

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED

(Incorporated in the Republic of Singapore on 11 January 2018)
(Company Registration Number: 201801590R)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE (“FY”) 2021

This announcement has been prepared by ST Group Food Industries Holdings Limited (the “Company”) and its contents have been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “Sponsor”), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr David Tham, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6533 9898.

Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning ascribed to them in the offer document of ST Group Food Industries Holdings Limited dated 26 June 2019 (the “Offer Document”).

Background

ST Group Food Industries Holdings Limited (the “Company”, and together with its subsidiaries, “ST Group” or the “Group”) was incorporated in the Republic of Singapore on 11 January 2018 and was listed on the Catalist Board of the SGX-ST (“Catalist”) on 3 July 2019. ST Group was formed pursuant to a restructuring exercise (the “Restructuring Exercise”) undertaken as part of its corporate re-organisation, which involved the rationalisation of its corporate and shareholding structure for the purposes of the Company’s listing on Catalist. Please refer to the Company’s Offer Document for further details on the Restructuring Exercise.

Founded in 2011, ST Group holds the exclusive franchise and licence rights to six internationally popular food and beverage (“F&B”) brands, namely, “PappaRich”, “NeNe Chicken”, “Gong Cha”, “Hokkaido Baked Cheese Tart”, “IPPUDO” and “iDarts”, in various territories. ST Group has developed two of its own brand concepts, “PAFU” and “KURIMU”, which were launched in December 2017 and July 2019, respectively. ST Group had also opened a “Go Noodle House” outlet in Melbourne, Australia in November 2020.

ST Group operates in the key geographical markets of Australia, New Zealand, Malaysia and United Kingdom through four main business segments - F&B retail sales under the various brands through outlets owned and operated by the Group, the sub-franchising and sub-licensing of brands to sub-franchisees and sub-licensees, the sale of F&B ingredients and other supplies to its franchise network through its Central Kitchen, and receipt of machine income from electronic dart machines installed at sub-franchised “iDarts” outlets.

As at 30 June 2021, ST Group has a network of 130 outlets comprising 48 Group-owned outlets and 82 outlets owned and operated by its sub-franchisees and sub-licensees across its key geographical markets.

Number of outlets by brands (as at the end of the financial year)

	FY2021		FY2020	
	Owned	Sub-franchised/ sub-licensed	Owned	Sub-franchised/ sub-licensed
PappaRich				
- Australia	8	25	7	22
- New Zealand	-	4	-	5
NeNe Chicken				
- Australia	4	18	2	16
- Malaysia	-	5	4	6
Gong Cha				
- New Zealand	11	12	10	7
- United Kingdom	4	-	2	-
Hokkaido Baked Cheese Tart				
- Australia	7	8	8	7
iDarts				
- Australia	-	4	-	5
PAFU				
- Australia	5	4	6	4
IPPUDO				
- Australia	2	-	2	-
- New Zealand	2	-	1	-
KURIMU				
- Australia	4	2	2	-
Go Noodle House				
- Australia	1	-	-	-
Total	48	82	44	72

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A. Condensed interim consolidated statements of comprehensive income

Note	Group						
	2H FY2021 ⁽¹⁾	2H FY2020 ⁽²⁾	Increase/ (Decrease)	FY2021	FY2020	Increase/ (Decrease)	
	(AUD) (Unaudited)	(AUD) (Unaudited)	%	(AUD) (Unaudited)	(AUD) (Restated)	%	
Continuing operations							
Revenue	4.2	24,261,403	14,463,342	67.7	44,883,352	42,219,067	6.3
Other income		1,215,369	3,422,579	(64.5)	3,447,641	4,253,707	(18.9)
Expenses							
Changes in inventories		608,289	(290,833)	NM	76,750	752,665	(89.8)
Purchases of inventories		(7,987,160)	(4,147,923)	92.6	(14,016,885)	(12,819,773)	9.3
Franchise restaurants and stores related establishment costs		(739,907)	(152,250)	NM	(1,426,753)	(875,066)	63.0
Rental expenses		(74,179)	124,700	NM	437,121	(373,726)	NM
Staff costs		(8,705,162)	(7,185,617)	21.1	(15,651,905)	(16,597,926)	(5.7)
Depreciation expense							
- Property, plant and equipment		(1,531,302)	(1,284,224)	19.2	(2,832,912)	(2,559,392)	10.7
- Right-of-use assets		(2,647,590)	(2,500,175)	5.9	(5,063,370)	(4,595,970)	10.2
Amortisation expense		(260,094)	(187,169)	39.0	(396,026)	(328,627)	20.5
IPO expenses		-	(9,789)	NM	-	(247,896)	NM
Finance costs							
- Lease liabilities		(716,322)	(750,327)	(4.5)	(1,403,728)	(1,430,479)	(1.9)
- Borrowings and others		(35,701)	(7,221)	NM	(79,501)	(86,706)	(8.3)
Impairment losses on right-of-use assets		(158,199)	-	NM	(158,199)	-	NM
Impairment losses on trade and other receivables		(112,951)	(154,388)	(26.8)	(112,951)	(154,388)	(26.8)
Other expenses		(2,263,177)	(2,613,813)	(13.4)	(5,291,883)	(5,249,988)	0.8
Share of results of associated company		20,889	-	NM	20,889	-	NM
Profit/(loss) before tax		874,206	(1,273,108)	NM	2,431,640	1,905,502	27.6
Tax (expense)/credit	6	(207,601)	169,767	NM	(841,853)	(618,892)	36.0
Profit/(loss) from continuing operations, net of tax		666,605	(1,103,341)	NM	1,589,787	1,286,610	23.6
Loss from discontinued operations, net of tax		(123,684)	(759,371)	(83.7)	(865,143)	(1,051,122)	(17.7)
Profit/(loss) for the period/year	5	542,921	(1,862,712)	NM	724,644	235,488	NM

Note	Group					
	2H FY2021 ⁽¹⁾	2H FY2020 ⁽²⁾	Increase/ (Decrease)	FY2021 (AUD)	FY2020 (AUD)	Increase/ (Decrease)
	(Unaudited)	(Unaudited)	%	(Unaudited)	(Restated)	%
Other comprehensive (loss)/income						
<i>Item that is or may be reclassified subsequently to profit or loss:</i>						
- Currency translation differences on consolidation	(57,953)	39,005	NM	46,837	45,609	2.7
<i>Item that will not be reclassified subsequently to profit or loss:</i>						
- Financial assets at fair value through other comprehensive income ("FVOCI") - Fair value loss - equity instrument	-	(63,888)	NM	-	(63,888)	NM
Other comprehensive (loss)/income for the period/year, net of tax	(57,953)	(24,883)	NM	46,837	(18,279)	NM
Total comprehensive income/(loss) for the period/year	484,968	(1,887,595)	NM	771,481	217,209	NM
Profit/(loss) attributable to:						
Equity holders of the Company	684,878	(1,034,818)	NM	1,129,969	848,858	33.1
Non-controlling interests	(141,957)	(827,894)	(82.9)	(405,325)	(613,370)	(33.9)
Profit/(loss) for the period/year	542,921	(1,862,712)	NM	724,644	235,488	NM
Profit/(loss) attributable to equity holders of the Company relates to:						
Profit/(loss) from continuing operations	853,118	(662,350)	NM	1,612,191	1,379,578	16.9
Loss from discontinued operations	(168,240)	(372,468)	(54.8)	(482,222)	(530,720)	(9.1)
	684,878	(1,034,818)	NM	1,129,969	848,858	33.1
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	626,925	(1,027,757)	NM	1,176,806	862,523	36.4
Non-controlling interests	(141,957)	(859,838)	(83.5)	(405,325)	(645,314)	(37.2)
Total comprehensive income/(loss) for the period/year	484,968	(1,887,595)	NM	771,481	217,209	NM

		Group					
Note		2H FY2021 ⁽¹⁾	2H FY2020 ⁽²⁾	Increase/ (Decrease)	FY2021	FY2020	Increase/ (Decrease)
		(AUD)	(AUD)	%	(AUD)	(AUD)	%
		(Unaudited)	(Unaudited)		(Unaudited)	(Restated)	
Earnings/(loss) per share for profit/(loss) attributable to the equity holders of the Company							
From continuing and discontinued operations							
	Basic and diluted (cents)	7	<u>0.28</u>	<u>(0.42)</u>		<u>0.47</u>	<u>0.35</u>
From continuing operations							
	Basic and diluted (cents)	7	<u>0.35</u>	<u>(0.27)</u>		<u>0.66</u>	<u>0.56</u>
From discontinued operations							
	Basic and diluted (cents)	7	<u>(0.07)</u>	<u>(0.15)</u>		<u>(0.20)</u>	<u>(0.22)</u>

