property of the Group (Note 15(b)) and joint and several guarantee by a director and a key management of the Group.

## 22. Provisions

	The Group	
	2023	2022
	\$'000	\$'000
Non-current		
Provision for reinstatement costs	1,114	877

Provision for reinstatement costs is based on the present value of costs to be incurred to remove leasehold improvements from leased properties upon expiry of tenancy agreements. The estimate is based on quotations from external contractors. The unexpired lease terms are ranging from 3 to 8 years. The impact of discounting on the provision is assessed to be insignificant.

Movement of provision for reinstatement costs are as follows:

	The Group	
	2023	2022
	\$'000	\$'000
Beginning of financial year	877	817
Additional:		
Capitalisation as ROU assets	368	60
Expensed off to profit and loss	117	-
	485	60
Reversal	(248)	-
End of financial year	1,114	877

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 23. Share capital

	The Company			
	2023		2022	
Issued and fully paid	No. of ordinary shares	Amount \$'000	No. of ordinary shares	Amount \$'000
Beginning of financial year	355,000,000	2,159	-	-
On date of the Company's incorporation <sup>(i)</sup>	-	-	100	*
Issuance of new shares pursuant to the restructuring exercise of the Company's subsidiary corporations through the share swap <sup>(ii)</sup>	-	-	2,151,116	2,151
Sub-division of shares pursuant to the share split <sup>(iv)</sup>	-	-	352,781,250	-
Issuance of new shares	<sup>(v)</sup> 70,000,000	14,000	<sup>(iii)</sup> 67,534	8
Share issuance expenses <sup>(vi)</sup>	-	(654)	-	-
End of financial year	425,000,000	15,505	355,000,000	2,159

\* Amount less than \$1,000

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the respective companies. The newly issued shares rank pari passu in all respects with the previously issued shares.

- (i) The Company was incorporated on 8 August 2022 in Singapore in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital of \$100 comprising 100 Shares held by Seah & Family Pte. Ltd. ("Seah & Family").
- (ii) The Company entered into share swap agreements dated 21 December 2022 with each of the shareholders of the subsidiary corporations to acquire all the issued and paid-up share capital of each of the corresponding subsidiary corporations for an aggregate purchase consideration of \$2,151,116, based on a willing-buyer willing-seller basis based on the share capital of each relevant subsidiary corporation. The consideration for the acquisition of these subsidiary corporations was satisfied by the issue and allotment of an aggregate of 2,151,116 new Shares to each of the sellers, who all nominated Seah & Family to hold such new Shares. Arising from the share swap, the issued and paid-up share capital of our Company increased to 2,151,216 comprising 2,151,216 Shares, all of which are held by Seah & Family, with the consideration satisfied by the allotment and issue by the Company of an aggregate of 2,151,116 new Shares to Seah & Family.
- (iii) On 23 December 2022, the Company issued 67,534 Shares to Seah & Family, for a consideration of \$7,534. Following such issuance of Shares, the issued and paid-up share capital of our Company became \$2,158,750, comprising 2,218,750 Shares.
- (iv) On 23 December 2022, the Share Split was effected and each of the Company's shares were sub-divided into 160 Shares (the "Share Split"). Pursuant to the Share Split, the issued and paid-up share capital of the Company became \$2,158,750, comprising 355,000,000 Shares.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 23. Share capital (continued)

- (v) On 26 January 2023, the Company issued and allotted 82,750,000 Placement Shares comprising 53,750,000 New shares and 29,000,000 Vendor Shares at \$0.20 for each share by way of placement (the "Placement"). The consideration received by the Company and the vendor for these Placement Shares amounted to \$10,750,000 and \$5,800,000 respectively.

At the same time but separate from the Placement, the Cornerstone Investors entered into the Cornerstone Subscription Agreement and subscribed for 16,250,000 New Shares at \$0.20 each at a total consideration of \$3,250,000.

- (vi) Pursuant to the IPO on 6 February 2023, IPO expenses after deducting Grant for Equity market Singapore (GEMS) amounted to S\$1,897,000 of which S\$654,000 has been capitalised against share capital while the remaining amounts to S\$1,243,000 has been included in other expenses in the consolidated statement of other comprehensive income

As at 31 December 2023, the share capital of the Group represents the share capital of the Company of 425,000,000 ordinary shares with the amount of \$15,505,000 (2022: aggregate paid-up share capital of the Company pre-placement and all the subsidiary corporations under common control which amounted to 355,000,000 ordinary shares for aggregate values of \$2,159,000).

