

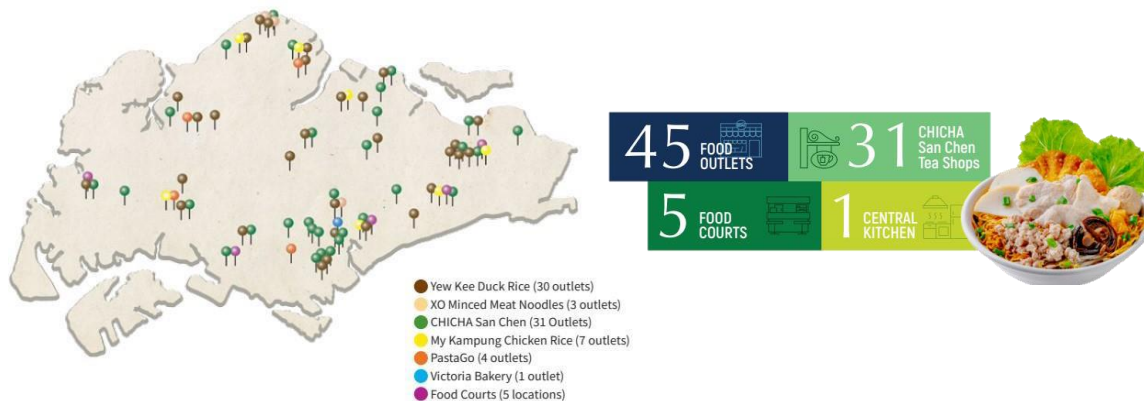
YKGI LIMITED
 (Company Registration No. 202227645Z)
 (Incorporated in Singapore)

RESPONSES TO QUESTIONS FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

Unless otherwise defined, capitalised terms used shall have the same meaning as ascribed to them in annual report issued to shareholders on 12 May 2023 (“Annual Report”).

The Board of Directors of YKGI Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the questions raised by the Securities Investors Associations (Singapore) (“**SIAS**”) relating to the Company’s Annual Report for the financial year ended 31 December 2022 and sets out the replies to the questions as follows:

Q1. Revenue for the financial year ended 31 December 2022 remained largely stable at \$56.2 million as compared to \$56.1 million in FY2021. This was despite the revenue contribution from the franchise business (CHICHA San Chen brand of tea shops) dipping by \$5.2 million, as a larger proportion of the population returned to work in the central business district. This return to work led to a decrease in online sales and store sales for stores located in the heartlands.



(Adapted from company annual report)

- (i) **Can management provide shareholders with information on the same-store sales performance in FY2022 for both Yew Kee Duck Rice and CHICHA San Chen outlets?**

Company’s Response:

The management constantly review the outlet performance and monitor customer behaviors and take appropriate action such as more in store promotions to create awareness and mitigate the lost in sales due to the change in customer behaviors.



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- (ii) Revenue from the franchise business decreased from \$26.68 million in FY2021 to \$21.52 million in FY2022. **Does management view FY2021 as an atypical year for the CHICHA San Chen business, primarily due to the extended work- from-home arrangements during the pandemic? Furthermore, what progress has the group made in terms of sub-franchising the brand?**

Company's Response:

Revenue from the franchise business in FY2021 did benefit from the extended work-from-home office arrangements and the popularity of takeaway platforms. With a larger proportion of the population returning to work in the central business district, the Group has also changed its strategy accordingly, and the newly opened CHI CHA San Chen outlets are all located closer to the central business area in FY2022.

The Group currently has no intention to sub-franchise the CHICHA San Chen brand in Singapore in order to maintain the standard of products and services.

- (iii) The group's Food Court business manages the "My Kampung" brand of food courts in commercial complexes and malls, as well as the "Fine Food" brand of food courts in educational institutions. **Can management clarify the number of food courts managed by the group?** In the diagram on page 3, it states that the group has five food courts, while Note 28 (Segment Information) indicates that the group manages four food courts across Singapore under the My Kampung and Fine Food brands. **For the benefit of shareholders, kindly disclose the locations of all the group's outlets in the annual report. In addition, has the group considered expanding its food court business to include coffeeshops, particularly those in HDB heartlands?**

Company's Response:

The Group managed four food courts in FY2022 and the fifth food court at Changi City Point commenced operation on 26 April 2023. The Group has 5 food courts at the date of the Annual Report.