NM: Not meaningful

Notes:

(1) "2H FY2021" refers to six months period ended 30 June 2021

(2) "2H FY2020" refers to six months period ended 30 June 2020

B. Condensed interim statements of financial position

Note	Group		Company	
	As at 30 June 2021 (AUD)	As at 30 June 2020 (AUD)	As at 30 June 2021 (AUD)	As at 30 June 2020 (AUD)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	10	13,157,029	12,519,020	-
Right-of-use assets	11	22,991,280	22,838,366	-
Intangible assets	12	3,042,385	3,202,803	-
Investment in subsidiaries	13	-	-	29,220,712
Investment in associated company		36,889	-	-
Deferred tax asset		3,111,085	3,294,635	402,262
Fixed deposits		2,370,019	2,044,373	-
Trade and other receivables		1,381,512	1,453,168	-
Total non-current assets		46,090,199	45,352,365	29,622,974
Current assets				
Contract assets		98,000	65,115	-
Inventories		2,513,631	2,627,692	-
Trade and other receivables		3,893,199	4,703,056	11,368,075
Fixed deposits		998,233	1,611,834	998,233
Cash and bank balances		8,766,959	6,845,754	1,271,714
		16,270,022	15,853,451	13,638,022
Disposal group assets classified as held for sale		672,034	-	-
Total current assets		16,942,056	15,853,451	13,638,022
Total assets		63,032,255	61,205,816	43,260,996
EQUITY AND LIABILITIES				
Equity				
Share capital	14	57,200,620	57,200,620	57,200,620
Treasury shares		(834,919)	(899,238)	(834,919)
Other reserves		(40,097,906)	(39,509,084)	-
Retained earnings		3,894,549	3,128,294	(13,444,191)
Equity attributable to equity holders of the Company, total		20,162,344	19,920,592	42,921,510
Non-controlling interests		1,894,218	1,866,669	-
Total equity		22,056,562	21,787,261	42,921,510
Non-current liabilities				
Borrowings	15	349,712	335,095	-
Lease liabilities	11	22,126,135	22,296,848	-
Contract liabilities		674,936	831,799	-
Total non-current liabilities		23,150,783	23,463,742	-
Current liabilities				
Trade and other payables		6,933,184	5,904,736	339,486
Contract liabilities		426,210	535,355	-
Borrowings	15	466,971	1,074,914	-
Lease liabilities	11	7,206,541	6,388,729	-
Tax payable		2,032,832	2,051,079	-
		17,065,738	15,954,813	339,486
Liabilities directly associated with disposal group classified as held for sale		759,172	-	-
Total current liabilities		17,824,910	15,954,813	339,486
Total liabilities		40,975,693	39,418,555	339,486
Total equity and liabilities		63,032,255	61,205,816	43,260,996

- B(ii)** In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

Amount repayable in one year or less, or on demand

	As at 30 June 2021 (AUD)		As at 30 June 2020 (AUD)	
	Secured	Unsecured	Secured	Unsecured
Borrowings	404,058	62,913	1,011,754	63,160
Equipment finance lease classified as lease liabilities	317,340	-	414,726	-

Amount repayable after one year

	As at 30 June 2021 (AUD)		As at 30 June 2020 (AUD)	
	Secured	Unsecured	Secured	Unsecured
Borrowings	349,712	-	335,095	-
Equipment finance lease classified as lease liabilities	111,957	-	426,318	-

Details of any collateral

As at 30 June 2021, the Group's borrowings were secured by way of:

- (i) general security over all assets of certain subsidiaries;
- (ii) security over inventories;
- (iii) legal charge on fixed deposit;
- (iv) corporate guarantees and personal guarantees provided by certain directors; and
- (v) security over the renovation, fitting-out of the Group's outlets, equipment and motor vehicles under finance leases.

C. Condensed interim statements of changes in equity

Group	Share capital (AUD)	Treasury shares (AUD)	Other reserves (AUD)	Retained earnings (AUD)	Equity attributable to equity holders of the Company (AUD)	Non-controlling interests (AUD)	Total equity (AUD)
At 1 July 2020	57,200,620	(899,238)	(39,509,084)	3,128,294	19,920,592	1,866,669	21,787,261
Profit/(loss) for the year	-	-	-	1,129,969	1,129,969	(405,325)	724,644
Other comprehensive income							
Currency translation differences on consolidation	-	-	46,837	-	46,837	-	46,837
Total comprehensive income/(loss) for the year	-	-	46,837	1,129,969	1,176,806	(405,325)	771,481
<i>Transactions with owners recognised directly in equity</i>							
Purchases of assets	-	80,000	-	-	80,000	-	80,000
Purchases of treasury shares	-	(15,681)	-	-	(15,681)	-	(15,681)
Dividends	-	-	-	(363,714)	(363,714)	(49,000)	(412,714)
<i>Changes in ownership interest in subsidiaries</i>							
Acquisition of non-controlling interests in subsidiaries without change in control	-	-	(635,659)	-	(635,659)	481,874	(153,785)
At 30 June 2021	57,200,620	(834,919)	(40,097,906)	3,894,549	20,162,344	1,894,218	22,056,562

Group	Share capital (AUD)	Treasury shares (AUD)	Other reserves (AUD)	Retained earnings (AUD)	Equity attributable to equity holders of the Company (AUD)	Non-controlling interests (AUD)	Total equity (AUD)
At 30 June 2019	47,490,345	-	(39,522,749)	4,585,647	12,553,243	2,914,641	15,467,884
Effect of SFRS(I) 16 adoption	-	-	-	(1,083,440)	(1,083,440)	(159,378)	(1,242,818)
At 1 July 2019	47,490,345	-	(39,522,749)	3,502,207	11,469,803	2,755,263	14,225,066
Profit/(loss) for the year	-	-	-	848,858	848,858	(613,370)	235,488
Other comprehensive income/(loss)							
Currency translation differences on consolidation	-	-	45,609	-	45,609	-	45,609
Fair value loss on financial asset through other comprehensive income	-	-	(31,944)	-	(31,944)	(31,944)	(63,888)
Other comprehensive income/(loss) for the financial year, net of tax	-	-	13,665	-	13,665	(31,944)	(18,279)
Total comprehensive income/(loss) for the year	-	-	13,665	848,858	862,523	(645,314)	217,209
<i>Transactions with owners recognised directly in equity</i>							
Issuance of new shares pursuant to the IPO	10,133,783	-	-	-	10,133,783	-	10,133,783
Capitalisation of share issue expenses	(423,508)	-	-	-	(423,508)	-	(423,508)
Purchases of treasury shares	-	(899,238)	-	-	(899,238)	-	(899,238)
Capital contribution from non-controlling interests in subsidiaries	-	-	-	-	-	83	83
Dividends	-	-	-	(1,222,771)	(1,222,771)	(325,000)	(1,547,771)
Deconsolidation of subsidiaries	-	-	-	-	-	81,637	81,637
At 30 June 2020	57,200,620	(899,238)	(39,509,084)	3,128,294	19,920,592	1,866,669	21,787,261

Company	Share capital (AUD)	Treasury shares (AUD)	Retained earnings (AUD)	Total equity (AUD)
At 1 July 2020	57,200,620	(899,238)	(4,343,998)	51,957,384
Loss and total comprehensive loss for the financial year	-	-	(8,736,479)	(8,736,479)
Purchases of assets	-	80,000	-	80,000
Purchases of treasury shares	-	(15,681)	-	(15,681)
Dividends	-	-	(363,714)	(363,714)
At 30 June 2021	57,200,620	(834,919)	(13,444,191)	42,921,510
At 1 July 2019	47,490,345	-	(1,265,983)	46,224,362
Loss and total comprehensive loss for the financial year	-	-	(1,855,244)	(1,855,244)
Issuance of new shares pursuant to the IPO	10,133,783	-	-	10,133,783
Capitalisation of share issue expenses	(423,508)	-	-	(423,508)
Purchases of treasury shares	-	(899,238)	-	(899,238)
Dividends	-	-	(1,222,771)	(1,222,771)
At 30 June 2020	57,200,620	(899,238)	(4,343,998)	51,957,384