## 24. Non-controlling interests

	The Group	
	2023 \$'000	2022 \$'000
Beginning of financial year	241	537
Net profit attributable to non-controlling interests	106	24
Dividends declared	-	(360)
Acquisition of non-controlling interest of subsidiary corporations	(385)	-
Contribution from non-controlling interests of new subsidiary corporations	3	40
End of financial year	<u>(35)</u>	<u>241</u>
Analysed as:		
- Fine Food F&B Pte. Ltd.	-	173
- Fine Food (Nanyang) Pte. Ltd.	-	59
- Pastago Pte. Ltd.	(37)	9
- Oriental Kopi (Singapore) Pte. Ltd.	2	-
- Yew Kee Group International (Macau) Limited	*	-
	<u>(35)</u>	<u>241</u>

\* Amount less than \$1,000

The summarised financial information by each subsidiary corporation that has non-controlling interests is not material to the Group, accordingly no disclosures are made.

### *Transactions with non-controlling interest with no change in control*

On 18 September 2023, the Company through its wholly-owned subsidiary corporation of the Company, Yew Kee Collective Pte. Ltd. acquired the remaining 100,000 shares of Fine Food F&B Pte. Ltd. ("FFF&B") and 40,000 shares of Fine Food (Nanyang) Pte. Ltd. ("FFNY"), representing 50% and 20% of the total issued and paid-up share capital of FFF&B and FFNY respectively (the "Acquisition") for a total consideration of S\$330,000. Subsequent to the completion of the Acquisition, FFF&B and FFNY become wholly owned subsidiary corporations of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 24. Non-controlling interests (continued)

Transactions with non-controlling interest with no change in control (continued)

The following summaries the effect of the changes in the Group's ownership interest in FFF&B and FFNY on the equity attributable to owners of the Company:

	<b>FFF&amp;B</b>	<b>2023</b>	<b>Total</b>
	<b>\$'000</b>	<b>FFNY</b>	<b>\$'000</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount of non-controlling interest acquired	271	114	385
Consideration paid for the acquisition on non-controlling interests	(230)	(100)	(330)
Increase in equity attributable to equity holders of the Company	41	14	55

The summarised financial information by each subsidiary corporation that has non-controlling interests is not material to the Group, accordingly no disclosures are made.

## 25. Related party transactions

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

- (a) Related party transactions

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Miscellaneous fees payable/paid to:		
- Directors	-	33
- Related parties	-	55
	-	88

- (b) Key management personnel compensation, representing remuneration of the directors and other key managements of the Company.

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and bonuses	2,108	1,199
Employer's contribution to the Central Provident Fund	149	110
Other short-term benefits	95	54
	2,352	1,363

Included in other short-term benefits is lease payment of \$95,000 (2022: \$54,000) relating to motor vehicles provided by the Group to the key management personnel.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 26. Dividends

	The Group	
	2023 \$'000	2022 \$'000
Final one tier exempt dividends declared in respect of the previous financial year of 0.51 cents per share	2,168	-
Final one tier exempt dividends declared by the subsidiary corporations to the shareholders prior to the completion of the restructuring exercise	-	15,721

At the Annual General Meeting on 29 April 2024, a final dividend of 0.26 cents per share amounting to a total of \$1,105,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2024.

## 27. Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	The Group	
	2023 \$'000	2022 \$'000
Property, plant and equipment	288	-

## 28. Financial risk management

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The directors are responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes establishing policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits.

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the management team and the directors. The information presented is based on information received by key management.

### (a) Market risk

#### (i) Currency risk

Foreign currency risk arises from transactions denominated in currencies other than the functional currency of the Group. The Group does not have significant exposure to currency risk as it operates only in Singapore. Revenue and expenses are predominantly denominated in Singapore Dollar ("SGD").

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 28. Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Cash flow and Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

The Group obtains financing through bank facilities and seeks to minimise its interest rate exposure by obtaining the most favourable interest rates available.

The Group has borrowings at variable rates on which effective hedges have not been entered into. If the interest rates increase/decrease by 0.5% in the respective financial years ended 31 December 2023 and 2022 with all other variables including tax rate being held constant, the impact to the net profit of the Group as a result of changes in interest rate on these borrowings is not significant.

### (b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligation, resulting in financial loss to the Group. The major classes of the financial assets of the Group are cash and cash equivalents and trade and other receivables.

For trade receivables, the Group adopts the policy of dealing only with creditworthy customers to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group does not have significant credit risk as customers under food operations business and franchise business generally settle all transactions in cash, using credit cards issued by reputable financial institutions or digital payment gateways from reputable institutions. For food court management business, the Group does not generally extend credit terms as the Group's food court management team will tally the daily takings collected in respect of each food court tenant and deduct the monthly rent payable by the food court tenant from the daily takings at the end of each month before disbursing the daily takings to such tenant. However, where the daily takings are insufficient to cover the monthly rent payable for a particular month, such food court tenants will be required to pay the difference to the Group.

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Group has put in place credit control policies and procedures to manage the credit exposure and management periodically evaluates the creditworthiness of the customers. Due to the nature of the Group's business, the Group has no concentration of credit risk except for receivables from delivery sales which had been deposited to the Group's vendors.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 28. Financial risk management (continued)

### (b) Credit risk (continued)

#### (i) Impairment of trade receivables

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses ("ECL") via provision matrix as these items do not have a significant financing component. Trade receivables have been grouped based on shared credit risk characteristics and the days past due to measure the ECL by reference to the Group's historical observed default rates, customers' ability to pay and adjusted with forward-looking information.