list of locations of all the group's outlets

Brand	Location	Number of outlets as at the 12 May 2023
Yew Kee Duck Rice	53 Ang Mo Kio Avenue 3 AMK Hub #B2-46	31
	Block 443 Pasir Ris Drive 6 #01-02	
	15 Petir Road Hillion Mall #01-56	
	2 Tampines Central 5 Century Square #B1-23	



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Brand	Location	Number of outlets as at the 12 May 2023
	50 Nanyang Avenue South Spine Foodcourt Canteen B	
	50 Jurong Gateway Road JEM #B1-K13	
	33 Sengkang West Avenue The Seletar Mall #B2-13/14	
	11 Canberra Road Sembawang MRT Station #01-05 ⁽²⁾	
	3 Simei Street 6, Eastpoint Mall #02-K1 ⁽¹⁾	
	417 Yishun Avenue 111 #01-351	
	Block 823A Tampines Street 81, #01-02	
	1 Bukit Batok Central Link #04-01 West Mall	
	83 Punggol Central #02-20/21 Waterway Point	
	21 Choa Chu Kang North 6 Yew Tee Point #01-21	
	3 Temasek Boulevard #B1-169A Suntec City Mall	
	1 Vista Exchange Green, #B1-31 The Star Vista	
	920 Yishun Avenue 2 #01-12 Yishun Bus Interchange	
	604 Sembawang Road, #01-05 Sembawang Shopping Centre	
	Amoy Street Food Centre #01-32 7 Maxwell Road	
	Bedok Interchange Hawker Centre #01-28 Block 208B New Upper Changi Road	
	Bukit Panjang Hawker Centre And Market #01-10 2 Bukit Panjang Ring Road	
	Ci Yuan Hawker Centre #01-12 51 Hougang Avenue 9	
	Kampung Admiralty Hawker Centre #02-15 Block 676 Woodlands Drive 71	
	Kovan Market & Food Centre #01-03 Block 209 Hougang St 21	
Marine Parade Food Centre #01-10 84 Marine Parade Central		
Newton Food Centre #01-09 500 Clemenceau Avenue North		
1 Tampines Walk #01-37 Our Tampines Hub Hawker		



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Brand	Location	Number of outlets as at the 12 May 2023
	Centre	
	People's Park Food Centre #01-1108 Block 32 New Market Road	
	1 Stadium Place Kallang Wave Mall #02-12	
	301 Upper Thomson Road Thomson Plaza #01-96	
	11 Bidadari Park Drive, The Woodleigh Mall #B1-04	
XO Minced Meat Noodles	Sembawang MRT Station #01-05 11 Canberra Road ⁽²⁾	3
	Newton Food Centre #01-10 500 Clemenceau Avenue North	
	Sembawang Shopping Centre #01-03 604 Sembawang Road	
My Kampung Chicken Rice	2 Jurong East Central 1 #B1-K04 Jcube	6
	11 Bedok North Street 1 #01-28/29 Heartbeat @Bedok	
	1 Stadium Place #02-16/K6 Kallang Wave Mall	
	33 Sengkang West Avenue #B2-07 The Seletar Mall	
	676 Woodlands Drive 71 #02-39 Kampung Admiralty	
	920 Yishun Avenue 2 #01-13 Yishun Bus Interchange	
PastaGo	Jcube Shopping Mall, 2 Jurong East Central 1, #B1-K07	4
	302 Tiong Bahru Road #B1-123 Tiong Bahru Plaza	
	598 Yishun Ring Road #01-20, Wisteria Mall Singapore 768698	
	17 Petir Road, Hillion Mall, #B2-37 Singapore 678278	
Victoria Bakery	6 Raffles Boulevard Marina Square #02-302/303	1

Notes:

- (1) The Group operates both Yew Kee Duck Rice Food Outlet and CHICHA San Chen tea shop at these premises.
- (2) The Group operates both Yew Kee Duck Rice Food Outlet and XO Minced Meat Noodles Food Outlets at these premises.