D. Condensed interim consolidated statement of cash flows

	Group	
	FY2021	FY2020
	(AUD) (Unaudited)	(AUD) (Restated)
Cash flows from operating activities		
Profit before tax from continuing operations	2,431,640	1,905,502
Loss before tax from discontinued operations	(839,615)	(1,042,468)
Profit before tax, total	1,592,025	863,034
<u>Adjustments for:-</u>		
Depreciation		
- Property, plant and equipment	2,929,138	2,817,554
- Right-of-use assets	5,218,675	4,877,602
Amortisation	400,473	333,483
Gain on termination of leases	(108,683)	(80,185)
Impairment losses on trade and other receivables	80,000	154,388
Impairment losses on right-of-use assets	158,199	-
Interest income	(66,949)	(103,425)
Interest expenses	1,556,697	1,619,677
Loss on deconsolidation of subsidiaries	-	11,506
(Gain)/Loss on disposal of property, plant and equipment	(29,596)	2,799
Loss on disposal of right-of-use assets	-	3,769
Property, plant and equipment written off	567,504	553,607
Intangible assets written off	7,487	-
Right-of-use assets written off	42,870	-
Share of results of associated company	(20,889)	-
Unrealised exchange loss	-	81,891
Operating cash flow before working capital changes	12,326,951	11,135,700
Inventories	(30,040)	(741,154)
Receivables and contract assets	235,668	946,343
Payables and contract liabilities	18,507	(3,963,432)
Currency translation adjustments	116,145	(102,993)
Cash generated from operations	12,667,231	7,274,464
Income tax paid	(763,492)	(1,321,665)
Net cash generated from operating activities	11,903,739	5,952,799
Cash flows from investing activities		
Interest received	23,846	61,724
Investment in associated company	(16,000)	-
Proceeds from disposal of property, plant and equipment	32,207	22,647
Proceeds from disposal of right-of-use assets	-	10,000
Purchases of intangibles assets	(178,471)	-
Purchases of property, plant and equipment	(4,094,932)	(3,553,130)
Net cash used in investing activities	(4,233,350)	(3,458,759)

Note	Group	
	FY2021	FY2020
	(AUD)	(AUD)
	(Unaudited)	(Restated)
Cash flow from financing activities		
Acquisition of non-controlling interests in subsidiaries	(153,785)	-
Lease incentives received	408,940	522,743
Proceeds from borrowings	300,000	206,305
Repayment of borrowings	(822,953)	(450,675)
Repayment of lease liabilities	(3,828,487)	(3,357,006)
Advances from non-controlling interests/ third parties	43,529	234,392
Repayment to related parties/ non-controlling interests	(237,092)	(969,925)
Dividends paid to shareholders	(363,714)	(1,222,771)
Dividends paid to non-controlling interests	(49,000)	(325,000)
Interest paid	(1,257,763)	(1,415,520)
Increase in fixed deposits pledged	(293,777)	(269,168)
Capital contributions from non-controlling interests in subsidiaries	-	83
Proceeds from issuance of ordinary shares during IPO, net of share issue expenses	-	9,710,275
Purchases of treasury shares	(15,681)	(899,238)
Net cash (used in)/generated from financing activities	(6,269,783)	1,764,495
Net increase in cash and cash equivalents	1,400,606	4,258,535
Cash and cash equivalents at beginning of the financial year	8,227,895	3,959,268
Effect of exchange rate changes on cash and cash equivalents	(9,996)	10,092
Cash and cash equivalents at end of the financial year	9,618,505	8,227,895
For purpose of presenting the Group's consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:-		
Cash and bank balances		
- Continuing operations	8,766,959	6,845,754
- Discontinued operations	1,136	-
Fixed deposits	3,368,252	3,656,207
Less: Bank overdraft	(147,823)	(197,823)
	11,988,524	10,304,138
Less: Fixed deposits (pledged)	(2,370,019)	(2,076,243)
Cash and cash equivalents	9,618,505	8,227,895

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

ST Group Food Industries Holdings Pte. Ltd. (the “**Company**”) (Co. Reg. No. 201801590R) was incorporated in Singapore on 11 January 2018 for the purpose of acquiring the existing companies pursuant to the restructuring exercise on the preparation of the listing of the Company. On 10 June 2019, the Company was converted into a public company limited by shares and changed its name to ST Group Food Industries Holdings Limited. The Company is listed on Catalist of the Singapore Exchange Securities Trading Limited on 3 July 2019. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The registered office and principal place of business of the Company is at 120 Robinsons Road, #08-01, Singapore 068913.

The principal activities of the Group consist of the business of investment holding, processing, sales and distribution of foods and supplies, trading and management of sub-franchisees, operator of restaurants, food and beverage outlets and management of marketing funds.

2. Basis of preparation

The condensed interim consolidated financial statements for the six months and year ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed financial statements are presented in Australian dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

- Note 12 – Impairment test of goodwill: key assumptions underlying recoverable amounts

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

4. Segment and revenue information

The Group is organised into the following main business segments:

- Food and beverage retails;
- Supply Chain;
- Franchise; and
- Others

These operating segments are reported in a manner consistent with internal reporting provided to the Company's Executive Chairman and Chief Executive Officer, Mr Saw Tatt Ghee who is responsible for allocating resources and assessing performance of the Group's operating segments.

4.1 Reportable segments

FY2021	Food and beverage retails AUD	Supply chain AUD	Franchise AUD	Others AUD	Eliminations AUD	Consolidation Total AUD
Segment revenue						
Sales to external customers	30,359,418	8,856,645	5,397,643	269,646	-	44,883,352
Intersegment sales	-	3,857,063	1,394,130	-	(5,251,193)	-
Total revenue from continuing operations	<u>30,359,418</u>	<u>12,713,708</u>	<u>6,791,773</u>	<u>269,646</u>	<u>(5,251,193)</u>	<u>44,883,352</u>
Share of results of associated company	-	-	-	20,889	-	20,889
Tax (expense)/credit	(180,924)	152,043	(662,531)	(150,441)	-	(841,853)
Net profit/(loss) from continuing operations, net of tax	287,218	(482,439)	1,490,725	(8,490,119)	8,784,402	1,589,787
Net loss from discontinued operations, net of tax						<u>(865,143)</u>
Profit for the year						<u><u>724,644</u></u>
Other significant non-cash expense:						
Depreciation of property, plant and equipment and amortisation of intangible assets	2,583,941	220,172	316,061	117,364	(8,600)	3,228,938
Depreciation of right-of-use assets	4,397,936	665,434	-	-	-	5,063,370
Impairment losses on right-of-use assets	158,199	-	-	-	-	158,199
Impairment losses on trade and other receivables	-	-	113,999	(1,048)	-	112,951
Property, plant and equipment written off	61,659	-	-	-	-	61,659
Interest expense	1,383,520	168,488	50,670	69,540	(188,989)	1,483,229
Interest income	59,870	1,193	5,170	189,705	(188,989)	66,949
Right-of-use written off	<u>42,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,870</u>

FY2021	Food and beverage retails AUD	Supply chain AUD	Franchise AUD	Others AUD	Eliminations AUD	Consolidation Total AUD
Segment assets	45,059,283	11,244,503	9,547,723	66,228,769	(71,433,469)	60,646,809
Unallocated assets						1,713,412
Disposal group assets classified as held for sale						672,034
Total assets						<u>63,032,255</u>
Segment assets include:						
Additions to :-						
- Property, plant and equipment	4,136,744	21,106	17,082	-	-	4,174,932
- Right-of-use assets	6,111,544	424,870	-	-	-	6,536,414
- Intangible assets	32,888	-	145,583	-	-	178,471
- Investment in associated company	-	-	-	16,000	-	16,000
Segment liabilities	44,000,865	3,762,043	6,572,621	20,036,782	(35,340,996)	39,031,315
Unallocated liabilities						1,185,206
Liabilities directly associated with disposal group classified as held for sale						759,172
Total liabilities						<u>40,975,693</u>