Trade receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments past due based on historical loss rates for each category of customers and adjust to reflect current and forward-looking information. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers and adjust to reflect current and forward-looking information affecting the ability of the customers to settle the liability.

In determining the ECL of trade receivables, these receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers. Based on management's evaluation, no loss allowance for trade receivables is recognised for the financial years ended 31 December 2023 and 2022.

There has been no change in the estimation techniques or significant assumptions made during the respective financial years ended in December 2023 and 2022.

#### (ii) Cash and bank balances

As at 31 December 2023, the Group and the Company held cash and bank balances of \$17,202,000 and \$5,487,000 (2022: \$4,659,000 and \$318,000) respectively with banks with high credit ratings respectively and are considered to have low credit risk. The cash balances are measured on 12-months expected credit losses and subject to immaterial credit loss.

#### (iii) Other financial assets at amortised cost

Other financial assets at amortised cost include refundable security deposits placed with landlords of the Group's leased drink and food outlets, non-trade receivables in relation to payments made on behalf of subsidiary corporations and dividends receivable from subsidiary corporations. For these financial assets, the Group and the Company have applied 12-month ECL to measure the loss allowance and based on assessment of qualitative and quantitative factors that are indicative of the risk of default, these exposures are considered to have low credit risk.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 28. Financial risk management (continued)

### (c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding using a mix of long term and short-term financing, not limited to obtaining overdraft facilities, investing in fixed assets and properties held for investments, and managing the maturity profile of its borrowings, payables, and other liabilities. At the reporting date, assets held by the Group for managing liquidity risk included the cash at bank as disclosed in Note 11 to the financial statements.

As at 31 December 2023, the Company's financial liabilities of \$147,000 (2022: \$623,000) are due within one year.

The table below analyses non-derivative financial liabilities of the Group based on remaining period from the reporting date to the contractual maturity date. The amount disclosed in the table below are the contractual undiscounted cash flows.

<b>The Group</b>	<b>Within 1 year \$'000</b>	<b>Within 2 and 5 years \$'000</b>	<b>Over 5 years \$'000</b>
<b>2023</b>			
Trade and other payables	5,145	-	-
Lease liabilities	6,944	14,209	2,116
Bank borrowings	2,498	-	-
<b>2022</b>			
Trade and other payables	5,291	-	-
Lease liabilities	5,801	8,902	-
Bank borrowings	3,665	-	-

### (d) Capital risk

The Group manages the capital to ensure that the Group is able to continue as going concern and maintain an optimal capital structure so as to maximise shareholders' value.

The Group constantly reviews the capital structure to ensure the Group is able to service any debt obligations (include principal repayment and interests) based on its operating cash flows. The capital structure of the Group consists of equity attributable to owners of the Company. The Group's overall strategy remains unchanged from 31 December 2022.

As at 31 December 2023 and 2022, the Group is not exposed to any externally imposed capital requirements.

### (e) Fair value measurements

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available for the Group for similar financial instruments.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 28. Financial risk management (continued)

### (f) Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Financial assets, at amortised cost				
- Cash and bank balances	17,202	4,659	5,487	318
- Trade and other receivables	3,867	4,250	8,674	2,400
	<u>21,069</u>	<u>8,909</u>	<u>14,161</u>	<u>2,718</u>
Financial liabilities, at amortised cost				
- Trade and other payables	5,145	5,291	147	623
- Borrowings	2,498	3,665	-	-
- Lease liabilities	20,384	13,266	-	-
	<u>28,027</u>	<u>22,222</u>	<u>147</u>	<u>623</u>

## 29. Segment information

The Board of Directors is the Group's chief operating body for making decisions. Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions, allocate resources and assess performance.

The Board of Directors considers the business from a business segment perspective as the Group operates in Singapore only. For management purposes, the Group is organised into business units based on their products and services and the Group has four reportable segments as follows:

### (i) Food Court Business

The Group manages four food courts located across Singapore under the My Kampung and Fine Food brands. Under this business segment, the Group leases the food courts and in turn sub-leases stalls to individual food court tenants ("Food Court Tenants") and sells beverages to the customers. The food court management services provided by the Group include the upkeep of vacant stalls and allocation of such stalls to Food Court Tenants, application for and renewal of licences, collection of takings from the daily sales of Food Court Tenants, collection of management and cleaning fees from Food Court Tenants, managing arrears, addressing complaints from Food Court Tenants and customers and the cleaning, maintenance and repair of the food courts.