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Brand	Location
My Kampung	Kallang Wave Mall 1 Stadium PI #02-16 Singapore 397628
My Kampung	Heartbeat@Bedok 11 Bedok North Street 1 #01-28/29 Singapore 469662
My Kampung	Changi City Point, #02-01, 5 Changi Business Park Central 1, Singapore 486038
Fine Food	50 Nanyang Avenue Singapore 639798
Fine Food	NUS, University Town, 1 Create Way, University Town

Location of CHICHA San Chen tea shop
313 Orchard Road #03-41 313@Somerset, Singapore 238895
50 Jurong Gateway Road, JEM, #01-17, Singapore 608549
53 Ang Mo Kio Avenue 3, #B1-65A/65B, AMK Hub, Singapore 569933
50 Nanyang Avenue, Fine Food @ South Spine Foodcourt Canteen B, Singapore 639798
6 Eu Tong Sen Street, #B1-K9, The Central, Singapore 059817
10 Tampines Central 1, #B1-32, Singapore 529536
10 Paya Lebar Road, Paya Lebar Quarter, #02-27, Singapore 409057
6 Raffles Boulevard, #02-208, Marina Square Singapore 039594
501 Orchard Road, Wheelock Place, #B1-05, Singapore 238880
83 Punggol Central, Waterway Point, #01-42 Singapore 828761
90 Hougang Avenue 10, Hougang Mall #01-25, Singapore 538766
1 Vista Exchange Green, The Star Vista, #02-28B Singapore 138617
78 Airport Boulevard, Jewel Changi Airport, #B2-213 Singapore 819666
30 Raffles Place, #B1-20/21 Change Alley Mall, Singapore 048622
391 Orchard Road, Ngee Ann City, #B2-03 Singapore 238872
63 Jurong West Central 3, Jurong Point, #03-32/33 Singapore 648831
238 Thomson Road, #01-07, Novena Square, Singapore 307685
23 Serangoon Central, NEX, #02-13A, Singapore 556083
930 Yishun Avenue 2, #B2-01, Northpoint City, Singapore 769098
21 Choa Chu Kang Avenue 4, Lot One Shoppers' Mall, #01-05, Singapore 689812
17 Petir Road, Hillion Mall, #B2-17 Singapore 678278



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Location of CHICHA San Chen tea shop
3 Simei Street 6, Eastpoint Mall #02-K1 Singapore 528833
1 Stadium Place, Kallang Wave Mall #01-52, Singapore 397628
1 Sengkang Square, Compass One, #B1-10 Singapore 545078
30 Woodlands Avenue 2 Woodlands MRT Station #01-33 Singapore 738343
68 Orchard Road #B1-K7 Plaza Singapura Singapore 238839
133 New Bridge Road, Chinatown Point, #B1-50B, Singapore 059413
3 Temasek Boulevard #B1-169 Suntec City Mall Singapore 038983
1 Pasir Ris Central Street 3 #01-39B White Sands Singapore 518457
1 Create Way, #01-04 University Town (NUS)
311 New Upper Changi Road #B2-24A Bedok Mall Singapore 467360

Currently, the Group has no immediate plan to expand its food court business to include coffeeshops in HDB heartlands. However, when there are good investment opportunities, the Group will consider investing in this area.

- (iv) **Would the board/management be able to provide shareholders with more insight into the origins of the company's name, YKGI? Has the company received any feedback on its name since being listed on the SGX in February 2023, and has the board reviewed the liquidity of the shares?**

Company's Response:

From when Yew Kee, a household name which started in the 1950s as a pushcart selling braised duck rice in Nee Soon, to Yew Kee Group where the group manages a diverse portfolio of brands. Today, YKGI as a listed entity is the initial abbreviation for "Yew Kee Group International" as it represents the aspirations of the group expanding internationally.

The Group did not receive any feedback on its name since being listed on the SGX in February 2023.

Yes, the Board has carefully reviewed the liquidity of the shares and is actively exploring strategies to enhance liquidity and improve the trading environment for shareholders. The Group is committed to addressing this issue and maximizing the value of our company's shares in the market.

Please refer to the Company's offer document dated 26 January 2023 for more information on the history of the Group.



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Q2. On 9 March 2023, the company announced that it had entered into a non-binding memorandum of understanding with Pin Si Kitchen Pte. Ltd. ("Pin Si Kitchen") to explore potential opportunities in (i) the manufacturing of prepared food products (e.g., frozen dinners) business, (ii) the food catering industry, and (iii) any merger or acquisition (M&A) prospects.

Additional information about Pin Si Kitchen can be found at <https://pinsi.com.sg/>.