FY2020	Food and beverage retails AUD	Supply chain AUD	Franchise AUD	Others AUD	Eliminations AUD	Consolidation Total AUD
Segment revenue						
Sales to external customers	31,628,695	5,906,153	4,297,383	386,836	-	42,219,067
Intersegment sales	-	3,837,753	207,797	-	(4,045,550)	-
Total revenue	<u>31,628,695</u>	<u>9,743,906</u>	<u>4,505,180</u>	<u>386,836</u>	<u>(4,045,550)</u>	<u>42,219,067</u>
Tax (expense)/credit	(285,755)	39,464	(327,802)	(44,799)	-	(618,892)
Net profit/(loss) from continuing operations, net of tax	334,262	(364,978)	1,016,838	300,488	-	1,286,610
Net loss from discontinued operations, net of tax						(1,051,122)
Profit for the year						<u>235,488</u>
Other significant non-cash expense:						
Depreciation of property, plant and equipment and amortisation of intangible assets	2,284,467	285,420	328,177	20,755	(30,800)	2,888,019
Depreciation of right-of-use assets	4,067,817	492,241	35,912	-	-	4,595,970
Impairment losses on trade and other receivables	127,000	-	27,388	-	-	154,388
Property, plant and equipment written off	226,114	-	-	-	-	226,114
Interest expense	1,359,011	212,998	82,152	-	(136,976)	1,517,185
Interest income	87,880	21,071	7,434	124,016	(136,976)	103,425
Segment assets	44,486,941	10,421,606	11,663,141	71,587,871	(78,350,089)	59,809,470
Unallocated assets						1,396,346
Total assets						<u>61,205,816</u>
Segment assets include:						
Additions to :-						
- Property, plant and equipment	3,410,560	136,574	5,996	-	-	3,553,130
- Right-of-use assets	4,539,857	-	-	-	-	4,539,857
Segment liabilities	44,836,475	4,920,871	9,416,891	11,182,000	(32,228,337)	38,127,900
Unallocated liabilities						1,290,655
Total liabilities						<u>39,418,555</u>

4.2 Disaggregation of revenue

	FY2021 AUD	FY2020 AUD
Sales to external customers		
Australia	32,192,117	33,013,568
New Zealand	11,276,969	8,031,134
United Kingdom	1,414,266	1,174,365
	44,883,352	42,219,067
Timing of revenue recognition		
At a point in time	39,485,709	37,921,684
Over time	5,397,643	4,297,383
	44,883,352	42,219,067

4.3 Information about major customers

The Group did not have any single customer contributing 10% or more to its revenue for the FY2021 and FY2020.

5. Profit/(loss) for the period/year

The Group's profit/(loss) for the period/year was arrived at after crediting / (charging) the following:

	Continuing operations		Discontinued operations		Total	
	2H FY2021 (AUD)	2H FY2020 (AUD)	2H FY2021 (AUD)	2H FY2020 (AUD)	2H FY2021 (AUD)	2H FY2020 (AUD)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Allowance for impairment of right-of-use assets	(158,199)	-	-	-	(158,199)	-
Allowance for impairment of trade and other receivables	(80,000)	(154,388)	-	-	(80,000)	(154,388)
Amortisation expense	(260,094)	(187,169)	(2,165)	(2,454)	(262,259)	(189,623)
Bad debts written off	(29,602)	(129,766)	-	-	(29,602)	(129,766)
Depreciation expense						
- Property, plant and equipment	(1,531,302)	(1,284,224)	(28,847)	(125,862)	(1,560,149)	(1,410,086)
- Right-of-use assets	(2,647,590)	(2,500,175)	(36,421)	(30,614)	(2,684,011)	(2,530,789)
Foreign exchange loss	(32,403)	(30,054)	28,876	-	(3,527)	(30,054)
Gain/(Loss) on disposal of property, plant and equipment	9,160	(2,799)	20,436	-	29,596	(2,799)
Gain on termination of leases	-	80,185	65,571	-	65,571	80,185
Grant income	806,924	2,971,843	-	-	806,924	2,971,843
Intangible assets written off	7,487	-	-	-	7,487	-
Interest income	30,013	49,482	-	-	30,013	49,482
Gain/(Loss) on deconsolidation of subsidiaries	-	(44,513)	-	33,006	-	(11,507)
Property, plant and equipment written off	(47,504)	(214,531)	(138,380)	(327,493)	(185,884)	(542,024)
Rebates from suppliers	471,934	227,117	-	-	471,934	227,117
Right-of-use assets written off	(42,870)	-	-	-	(42,870)	-
Royalty fees	(511,984)	(402,290)	(4,610)	(7,284)	(516,594)	(409,574)
Adjustment for over/(under) provision of tax in respect of prior years :-						
- Income tax	228,303	(49,010)	-	(1,794)	228,303	(50,804)
- Deferred tax	(203,251)	(130,823)	(25,529)	(15,873)	(228,780)	(146,696)

	Continuing operations		Discontinued operations		Total	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)
	(Unaudited)	(Restated)	(Unaudited)	(Restated)	(Unaudited)	(Restated)
Allowance for impairment of right-of-use assets	(158,199)	-	-	-	(158,199)	-
Allowance for impairment of trade and other receivables	(80,000)	(154,388)	-	-	(80,000)	(154,388)
Amortisation expense	(396,026)	(328,627)	(4,447)	(4,856)	(400,473)	(333,483)
Bad debts written off	(32,951)	(127,000)	-	-	(32,951)	(127,000)
Depreciation expense						
- Property, plant and equipment	(2,832,912)	(2,559,392)	(96,226)	(258,163)	(2,929,138)	(2,817,555)
- Right-of-use assets	(5,063,370)	(4,595,970)	(155,305)	(281,632)	(5,218,675)	(4,877,602)
Foreign exchange loss	(156,562)	(81,891)	-	-	(156,562)	(81,891)
Gain/(Loss) on disposal of property, plant and equipment	9,160	(2,799)	20,436	-	29,596	(2,799)
Gain on termination of leases	43,112	80,185	65,571	-	108,683	80,185
Grant income	2,628,333	3,171,843	-	-	2,628,333	3,171,843
Intangible assets written off	7,487	-	-	-	7,487	-
Interest income	66,949	103,425	-	-	66,949	103,425
Gain/(Loss) on deconsolidation of subsidiaries	-	(44,513)	-	33,006	-	(11,507)
Property, plant and equipment written off	(61,659)	(226,114)	(505,845)	(327,493)	(567,504)	(553,607)
Rebates from suppliers	815,978	725,907	-	-	815,978	725,907
Right-of-use assets written off	(42,870)	-	-	-	(42,870)	-
Royalty fees	(903,342)	(811,636)	(10,734)	(25,031)	(914,076)	(836,667)
Adjustment for over/(under) provision of tax in respect of prior years :-						
- Income tax	228,303	(50,333)	-	(1,794)	228,303	(52,127)
- Deferred tax	(203,251)	10,581	(25,529)	(15,873)	(228,780)	(5,292)

6. Tax expense/(credit)

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense/ (credit) in the condensed interim consolidated statements of profit or loss are:

	Continuing operations		Discontinued operations		Total	
	2H FY2021	2H FY2020	2H FY2021	2H FY2020	2H FY2021	2H FY2020
	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current year						
- Income tax	710,973	(327,120)	(14,079)	-	696,894	(327,120)
- Deferred tax	(484,842)	(29,522)	-	(8,926)	(484,842)	(38,448)
Under/(over) provision in respect of previous financial period/year						
- Income tax	(228,303)	49,010	-	1,794	(228,303)	50,804
- Deferred tax	203,251	130,823	25,529	15,873	228,780	146,696
Withholding tax	6,522	7,042	-	-	6,522	7,042
	207,601	(169,767)	11,450	8,741	219,051	(161,026)

	Continuing operations		Discontinued operations		Total	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)	(AUD)
	(Unaudited)	(Restated)	(Unaudited)	(Restated)	(Unaudited)	(Restated)
Current year						
- Income tax	976,716	928,779	-	-	976,716	928,779
- Deferred tax	(116,333)	(356,681)	-	(9,012)	(116,333)	(365,693)
Under/(over) provision in respect of previous financial period/year						
- Income tax	(228,303)	50,333	-	1,794	(228,303)	52,127
- Deferred tax	203,251	(10,581)	25,529	15,873	228,780	5,292
Withholding tax	6,522	7,042	-	-	6,522	7,042
	841,853	618,892	25,529	8,655	867,382	627,547

7. Earnings/(loss) per share

	Group			
	2H FY2021	2H FY2020	FY2021	FY2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Restated)
From continuing and discontinued operations				
Net profit/(loss) attributable to equity holders of the Company (AUD)	684,878	(1,034,818)	1,129,969	848,858
Weighted average number of ordinary shares in issue	242,850,309 ⁽¹⁾	243,562,635 ⁽²⁾	242,675,718 ⁽¹⁾	244,486,021 ⁽²⁾
Basic and diluted earnings/(loss) per share (AUD cents)	0.28	(0.42)	0.47	0.35
From continuing operations				
Net profit/(loss) attributable to equity holders of the Company (AUD)	853,118	(662,350)	1,612,191	1,379,578
Weighted average number of ordinary shares in issue	242,850,309 ⁽¹⁾	243,562,635 ⁽²⁾	242,675,718 ⁽¹⁾	244,486,021 ⁽²⁾
Basic and diluted earnings/(loss) per share (AUD cents)	0.35	(0.27)	0.66	0.56
From discontinued operations				
Net loss attributable to equity holders of the Company (AUD)	(168,240)	(372,468)	(482,222)	(530,720)
Weighted average number of ordinary shares in issue	242,850,309 ⁽¹⁾	243,562,635 ⁽²⁾	242,675,718 ⁽¹⁾	244,486,021 ⁽²⁾
Basic and diluted loss per share (AUD cents)	(0.07)	(0.15)	(0.20)	(0.22)

The fully diluted earnings/(loss) per share and basic earnings/(loss) per share are the same because the Company does not have any outstanding convertibles.