### (ii) F&B Operations

The F&B operations is primarily involved in the operations of food outlets and hawker stalls under the flagship brand, Yew Kee Duck Rice and a diverse portfolio of other non-halal and halal brands such as XO Minced Meat Noodles, My Kampung Chicken Rice, PastaGo and Victoria Bakery. The operations of the Group's food outlets and hawker stalls are supported by the central kitchen which procures, processes and prepares key ingredients and products for supply to the food outlets operating under the Group's brands and certain third-party food outlets.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 29. Segment information (continued)

The Board of Directors considers the business from a business segment perspective as the Group operates in Singapore only. For management purposes, the Group is organised into business units based on their products and services and the Group has four reportable segments as follows: (continued)

### (iii) Franchising and Sub-franchising ("Franchise Business")

The Group's business segment of franchising and sub-franchising is in relation to operations of outlets under the "CHICHA San Chen" brand in Singapore for a term of ten years from 14 January 2019 pursuant to a master franchise agreement entered into between our subsidiary corporation, Yew Kee Two Pte. Ltd. and Fang Yuan F&B International Co., Ltd on 14 January 2019 ("Master Franchise Agreement").

The Master Franchise Agreement is renewable by negotiation between the parties thereto based on criteria prescribed therein. In consideration of the franchise and licence granted by the franchisor, the Group had paid a one-off initial franchise fee in full which was capitalised as an intangible asset, and the Group is required to pay a monthly royalty fee based on a percentage of our actual net sales before tax of the stores operated under such franchise and licence in a given month. In accordance with the terms of the Master Franchise Agreement, the Group may enter into sub-franchise agreements with third parties pursuant to which such parties will pay the Group a sub-franchise fee in consideration for the right to operate a CHICHA San Chen tea shop in Singapore. The Group has not entered into any sub-franchise agreements with third parties for the financial years ended 31 December 2023 and 2022.

### (iv) Other segment

Other segment includes investment holding and the Group level corporate service and treasury functions. These are not included within the reportable operating segment. The results of these operations are included in the "other segment" column.

The segment information provided to the Board of Directors for the reportable segment and the reconciliation to the consolidated statement of comprehensive income are as follows:

The Group	Food Court Business \$'000	F&B Operations \$'000	Franchise Business \$'000	Other segment \$'000	Total \$'000
<b>2023</b>					
<b>Revenue</b>	8,513	31,962	21,474	-	61,949
Other income	103	805	71	-	979
<b>Segment profit/(loss)</b>	769	3,876	2,877	(4,092)	3,430
Finance costs	(294)	(432)	(462)	(96)	(1,284)
<b>Profit/(loss) before income tax</b>	475	3,444	2,415	(4,188)	2,146
Income tax expense					(672)
<b>Net profit</b>					1,474
<b>Segment assets</b>	2,585	28,073	14,668	2,192	47,518
Addition to:					
- Property, plant and equipment (excluded ROU assets)	1,143	571	295	-	2,009
<b>Segment liabilities</b>	1,558	15,156	10,040	3,395	30,149

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 29. Segment information (continued)

### (iv) Other segment (continued)

The segment information provided to the Board of Directors for the reportable segment and the reconciliation to the consolidated statement of comprehensive income are as follows: (continued)

The Group	Food Court Business \$'000	F&B Operations \$'000	Franchise Business \$'000	Other segment \$'000	Total \$'000
<b>2022</b>					
<b>Revenue</b>	6,776	27,911	21,520	-	56,207
Other income	220	745	604	-	1,569
<b>Segment profit/(loss)</b>	532	3,730	2,757	(1,609)	5,410
Finance costs	(133)	(255)	(302)	(2)	(692)
<b>Profit/(loss) before income tax</b>	399	3,475	2,455	(1,611)	4,718
Income tax expense					(397)
<b>Net profit</b>					4,321
<b>Segment assets</b>	3,401	12,114	11,723	2,255	29,493
Addition to:					
- Property, plant and equipment (excluded ROU assets)	20	890	574	-	1,484
<b>Segment liabilities</b>	3,343	9,011	7,615	4,480	24,449

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the financial years ended 31 December 2023 and 2022. The breakdown of revenue by major products and services is disclosed in Note 4 to the financial statements.

Segment profit represents the profit earned by each segment after deducting direct expenses without allocation of central administration costs, interest income, finance costs and income tax expense.

Segment assets represent the amounts reported with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment. All assets are allocated to each of the reportable segment including other segment.

Segment liabilities represent the amounts provided with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to each of the reportable segment including other segment.

The Group operates in Singapore only, therefore the Group's revenue is derived solely from external customers in Singapore and its non-current assets are located in Singapore. There were no customers which accounted for 10% or more of the Group's revenue.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30. Events after the balance sheet date

On 26 January 2024, the wholly owned subsidiary corporation of the Company, YKGI Ventures Pte. Ltd. ("YKGI Ventures") entered into a deed of termination (the "Deed of Termination") with Oriental Coffee International Sdn. Bhd. ("Oriental Kopi").

Pursuant to the Deed of Termination, Oriental Kopi shall procure the resignation of Dato' Chan Jian Chern as director of Oriental Kopi (Singapore) Pte. Ltd. (the "JV Company") and transfer all 3,000 ordinary shares held by Oriental Kopi in the JV Company to YKGI Ventures for a consideration of \$1. Following the completion of the transfer of shares, the JV Company will become a wholly owned subsidiary corporation of YKGI Ventures.

As the JV Company has just been incorporated with share capital of \$10,000 and has not commenced its operations, the termination does not have significant financial impact to the Group's financial statements.

## 31. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2024 and which the Group has not early adopted.

**Amendments to SFRS(I) 1-1 Presentation of Financial Statements:** Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024) Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The Group does not expect any significant impact arising from applying these amendments.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 31. New or revised accounting standards and interpretations (continued)

**Amendments to SFRS(I) 1-7 Statement of Cash Flows and SFRS(I) 7 Financial Instruments: Disclosures:** Supplier finance arrangements (effective for annual periods beginning on or after 1 January 2024)

The amendments clarify the characteristics of supplier finance arrangements (“SFA”) and introduce new disclosures of such arrangements. The objective of the new disclosures is to provide information about supplier finance arrangements that enables investors to assess the effects on an entity’s liabilities, cash flows and the exposure to liquidity risk.

There is a transitional relief of not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

The amendments will be effective for annual periods beginning on or after 1 January 2024. Early adoption is permitted.

The Group does not expect any significant impact arising from applying these amendments.

**Amendments to SFRS(I) 16 Leases:** Lease liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 16 explain how an entity accounts for a sale and leaseback after the date of the transaction. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines ‘lease payments’ and ‘revised lease payments’ in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The Group does not expect any significant impact arising from applying these amendments.

## 32. Authorisation of financial statements

These financial statements were authorised for issued in accordance with a resolution of Board of Directors of YKGI Limited on 12 April 2024.

# STATISTICS OF SHAREHOLDINGS

As at 19 March 2024

Class of shares	- Ordinary shares
Total number of issued shares (excluding treasury shares and subsidiary holdings)	- 425,000,000 (with voting rights)
Voting rights	- One (1) vote per ordinary
Total number of treasury shares and percentage	- Nil
Total number of subsidiary holdings and percentage	- Nil

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	16	5.57	7,200	0.00
1,001 - 10,000	41	14.29	292,000	0.07
10,001 - 1,000,000	220	76.66	44,832,100	10.55
1,000,001 AND ABOVE	10	3.48	379,868,700	89.38
<b>TOTAL</b>	<b>287</b>	<b>100.00</b>	<b>425,000,000</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	SEAH & FAMILY PTE. LTD.	326,000,000	76.71
2	KGI SECURITIES (SINGAPORE) PTE. LTD	22,772,300	5.36
3	TEO KEE BOCK	10,674,700	2.51
4	DBS NOMINEES (PRIVATE) LIMITED	8,408,000	1.98
5	TAY CHYE HOCK	2,500,000	0.59
6	LEE BENG CHYE	2,200,000	0.52
7	LAW SER WEE	2,168,700	0.51
8	LER SIEW HUA	2,000,000	0.47
9	SEAH HOCK THIAM	2,000,000	0.47
10	FONG CHEE CHEONG	1,145,000	0.27
11	CHUA KIAN MENG	1,000,000	0.24
12	GAN THIAM POH	1,000,000	0.24
13	HONG SHIUNG CHEONG VINCENT (FANG SHUNCHANG VINCENT)	1,000,000	0.24
14	KHOO LAM LOONG	1,000,000	0.24
15	LIM KIM LUN	1,000,000	0.24
16	NG SIEW WAN	1,000,000	0.24
17	TAN CHOO KIAT	1,000,000	0.24
18	TOH CHONG BENG	1,000,000	0.24
19	WONG SIEW ENG	1,000,000	0.24
20	ONG PANG AIK	897,200	0.21
	<b>TOTAL</b>	<b>389,765,900</b>	<b>91.76</b>



# STATISTICS OF SHAREHOLDINGS

As at 19 March 2024

## SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders as at 19 March 2024)

Name of Shareholders	Direct Interest		Deemed Interest	
	No. of Shares Held	%	No. of Shares Held	%
Seah & Family Pte. Ltd. <sup>(1)</sup>	336,337,700	79.14	-	-
Mr. Seah Boon Lock <sup>(2)</sup>	-	-	336,337,700	79.14

Notes:

- (1) Seah & Family is an investment holding company incorporated in Singapore on 8 August 2022. Mr. Seah Boon Lock, Mr. Seah Qin Quan, Ms. Seah Kun Miao and Ms. Wee Lay Teng are the shareholders of Seah & Family, with Mr. Seah Boon Lock holding 70.0% of the shareholding in Seah & Family and Mr. Seah Qin Quan, Ms. Seah Kun Miao and Ms. Wee Lay Teng each holding 10.0% of the shareholding in Seah & Family.
- (2) Mr. Seah Boon Lock is deemed interested in all the Shares held by Seah & Family Pte. Ltd.

## PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 19 March 2024, 20.86% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Catalyst Rules of the SGX-ST which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of YKGI Limited (“Company”) will be convened and held at Room Emerald Suite, Orchid Country Club, 1 Orchid Club Rd, Singapore 769162 on Monday, 29 April 2024 at 2.00 p.m. for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements and the Directors’ Statement of the Company and the Group for the financial year ended 31 December 2023 together with the Independent Auditor’ Report thereon. **(Resolution 1)**
2. To declare a final dividend (one-tier tax exempt) of 0.26 Singapore cents per ordinary share for the financial year ended 31 December 2023. **(Resolution 2)**
3. To re-elect the following Directors who will be retiring pursuant to Regulation 99 of the Constitution of the Company:
  - (a) Mr. Seah Boon Lock **(Resolution 3)**
  - (b) Mr. Wong Fook Sung (“Mr. James Wong”) **(Resolution 4)**[See Explanatory Note (i)]
4. To re-appoint Messrs CLA Global TS Public Accounting Corporation as the Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
5. To transact any other ordinary business which may properly be transacted at an AGM.

## AS SPECIAL BUSINESS

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

6. Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act 1967 of Singapore (“Companies Act”) and Rule 806 of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual – Section B: Rules of Catalist (“Catalist Rules”)

THAT the Directors be and are hereby authorised pursuant to the provisions of Section 161 of the Companies Act and Rule 806 of the Catalist Rules to:

- (a)
  - (i) allot and issue shares in the capital of the Company (“Shares”) by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of the Instruments made or granted by the Directors while this Resolution was in force.

# NOTICE OF ANNUAL GENERAL MEETING

PROVIDED ALWAYS THAT:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed one hundred percent (100%) of the 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 shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date of this resolution in force;
- (2) (subject to the manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) that may be issued under sub-paragraph (a), the percentage of the total issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
  - (a) new Shares arising from the conversion or exercise of any convertible securities;
  - (b) new Shares arising from exercising share options or vesting of share awards, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub paragraphs 8(2)(a) or 8(2)(b) 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 the resolution approving the mandate.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Companies Act and the Constitution for the time being of the Company; and
- (4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the Company's next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)]

**(Resolution 6)**

## 7. Authority to issue shares under the Yew Kee Employee Share Option Scheme

That pursuant to Section 161 of the Companies Act and the provisions of the Yew Kee Employee Share Option Scheme ("Yew Kee ESOS"), the Directors of the Company be authorised and empowered to offer and grant share options under the Yew Kee ESOS and to issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of share options granted by the Company under the Yew Kee ESOS, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Yew Kee ESOS shall not exceed fifteen per centum (15.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

**(Resolution 7)**

# NOTICE OF ANNUAL GENERAL MEETING

## 8. Authority to issue shares under the Yew Kee Performance Share Plan

That pursuant to Section 161 of the Companies Act and the provisions of the Yew Kee Performance Share Plan ("**Yew Kee PSP**"), the Directors of the Company be authorised and empowered to offer and grant share awards under the Yew Kee PSP and to issue from time to time such number of Shares as may be required to be issued pursuant to the vesting of share awards under the Yew Kee PSP, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Yew Kee PSP shall not exceed fifteen per centum (15.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)]

**(Resolution 8)**

## 9. Renewal of Share Buyback Mandate

(a) for the purposes of Section 76C and 76E of the Companies Act 1967 and the Catalist Rules, the Directors of the Company be authorised and empowered generally and unconditionally to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**Shares**"), not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price or price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), and such purchases and acquisitions of the Shares may be effected by way of:-

- (i) On-market purchases ("**Market Purchases**") transacted on the SGX-ST through the ready market trading system or through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) Off-market purchases ("**Off-Market Purchases**") effected otherwise than on the SGX-ST in accordance with an equal access scheme(s), as may be determined or formulated by the Directors of the Company from time to time as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act, the Constitution of the Company and the Catalist Rules as may for the time being, be applicable ("**Share Buyback Mandate**");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

(c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the Relevant Period (as hereinafter defined) and expiring on the earliest of:

- (i) the date on which the next AGM is held or required by law to be held;
- (ii) the date on which the Share Buybacks are carried out to the full extent mandated; or
- (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Shareholders in a general meeting.

# NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purposes of this Resolution:

**"Average Closing Price"** means the average of the closing market prices of a Share over the last five days on which the SGX-ST is open for trading in securities ("**Market Days**") and which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase, or as the case may be, the Day of the Making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made;

**"Day of the Making of the offer"** means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders pursuant to the Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

**"Maximum Limit"** means ten percent (10%) of the total issued Shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of the passing of this ordinary resolution, unless the Company has effected a reduction of the share capital of the Company (other than a reduction by virtue of a share buyback) in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined) in which event the issued Shares of the Company shall be taken to be the total number of the issued Shares as altered by such capital reduction (excluding treasury shares and subsidiary holdings);

**"Maximum Price"** in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed: (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and (ii) in the case of an Off-Market Purchase, pursuant to an equal access scheme, 120% of the Average Closing Price; and

**"Relevant Period"** means the period commencing from the date of passing this ordinary resolution and expiring on the earliest of the date on which the next AGM of the Company is held or required by law to be held, the date on which the Share Buybacks are carried out to the full extent of the Share Buyback Mandate or date the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting;

- (e) the number of Shares which may in aggregate be purchased or acquired by the Company during the Relevant Period shall be subject to the Maximum Limit;
- (f) the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased by the Company, pursuant to the Share Buyback Mandate in any manner as they think fit, which is permitted under the Companies Act; and
- (g) the Directors of the Company and/or any of them be and are hereby authorised, empowered to complete and do and execute all such things and acts (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this ordinary resolution.