Note:

- (1) Between 22 July 2020 and 24 July 2020, the Company conducted multiple share buyback exercises amounting to 226,500 shares in total and on 22 March 2021, the Company transferred 669,000 shares to an unrelated third party as consideration for acquisition of assets. These share buybacks and share transfer have been factored in arriving at the weighted average number of ordinary shares in issue for 2H FY2021 and FY2021.

- (2) Between 22 November 2019 and 1 April 2020, the Company conducted multiple share buyback exercises amounting to 3,296,500 shares in total. These share buybacks have been factored in arriving at the weighted average number of ordinary shares in issue for 2H FY2021 and FY2020.

8. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities as at 30 June 2021 and 30 June 2020:

	Group		Company	
	As at 30 June 2021 (Unaudited)	As at 30 June 2020 (Audited)	As at 30 June 2021 (Unaudited)	As at 30 June 2020 (Audited)
<i>Financial assets</i>				
Financial assets at amortised cost	16,264,354	14,395,989	13,616,255	13,404,268
<i>Financial liabilities</i>				
At amortised cost	34,185,982	33,656,993	107,810	89,977

9. Net asset value

	Group		Company	
	As at 30 June 2021 (Unaudited)	As at 30 June 2020 (Audited)	As at 30 June 2021 (Unaudited)	As at 30 June 2020 (Audited)
Net asset value ("NAV") (AUD)	20,162,344	19,920,592	42,921,510	51,957,384
Number of ordinary shares excluding treasury shares	243,146,000	242,703,500	243,146,000	242,703,500
NAV per ordinary share (AUD cents)	8.3	8.2	17.7	21.4

10. Property, plant and equipment

Group	Machinery and equipment AUD	Furniture and fittings AUD	Office equipment AUD	Motor vehicles AUD	Renovation AUD	Total AUD
Cost						
At 1 July 2020	3,794,864	5,247,749	384,261	146,718	10,571,078	20,144,670
Additions	895,874	1,808,681	17,082	-	1,453,295	4,174,932
Write-off	(419,735)	(70,937)	(5,793)	-	(754,795)	(1,251,260)
Disposal	(4,372)	-	-	-	-	(4,372)
Reclassified to disposal group classified as held for sale	(17,944)	(2,825)	(11,833)	(9,599)	(12,928)	(55,129)
Currency translation differences	(14,644)	(8,250)	(1,007)	451	(4,946)	(28,396)
At 30 June 2021	4,234,043	6,974,418	382,710	137,570	11,251,704	22,980,445
Accumulated depreciation						
At 1 July 2020	1,839,372	1,630,153	228,629	65,517	3,861,979	7,625,650
Depreciation charge	491,368	890,886	27,168	17,251	1,502,465	2,929,138
Write-off	(190,586)	(76,636)	(3,697)	-	(412,837)	(683,756)
Disposal	(1,761)	-	-	-	-	(1,761)
Reclassified to disposal group classified as held for sale	(10,000)	(1,705)	(5,885)	(5,772)	(8,439)	(31,801)
Currency translation differences	(6,176)	(3,865)	(371)	64	(3,706)	(14,054)
At 30 June 2021	2,122,217	2,438,833	245,844	77,060	4,939,462	9,823,416
Net carrying value						
At 30 June 2021	2,111,826	4,535,585	136,866	60,510	6,312,242	13,157,029

Group	Machinery and equipment AUD	Furniture and fittings AUD	Office equipment AUD	Motor vehicles AUD	Renovation AUD	Total AUD
Cost						
At 1 July 2019	4,984,033	4,171,112	337,809	209,196	9,837,091	19,539,241
Reclassification to right-of-use assets on adoption of SFRS(l) 16	(1,673,171)	(43,864)	-	(44,227)	(114,852)	(1,876,114)
Additions	722,147	1,148,271	47,027	-	1,635,685	3,553,130
Write-off	(169,832)	(8,969)	-	(17,140)	(729,644)	(925,585)
Disposal	(48,682)	-	-	-	-	(48,682)
Currency translation differences	(19,631)	(18,801)	(575)	(1,111)	(57,202)	(97,320)
At 30 June 2020	3,794,864	5,247,749	384,261	146,718	10,571,078	20,144,670
Accumulated depreciation						
At 1 July 2019	2,002,074	1,111,769	195,454	67,608	2,445,040	5,821,945
Reclassification to right-of-use assets on adoption of SFRS(l) 16	(534,488)	(7,976)	-	(11,784)	(38,249)	(592,497)
Depreciation charge	481,266	534,408	33,445	22,484	1,745,951	2,817,554
Write-off	(77,978)	(3,650)	-	(12,123)	(278,227)	(371,978)
Disposal	(23,236)	-	-	-	-	(23,236)
Currency translation differences	(8,266)	(4,398)	(270)	(668)	(12,536)	(26,138)
At 30 June 2020	1,839,372	1,630,153	228,629	65,517	3,861,979	7,625,650
Net carrying value						
At 30 June 2020	1,955,492	3,617,596	155,632	81,201	6,709,099	12,519,020

11. Right-of-use assets and lease liabilities

The Group's leasing activities comprise the following:

- (i) The Group leases various food and beverage outlets, central kitchen, office buildings, motor vehicles and plant and equipment from non-related parties. The leases have an average tenure of between 2 to 10 years.
- (ii) In addition, the Group leases certain storage spaces with contractual terms of 12 months or less. These leases are short-term leases. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The Group's obligations are secured by the lessors' title to the leased assets for such leases. No restrictions are imposed on dividends or further leasing.

Group	FY2021 AUD	FY2020 AUD
<i>Amounts recognised in statements of financial position</i>		
<i>Carrying amount of right-of-use assets</i>		
Food and beverage outlets	19,978,649	19,336,549
Central kitchen and office buildings	2,143,513	2,386,512
Plant and equipment	850,868	1,090,973
Motor vehicles	18,250	24,332
	<u>22,991,280</u>	<u>22,838,366</u>
<i>Carrying amount of lease liabilities</i>		
Current	7,206,541	6,388,729
Non-current	22,126,135	22,296,848
	<u>29,332,676</u>	<u>28,685,577</u>
Additions to right-of-use assets	<u>6,536,415</u>	<u>4,539,857</u>

12. Intangible assets

Group	FY2021 AUD	FY2020 AUD
Goodwill arising on business combination	945,937	945,937
Franchise rights	2,096,448	2,256,866
	<u>3,042,385</u>	<u>3,202,803</u>

Impairment test for goodwill

Goodwill acquired in business combinations is allocated, to the cash generating units ("CGUs") that are expected to benefit from that business combinations. The carrying value of goodwill has been allocated as follows:

	Group	
	FY2021 AUD	FY2020 AUD
Food and beverage retails		
- PPR Ryde (NSW) Pty Ltd	725,783	725,783
- JCT (Chadstone) Pty Ltd	220,154	220,154
	<u>945,937</u>	<u>945,937</u>

Key assumptions used in value-in-use calculation

The recoverable amounts of the CGUs are based on their value in use, determined by discounting the pre-tax future cash flows to be generated from the continuing operations of the CGUs. The key assumptions used in the estimation of value in use were as follows:

	PPR Ryde (NSW) Pty Ltd		JCT (Chadstone) Pty Ltd	
	FY2021	FY2020	FY2021	FY2020
	7% growth in year 2022 from year 2021, 36% growth in year 2023 and 4% growth per year thereafter	14% growth in year 2021 from year 2020, 4% growth in year 2022 and 2% growth per year thereafter	56% growth in year 2022 from year 2021, 7% growth in year 2023 and 2% growth per year thereafter	14% growth in year 2021 from year 2020, 12% growth in year 2022 and 3% growth per year thereafter
Forecast revenue growth				
Gross profit margin	65%	66%	66%	63%
Terminal value growth rate	1.5%	2%	1.2%	2%
Discount rate	12.4%	13%	13.1%	13%

The Group's value in use calculations used cash flow forecasts covering a five years period. Forecast revenue for the next five years was projected taking into account the average growth levels experienced over the past years and the estimated sales volume and price growth for the next five years. These key inputs and assumptions were estimated by management based on prevailing market, economic and other conditions at the end of the reporting period, and based on management's estimations of the recovery in business conditions amidst the current COVID-19 pandemic.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and which is adjusted for the risks specific to the CGUs.