[See Explanatory Note (v)]

**(Resolution 9)**

## By Order of the Board

Sharon Lim Siew Choo  
Company Secretary  
12 April 2024

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes

- (i) Mr. Seah Boon Lock will, upon re-election as a Director of the Company, remain as the Executive Chairman and Executive Director of the Company. Mr. Seah is the father of Mr. Seah Qin Quan, the Chief Executive Officer (“CEO”) and Executive Director of the Company. Please refer to pages 75 to 80 of the Company’s annual report for the detailed information required pursuant to Rule 720(5) of the Catalyst Rules.

Mr. James Wong will, upon re-election as a Director of the Company, remain as the Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee respectively, and will be considered independent for the purpose of Rule 704(7) of the Catalyst Rules. Please refer to pages 75 to 80 of the Company’s annual report for the detailed information required pursuant to Rule 720(5) of the Catalyst Rules.

- (ii) Ordinary Resolution 6 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue ordinary shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments. The aggregate number of shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed, in total, one hundred percent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which the total number of Shares issued other than on a pro rata basis to existing shareholders of the Company, shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings).

For determining the aggregate number of Shares that may be issued, the percentage of total issued Shares will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time Resolution 6 is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities, the exercise of share options or vesting of share awards outstanding or subsisting at the time when Resolution 6 is passed and any subsequent consolidation or subdivision of Shares.

- (iii) Ordinary Resolution 7 above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares pursuant to the exercise of share options granted or to be granted under the Yew Kee ESOS provided that the aggregate additional Shares to be allotted and issued pursuant to the Yew Kee ESOS and Yew Kee PSP do not exceed in total (for the entire duration of the Yew Kee ESOS and Yew Kee PSP) fifteen per centum (15.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.
- (iv) Ordinary Resolution 8 above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares pursuant to the vesting of share awards under the Yew Kee PSP provided that the aggregate additional Shares to be allotted and issued pursuant to the Yew Kee PSP and Yew Kee ESOS do not exceed in total (for the entire duration of the Yew Kee PSP and Yew Kee ESOS) fifteen per centum (15.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.
- (v) Ordinary Resolution 9 above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of On-Market Purchases or Off-Market Purchases of up to 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price as defined in the Appendix to shareholders dated 12 April 2024 (the “Appendix”). The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buy-Back Mandate on the audited consolidated financial statements of the Group (as defined in the Appendix) for the financial year ended 31 December 2023 are set out in greater detail in the Appendix.

## Notes relating to conduct of Meeting:

- The members of the Company are invited to **attend physically** at the AGM. **There will be no option for the members to participate virtually.** This Notice of AGM, Proxy Form, Request Form (to request for printed copy of the Annual Report), Annual Report and Appendix to shareholders in relation to the proposed renewal of Share Buyback Mandate (the “Appendix”) will be sent to member by electronic means via publication on the Company’s website at URL: <https://ykgi.com.sg/> and is also made available on SGXNET at <https://www.sgx.com/securities/company-announcements>. Printed copies of this Notice of AGM, Proxy Form and the Request Form will also be sent by post to members. Members who wish to receive a printed copy of the Annual Report and/or the Appendix are required to complete the Request Form and return it to the Company by 19 April 2024:
  - via email to [ir@ykgi.com.sg](mailto:ir@ykgi.com.sg);
  - via post to the Company’s address at 32 Woodlands Terrace, Singapore 738452.
- Please bring along your NRIC/passport so as to enable the Company to verify your identity.

# NOTICE OF ANNUAL GENERAL MEETING

## Voting by proxy

3. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.
4. A proxy need not to be a member of the Company.
5. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instruction as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
7. The instrument appointing a proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either:
  - (a) if send personally or by post, the proxy form must be lodged at the Company's registered office at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
  - (b) if by email, the proxy form must be received at [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia)

In either case, **by no later than 26 April 2024, 2.00 p.m., being seventy-two (72) hours before the time appointed for holding the Meeting.**

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

8.
  - (a) A member who is not a relevant intermediary\* is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.
  - (b) A member who is a relevant intermediary\* is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

\*"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore 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; or
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, 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 Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
9. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") may attend and cast his vote(s) at the AGM in person. If they are unable to attend the AGM but would like to vote, they may inform their respective SRS Operators to appoint the Chairman of the Meeting to act as their proxy at least seven (7) working days before the AGM, in which case, the relevant SRS Investors shall be precluded from attending the AGM.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument.