13. Investment in subsidiaries

Company	FY2021 AUD	FY2020 AUD
Unquoted equity share, at cost		
Balance at beginning of year	40,195,930	40,195,930
Incorporation of subsidiaries	100	-
	<u>40,196,030</u>	<u>40,195,930</u>
Less: Allowance for impairment	<u>(10,975,318)</u>	<u>(1,832,425)</u>
Balance at end of the year	<u>29,220,712</u>	<u>38,363,505</u>
 <i>Movement in allowance account for investment</i>		
Balance at beginning of year	1,832,425	-
Impairment loss for the year	9,142,893	1,832,425
Balance at end of the year	<u>10,975,318</u>	<u>1,832,425</u>

14. Share capital

	Number of issued shares		Issued share capital	
	FY2021	FY2020	FY2021	FY2020
	(Unaudited)	(Audited)	AUD	AUD
<i>Issued and paid up</i>				
At 1 July	242,703,500	209,000,000	57,200,620	47,490,345
Issuance of ordinary shares:				
- pursuant to the IPO ⁽¹⁾	-	37,000,000 ⁽¹⁾	-	10,133,783
- capitalization of share issue expenses		-	-	(423,508)
Purchases of treasury shares	(226,500) ⁽³⁾	(3,296,500) ⁽²⁾	-	-
Purchases of assets	669,000 ⁽⁴⁾	-	-	-
At 30 June	243,146,000	242,703,500	57,200,620	57,200,620

	Number of Shares	Percentage of the aggregate number of the treasury shares against the total number of shares outstanding
<i>Treasury Shares</i>		
As at 1 July 2019	-	-
Shares buy back	3,296,500 ⁽²⁾	
As at 30 June 2020 and 1 July 2020	3,296,500	1.4%
Shares buyback	226,500 ⁽³⁾	
Shares transferred	(669,000) ⁽⁴⁾	
As at 30 June 2021	2,854,000	1.2%

There were no outstanding convertibles and subsidiary holdings held by the Company as at 30 June 2021 and 30 June 2020. The number of shares held as treasury shares as at 30 June 2021 and 30 June 2020 were 2,854,000 and 3,296,500 treasury shares respectively. The percentage of the aggregate number of treasury shares held against the total number of outstanding shares as at 30 June 2021 and 30 June 2020 was 1.2% and 1.4% respectively.

Notes:

- (1) On 3 July 2019, a total of 37,000,000 new ordinary shares were offered pursuant to the IPO at SGD0.26 (equivalent to A\$0.2739) per share.
- (2) Between 1 July 2019 and 31 December 2019, the Company conducted multiple share buyback exercises amounting to 1,035,000 shares in total. Between 1 January 2020 and 30 June 2020, the Company conducted multiple share buyback exercises amounting to 2,261,500 shares in total.
- (3) Between 1 July 2020 and 31 December 2020, the Company conducted multiple share buyback exercises amounting to 226,500 shares in total. No share buyback exercise was conducted between 1 January 2021 and 30 June 2021.
- (4) On 22 March 2021, the Company transferred 669,000 shares to an unrelated third party as consideration for an acquisition of assets.

15. Borrowings

Group	FY2021 AUD	FY2020 AUD
<i>Non-current</i>		
Bank loans (secured)	349,712	335,095
<i>Current</i>		
Bank overdrafts (secured)	147,823	197,823
Bank loans (secured)	256,234	813,931
Other loans (unsecured)	62,914	63,160
	466,971	1,074,914
Total borrowings	816,683	1,410,009

The Group's secured bank loans are secured over all assets of certain subsidiaries, certain fixed deposits and personal guarantee by certain directors of the Company and subsidiaries. Interest is payable at 4.87% to 6.68% (FY2020: 2.22% to 7.32%) per annum in FY2021.

The secured bank overdrafts of the Group are secured over personal guarantee by certain directors of the Company and subsidiaries and all assets of certain subsidiaries. Interest is payable at 5.59% (2019: 5.59% to 7.99%) per annum in FY2021.

16. Discontinued operations and disposal group classified as held for sale

On 5 April 2021, the Company's subsidiaries, STG Food Industries Malaysia Sdn Bhd ("**STGFIM**") and TGR Food Industries Sdn Bhd ("**TGRFI**"), entered into a term sheet with two different parties (collectively, the "**Purchasers**"), to establish the intention for all parties to undertake a restructuring exercise of NNC Food Industries Malaysia Sdn Bhd ("**NNCFI**"). The Purchasers are not related to any of the directors or controlling shareholders of the Company.

On 12 July 2021, STGFIM and TGRFI entered into a sale and purchase agreement ("**SPA**") with the Purchasers for the disposal of STGFIM's and TGRFI's shareholding of 8.0% and 83.0% in NNCFI, respectively, to the Purchasers (the "**Disposal**") for a total consideration of RM700,001.

Following the Disposal, STGFIM and TGRFI will hold 3% and 1%, respectively, in NNCFI and NNCFI will cease to be a subsidiary of the Company. The Disposal has not been completed at the date of the announcement.

As at 30 June 2021, the assets and liabilities directly related to NNCFI have been presented in the consolidated statement of financial position as "Disposal group assets classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale". The entire results from the disposal group are presented separately on consolidated statement of comprehensive income as "Loss from discontinued operations, net of tax" and comparative figures have been restated.

An analysis of the results of discontinued operations, and the result recognised on the remeasurement of disposal group is as follows:

Group	FY2021 AUD	FY2020 AUD
Revenue	609,027	1,791,110
Other income	30,098	63,046
Expenses	(1,478,740)	(2,896,623)
Loss before tax from discontinued operation	(839,615)	(1,042,467)
Tax	(25,528)	(8,655)
Loss after tax from discontinued operations	(865,143)	(1,051,122)

Group	FY2021 AUD
<i>Details of disposal group classified as held for sale are as follows:</i>	
Property, plant and equipment	23,327
Intangible assets	107,115
Deferred tax assets	35,583
Trade and other receivables	360,772
Inventories	144,101
Cash and cash equivalents	1,136
	<u>672,034</u>
 <i>Liabilities directly associated with disposal group classified as held for sale:</i>	
Trade and other payables	676,798
Contract liabilities	82,374
	<u>759,172</u>

17. Subsequent events

Save as disclosed in Note 16, there are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. Other information required under Appendix 7C of the Catalyst Rules

1. Review

The condensed consolidated statement of financial position of the Group as at 30 June 2021, the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows of the Group for the six-month period and full year ended 30 June 2021, and, certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Financial performance (2H FY2021 vs 2H FY2020)

Revenue

Revenue increased by A\$9.8 million or 67.7%, from A\$14.5 million in 2H FY2020 to A\$24.3 million in 2H FY2021 as the Group recovers from the impact of COVID-19 pandemic. The contributions from the respective major revenue segments were as follow: -

- (i) revenue from F&B retail sales increased by A\$5.2 million or 43.6% from A\$11.8 million in 2H FY2020 to A\$17.0 million in 2H FY2021;
- (ii) revenue from supply chain sales (comprising the sale of F&B ingredients and other supplies to our sub-franchisees and sub-licensees) increased by A\$3.1 million from A\$1.0 million in 2H FY2020 to A\$4.1 million in 2H FY2021 in line with the increase of sub-franchised outlets by 10, from 72 as at the end of 2H FY2020 to 82 as at the end of 2H FY2021; and
- (iii) franchise revenue increased by A\$1.6 million from A\$1.4 million in 2H FY2020 to A\$3.0 million in 2H FY2021 due mainly to increase in project income and franchise revenue as a result of the increase in sub-franchised outlets in FY2021.

Other Income

Other income decreased by A\$2.2 million or 64.5% from A\$3.4 million in 2H FY2020 to A\$1.2 million in 2H FY2021 due mainly to a decrease in various COVID-19 grant income received amounting to A\$0.8 million in 2H FY2021 as compared to A\$3.0 million in 2H FY2020.

Changes in inventories

Changes in inventories amounted to an increase of A\$0.6 million in 2H FY2021 and a decrease of A\$0.3 million in 2H FY2020. The fluctuations in the balance of our inventories are mainly due to timing of purchases and consumption of inventories.

Purchases of inventories

Purchases of inventories increased by A\$3.8 million or 92.6%, from A\$4.1 million in 2H FY2020 to A\$8.0 million in 2H FY2021, due to the overall increase in our supply chain sales as mentioned above.

Franchise restaurants and stores related establishment costs

Franchise restaurants and stores related establishment costs increased by A\$0.6 million from A\$0.2 million in 2H FY2020 to A\$0.7 million in 2H FY2021, in line with the increase in project income in FY2021.

Rental on operating leases

The Group recorded a net income on rental on operating leases of A\$0.1 million in 2H FY2020 as the Group received rent concessions from major landlords in relation to the COVID-19 pandemic.

Staff costs

Staff costs increased by A\$1.5 million or 21.1% from A\$7.2 million in 2H FY2020 to A\$8.7 million in 2H FY2021, mainly due to an increase in F&B retail and supply chain operations as the Group recovers from the impact of COVID-19 pandemic.

Depreciation expense

Depreciation expense comprised A\$2.6 million depreciation on right-of-use assets and A\$1.5 million depreciation on property, plant and equipment in 2H FY2021, as compared to A\$2.5 million depreciation on right-of-use assets and A\$1.3 million depreciation on property, plant and equipment in 2H FY2020.

Depreciation on right-of-use asset increased by A\$0.1 million or 5.9% as the Group entered into new leases for outlets opened in FY2021. Depreciation on property, plant and equipment increased by A\$0.2 million or 19.2% due mainly to addition of new equipment, furniture and fittings for new outlets opened by the Group during the period.

Amortisation expense

Amortisation expense increased by A\$0.1 million or 39.0% from A\$0.2 million in 2H FY2020 to A\$0.3 million in 2H FY2021, mainly due to additional amortisation in relation to the new franchise right acquired amounting to A\$0.2 million during FY2021.

Finance costs

Finance costs comprised finance costs on long term leases recognised as lease liabilities under SFRS(I) 16 and finance costs on borrowings.

Total finance costs remained consistent at A\$0.8 million in 2H FY2021 and 2H FY2020.

IPO expenses

IPO expenses incurred in 2H FY2020 were in connection with the listing of the Company on the Catalist on 3 July 2019.

Other expenses

Other expenses decreased by A\$0.4 million or 13.4% from A\$2.6 million in 2H FY2020 to A\$2.3 million in 2H FY2021, due mainly the write off of property, plant and equipment of A\$0.2 million and allowance for impairment of receivables of A\$0.2 million in 2H FY2020.

Profit before tax

Due to the reasons above, the Group posted profit before tax from continuing operations of A\$0.9 million in 2H FY2021 as compared to loss before tax of A\$1.3 million in 2H FY2020.

Tax expense

Tax expense of A\$0.2 million were recorded for 2H FY2021 as the Group posted profit before tax of A\$0.9 million, and compared to tax credit of A\$0.2 million in 2H FY2020.

Profit for the period from continuing operations

After deducting tax expenses, the Group posted profit after tax from continuing operations of A\$0.7 million in 2H FY2021, an improvement from loss after tax of A\$1.1 million in 2H FY2020.

Profit attributable to equity holders of the Company

Profit attributable to equity holders of the Company amounted to A\$0.7 million in 2H FY2021, an improvement from loss of A\$1.0 million in 2H FY2020, as the Group gradually recovers from the impact of the COVID-19 pandemic.

Financial performance (FY2021 vs FY2020)

Revenue

Revenue increased by A\$2.7 million or 6.3%, from A\$42.2 million in FY2020 to A\$44.9 million in FY2021 mainly due to increase in franchised outlets during the financial year. The contributions from the respective major revenue segments were as follow: -

- (i) revenue from F&B retail sales decreased by A\$1.3 million or 4.0% from A\$31.6 million in FY2020 to A\$30.4 million in FY2021 as the COVID-19 pandemic affected the Group-owned outlets operations for a significant portion of FY2021. In FY2020 the COVID-19 pandemic affected the Group-owned outlets operations only in the second half of FY2020. The total number of Group-owned outlets increased by 4, from 44 as at the end of FY2020 to 48 as at the end of FY2021, which had partially mitigated the adverse impact of COVID-19 pandemic;
- (ii) revenue from supply chain sales (comprising the sale of F&B ingredients and other supplies to our sub-franchisees and sub-licensees) increased by A\$3.0 million or 50.0% from A\$5.9 million in FY2020 to A\$8.9 million in FY2021 in line with the increase of sub-franchised outlets by 10, from 72 as at the end of FY2020 to 82 as at the end of FY2021; and
- (iii) franchise revenue increased by A\$1.1 million or 25.6% from A\$4.3 million in FY2020 to A\$5.4 million in FY2021 due mainly to increase in project income and franchise revenue as a result of the increase in sub-franchised outlets in FY2021.

The Group opened 6 new “Gong Cha” outlets in New Zealand, 2 new “Gong Cha” outlets in England, United Kingdom and 1 new “IPPUDO” outlet in New Zealand in FY2021 which resulted in an increase in percentage of revenue contributed by outlets outside of Australia, namely in New Zealand and United Kingdom from 21.8% in FY2020 to 28.3% in FY2021.

Other Income

Other income decreased by A\$0.8 million or 18.9% from A\$4.3 million in FY2020 to A\$3.4 million in FY2021 due mainly to decrease in various COVID-19 grant income received amounting to A\$2.6 million in FY2021 as compared to A\$3.2 million in FY2020. The Group also passed on rent concessions to its sub-lessee amounting to A\$0.2 million in FY2021. The Group’s supplier rebate income increased by A\$0.1 million or 12.4% from A\$0.7 million in FY2020 to A\$0.8 million in FY2021 due to the general increase in supply chain sales and sub-franchised outlets.

Changes in inventories

Changes in inventories amounted to an increase of A\$0.1 million in FY2021 and an increase of A\$0.8 million in FY2020. The fluctuations in the balance of our inventories are mainly due to timing of purchases and consumption of inventories.

Purchases of inventories

Purchases of inventories increased by A\$1.2 million or 9.3%, from A\$12.8 million in FY2020 to A\$14.0 million in FY2021, due to the overall increase in our supply chain sales as mentioned above.

Franchise restaurants and stores related establishment costs

Franchise restaurants and stores related establishment costs increased by A\$0.6 million or 63.0% from A\$0.9 million to A\$1.4 million, in line with the increase in project income in FY2021.

Rental on operating leases

Rental on operating leases decreased by A\$0.8 million from A\$0.4 million rental expense in FY2020 to A\$0.4 million rental income in FY2021 mainly due to rent concessions received from major landlords in relation to the COVID-19 pandemic.

Staff costs

Staff costs decreased by A\$0.9 million or 5.7% from A\$16.6 million in FY2020 to A\$15.7 million in FY2021, mainly due to decrease in F&B retail sales as a result of multiple COVID-19 pandemic lockdowns in FY2021.

In FY2021, the Group received a total of A\$2.0 million staff costs-related grant income, which has been recorded as Other Income. The net staff costs after deducting grant income were A\$13.7 million in FY2021.

Depreciation expense

Depreciation expense comprised depreciation on right-of-use assets and depreciation on property, plant and equipment.

Depreciation on right-of-use asset depreciation increased by A\$0.5 million or 10.2% from A\$4.6 million in FY2020 to A\$5.1 million in FY2021 mainly due to 4 new Group-owned outlets in FY2021.