# NOTICE OF ANNUAL GENERAL MEETING

## **Submission of questions prior to the AGM**

11. Shareholders may submit questions relating to the resolutions to be tabled for approval at the AGM or in advance of the AGM no later than 2.00 p.m. on 19 April 2024:
  - (a) by email to [ir@ykgi.com.sg](mailto:ir@ykgi.com.sg); or
  - (b) in physical copy by depositing the same at the registered office of the Company at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712.

Shareholders submitting questions are required to state: (a) their full name; and (b) their identification/registration number, and (c) the manner in which his/her/its shares in the Company are held (e.g. via CDP, SRS and/or scrip), failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.

All questions submitted in advance of the AGM must be received by the Company by the time and date stated above to be treated as valid.

12. The Company will endeavour to address all relevant and substantial questions (as may be determined by the Company in its sole discretion) relating to the resolutions to be tabled and for approval at the AGM prior to or at the AGM. The responses to these questions will be published on or before 23 April 2024 via SGXNet and the Company's website or if answered during the AGM, will be included in the minutes of the AGM which shall be published on the SGXNet and the Company's website within one month after the date of AGM.

## **PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, and/or submitting any questions to the Company in advance of the AGM in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines and (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



# YKGI LIMITED

(Company Registration No. 202227645Z)  
(Incorporated In the Republic of Singapore)

## IMPORTANT:

- Relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) may appoint more than two (2) proxies to attend, speak and vote at the AGM. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") may attend and cast his vote(s) at the Meeting in person. If they are unable to attend the Meeting but would like to vote, they may inform their respective SRS Operators to appoint the Chairman of the Meeting to act as their proxy at least seven (7) working days before the Meeting, in which case, the relevant SRS Investors shall be precluded from attending the Meeting.
- This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

## Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 April 2024.

## PROXY FORM

### ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

I/We\*, \_\_\_\_\_ (Name)

NRIC No./Passport No./Company Registration No.\* \_\_\_\_\_

of \_\_\_\_\_ (Address)

being a member/members\* of **YKGI LIMITED** ("Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or\*

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing \*him/her/them, the Chairman of the Annual General Meeting (the "AGM" or "Meeting") or such other person the Chairman may designate, as my/our\* proxy/proxies to vote for me/us\* on my/our\* behalf at the Meeting of the Company, to be held at Room Emerald Suite, Orchid Country Club, 1 Orchid Club Rd, Singapore 769162 on Monday, 29 April 2024 at 2.00 p.m. and at any adjournment thereof. I/We\* direct my/our\* proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at \*his/their discretion, as \*he/they will on any other matters arising at the Meeting.

No.	Resolutions relating to:	No. of Votes		
		'For'***	'Against'***	'Abstain'***
<b>Ordinary Business</b>				
1	To receive and adopt the Audited Financial Statements and the Directors' Statement of the Company for the financial year ended 31 December 2023 together with the Auditor's Report thereon			
2	To declare a final dividend (one-tier tax exempt) of 0.26 Singapore cents per ordinary share for the financial year ended 31 December 2023			
3	To re-elect Mr. Seah Boon Lock as a Director			
4	To re-elect Mr. Wong Fook Sung as a Director			
5	To re-appoint Messrs CLA Global TS Public Accounting Corporation as auditors of the Company and to authorise the Directors to fix their remuneration			
<b>Special Business</b>				
6	Authority to allot and issue shares			
7	Authority to allot and issue shares under the Yew Kee Employee Share Option			
8	Authority to allot and issue shares under the Yew Kee Performance Share Plan			
9	Renewal of Share Buyback Mandate			

\*Delete where inapplicable

\*\*If you wish to exercise all your votes 'For', 'Against' or 'Abstain from Voting', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of Shareholder(s)  
and/or, Common Seal of Corporate Shareholder

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



## Notes:

1. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.
2. A proxy need not to be a member of the Company.
3. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. 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 of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
4. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instruction as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
6. The instrument appointing a proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either:
  - (a) if send personally or by post, the proxy form must be lodged at the Company's registered office at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
  - (b) if by email, the proxy form must be received at [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia);

In either case, **by no later than 26 April 2024, 2.00 p.m., being seventy-two (72) hours before the time appointed for holding the Meeting.**

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

7.
  - (a) A member who is not a relevant intermediary\* is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.
  - (b) A member who is a relevant intermediary\* is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

\*"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore 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; or
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, 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 Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
8. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") may attend and cast his vote(s) at the AGM in person. If they are unable to attend the AGM but would like to vote, they may inform their respective SRS Operators to appoint the Chairman of the Meeting to act as their proxy at least seven (7) working days before the AGM, in which case, the relevant SRS Investors shall be precluded from attending the AGM.

## General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

## PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 April 2024.