Consistently, depreciation on property, plant and equipment increased by A\$0.3 million or 10.7% from A\$2.6 million in FY2020 to A\$2.8 million in FY2021, mainly due to addition of new equipment, furniture and fittings for new outlets opened by the Group in FY2021 and full year depreciation of outlets opened in FY2020.

Amortisation expense

Amortisation expense increased by A\$0.1 million or 20.5% from A\$0.3 million in FY2020 to A\$0.4 million in FY2021, mainly due to additional amortisation in relation to the new franchise right acquired amounting to A\$0.2 million during FY2021.

Finance costs

Finance costs comprised finance costs on long term leases recognised under SFRS(I) 16 and finance costs on borrowings.

Total finance costs remained consistent at A\$1.5 million in FY2021 and FY2020.

IPO expenses

IPO expenses of A\$0.2 million incurred in FY2020 were in connection with the listing of the Company on the Catalist on 3 July 2019.

Other expenses

Other expenses remained consistent at A\$5.3 million and A\$5.2 million in FY2021 and FY2020 respectively.

Profit before tax from continuing operations

Due to the reasons above, profit before tax from continuing operations increased by A\$0.5 million or 27.6%, from A\$1.9 million in FY2020 to A\$2.4 million in FY2021.

Tax expense

Tax expenses increased by A\$0.2 million or 36.0%, from A\$0.6 million in FY2020 to A\$0.8 million in FY2021 due to an increase in profit before tax.

Profit for the year from continuing operations

After deducting tax expenses, profit for the year from continuing operations increased by A\$0.3 million or 23.6%, from A\$1.3 million in FY2020 to A\$1.6 million in FY2021.

Profit attributable to equity holders of the Company

Profit attributable to equity holders of the Company increased by A\$0.3 million or 33.1% from A\$0.8 million in FY2020 to A\$1.1 million in FY2021.

Review of the group's financial position

Non-current Assets

The Group's non-current assets increased by A\$0.7 million or 1.6% from A\$45.4 million as at 30 June 2020 to A\$46.1 million as at 30 June 2021, mainly attributable to the following:

- (i) an increase in property, plant and equipment on A\$0.6 million and increase in right-of-use assets of A\$0.2 million as a result of increase in Group owned outlets;
- (ii) an increase in fixed deposit placed with licensed financial institutions of A\$0.3 million; and
- (iii) offset by a decrease in deferred tax assets of A\$0.2 million and decrease in trade and other receivables of A\$0.1 million.

Current Assets

Current assets increased by A\$1.1 million or 6.9%, from A\$15.9 million as at 30 June 2020 to A\$16.9 million as at 30 June 2021, mainly due to an increase in cash and bank balances of A\$1.9 million and recognition of disposal group assets classified as held for sales of A\$0.7 million, offset by decrease in fixed deposit placed with a licensed financial institution of A\$0.6 million and a decrease in trade and other receivables of A\$0.8 million.

Non-current Liabilities

The Group's non-current liabilities decreased by A\$0.3 million or 1.3%, from A\$23.5 million as at 30 June 2020 to A\$23.2 million as at 30 June 2021, mainly due to a decrease in lease liabilities of A\$0.2 million and a decrease in contract liabilities of A\$0.1 million.

Current Liabilities

The Group's current liabilities increased by A\$1.9 million or 11.7%, from A\$16.0 million as at 30 June 2020 to A\$17.8 million as at 30 June 2021, mainly due to an increase in trade and other payables of A\$1.0 million, recognition of liabilities directly associated with disposal group classified as held for sale of A\$0.8 million and an increase in lease liabilities of A\$0.8 million, offset by a decrease in borrowings of A\$0.6 million and a decrease in contract liabilities of A\$0.1 million.

Working Capital

The Group recorded negative working capital of A\$0.9 million as at 30 June 2021 and a negative working capital of A\$0.1 million as at 30 June 2020. The negative working capital as at 30 June 2021 was mainly due to an increase in lease liabilities following the opening of 4 new Group-owned outlets in FY2021.

Review of the group's cashflows

We generated net cash from operating activities before changes in working capital of A\$12.3 million. Net cash generated from working capital amounted to A\$0.3 million, due mainly to positive cash flow from receivables and contract assets of A\$0.2 million and currency translation adjustments of A\$0.1 million.

Net cash used in investing activities amounted to A\$4.2 million, due mainly to additions to property, plant and equipment of A\$4.1 million as we expanded our operations and increased our number of outlets, and acquisition of additional franchise right of A\$0.2 million.

Net cash used in financing activities amounted to A\$6.3 million, due mainly to (i) repayment of bank borrowings of A\$0.8 million; (ii) repayment of lease liabilities of A\$3.8 million; (iii) interest paid on lease liabilities and bank borrowings of \$1.3 million; (iv) dividends paid to shareholders and non-controlling interests of A\$0.4 million; and (v) acquisition of additional equity in subsidiaries of A\$0.2 million; offset by loan drawdown of A\$0.3 million.

As a result of the above, net cash and cash equivalents increased by A\$1.4 million in FY2021.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The COVID-19 pandemic has adversely affected the operations of the Group in FY2021. The Group's operating environment remains challenging as the Group's outlets continue to operate under restrictions imposed by the various jurisdictions that the Group has presence in. The Group's key geographical markets in Australia and New Zealand have been recently hit hard by the Delta variant of COVID-19, and have plunged various regions in these geographical markets into movement restrictions. On a positive note, the vaccination rates in these regions have been steadily climbing, which the Group believes will play an important part in accelerating the lifting of movement restrictions in these regions.

The Group has also formulated a comprehensive COVID-19 Safe Plan guidelines for its corporate office, Central Kitchen and F&B outlets. The COVID-19 Safe Plan guidelines are essential in allowing the Group to continue operating in a safe and responsible manner, and to prepare the Group to react and respond more timely in the event of an infection.

The Group is in a strong cash surplus position with relatively low gearing. The Group continues to be on the lookout for favourable leases for potential new outlets. As at the date of this announcement, the Group had a network of 133 outlets comprising 49 Group-owned outlets and 84 outlets owned by its sub-franchisees and sub-licensees. In addition, the Group has signed contracts to open at least 8 Group-owned and sub-franchised/sub-licensed outlets by December 2021.

5. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

No.

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

No.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

6. If no dividend has been declared/recommended, a statement to the effect and the reason(s) for the decision.

The Company had paid an interim dividend in respect of the six-month period ended 31 December 2020 of A\$0.0015 per ordinary share on 12 March 2021.

No dividend has been declared or recommended for FY2021 in light of the need to conserve cash due to the uncertainties caused by the COVID-19 pandemic.

7. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for recurrent interested person transactions.

8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers.

9. A breakdown of sales

	Group		Increase/ (Decrease) %
	FY2021 AUD	FY2020 AUD Restated	
Sales reported for first half year	20,621,949	27,755,725	(25.7)
Operating profit after tax before deducting minority interests reported for first half year	181,723	2,098,200	NM
Sales reported for second half year	24,261,403	14,463,342	67.7
Operating profit/(loss) after tax before deducting minority interests reported for second half year	542,921	(1,862,712)	NM

The Group reported operating profit after tax before deducting minority interests of A\$0.6 million for 2H FY2021 as the COVID-19 pandemic situation had improved since the onset of the pandemic in 2H FY2020.

10. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	Group	
	FY2021 AUD	FY2020 AUD
Ordinary	363,714	1,222,771

11. Use of IPO proceeds

The Company received proceeds from the IPO of approximately S\$6.2 million (the “**Net Proceeds**”). As at the date of this announcement, the Net Proceeds have been utilised as follows:

	Allocation of Net Proceeds (as disclosed in the Offer Document) (S\$'000)	Net proceeds utilised as at the date of this announcement (S\$'000)	Balance of Net Proceeds (S\$'000)
Expansion of franchise network and introduction of new brands and concepts	4,000	4,000	-
Acquisition of new equipment and machinery and expansion of our existing Central Kitchen and corporate office in Australia	1,000	-	1,000
Establishing a new central kitchen and corporate office in Malaysia	600	-	600
General working capital purposes	600	487	113
Total	6,200	4,487	1,713

12. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Tee Ooi	46	Spouse of Saw Lee Ping, Executive Director and Chief Administrative Officer	Operations Manager, responsible for overall management and oversight of operations of outlet since the Group was founded in 2011.	Nil

BY ORDER OF THE BOARD

Saw Tatt Ghee
Executive Chairman and Chief Executive Officer

21 September 2021