- (i) **Can the board/management provide more insights to shareholders on the process of identifying strategic acquisitions and the desired/target size for any such M&A transactions?**

Company's Response:

The Group's approach in identifying strategic acquisitions involve a thorough evaluation of current market trends, customer needs and growth opportunities within the Food and Beverage industry. The Group conducts extensive market research, analyze industry dynamics, and consider various factors such as market share, competitive landscape, potential of the brand and financial viability.

Regarding the desired/target size for M&A transactions, the Board and management take a prudent and strategic approach. The Group considers the potential synergies, growth prospects, and financial implications of each transaction. The size of the target company is evaluated based on its alignment with the Group's long-term strategic objectives, financial capabilities, and the potential to create value for our shareholders.

The Group strives to ensure transparency and open communication with shareholders, and are committed to keeping them informed about the M&A strategies, when appropriate, while maintaining confidentiality during sensitive negotiations. The Group understands the importance of providing insights to shareholders and will continue to update them on significant developments in the acquisition process, subject to regulatory and contractual obligations.

- (ii) **How was the group introduced to Pin Si Kitchen?**

Company's Response:

Mr. Seah Boon Lock, Executive Chairman of the Group, has been acquainted with the owner of Pin Si Kitchen for some time. Both YKGI and Pin Si Kitchen operate in the food and beverage industry, and with the recent listing of YKGI, both parties are excited to explore potential avenues of collaboration. As a result, an MOU was signed between the parties.



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(iii) What is the board’s experience and track record in deal sourcing, deal structuring and valuation?

Company’s Response:

The Board has a strong background and proven track record in deal sourcing, deal structuring, and valuation. They bring extensive experience from various industries and have successfully identified and evaluated numerous opportunities.

In deal sourcing, the Board has expertise in finding potential deals both domestically and internationally. They understand the complexities involved and have a keen eye for identifying promising opportunities.

When it comes to deal structuring, the Board has a solid understanding of legal, financial, and operational considerations. They have successfully structured deals that align with the Group’s strategic objectives while effectively managing risks and maximizing value.

In terms of valuation, the Board is well-versed in financial modeling, market analysis, and due diligence. They have a deep understanding of assessing the value of businesses and assets, considering factors such as potential synergies and fair transaction prices.

Overall, the Board’s experience and track record in deal sourcing, deal structuring, and valuation provide the Group with a strong foundation in evaluating and executing strategic initiatives that drive growth and create value for shareholders.

(iv) Has the board considered incorporating earn-out provisions and issuing consideration shares as components of the deal structure during M&A activities?

Company’s Response:

Yes, the Board will consider incorporating earn-out provisions and issuing consideration shares as components of the deal structure during M&A activities on a case-by-case basis.

Q3. As noted in the section on “Risk factors” in the offer document dated 26 January 2023, the group is required to hold regulatory licences and/or exemptions (“Licences”) for the operation of its business. Such Licences include (a) licences to operate foodshops; (b) licences to operate foodstalls; and (c) licences to operate a food processing establishment issued by the Singapore Food Agency. In addition, these Licences are generally subject to terms and conditions stipulated therein, and/or applicable laws, rules and regulations.

The group has been issued warnings and sanctions by the National Environment Agency and the Singapore Food Agency for various infringements, including failures to maintain cleanliness standards,



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instances of pest infestation, serving unclean food, using unsanitary practices, employing unlicensed workers, and violating COVID-19 safe distancing measures. These offenses have resulted in the company receiving demerit points, summons, and compounded fines. The infractions also led to the suspension of operations at certain food outlets and CHICHA San Chen tea shops, as well as the requirement for affected food handlers to retake hygiene courses mandated by the Singapore Food Agency.

Details of infringements can be found on pages 226 to 229 of the offer document. There were 32 incidents from August 2018 to September 2022, with demerit points given and fines paid.

- (i) **How does the board ensure compliance with food handling, preparation, and cooking standards, as well as food safety requirements, by its employees?**

Company's Response:

The Board takes food safety and compliance seriously within the company. The Group has established clear policies and procedures for food handling, preparation, and cooking, which are regularly updated.

To ensure compliance, the Group provides thorough training to employees on proper food handling and safety practices. The Group also conducts regular inspections by qualified professionals to identify any areas that require improvement.

The Group encourages a culture of accountability and reporting, where employees are encouraged to report any concerns or violations. This allows the Group to promptly address any issues that may arise and take corrective actions promptly.

By prioritizing compliance, providing training, conducting inspections, and fostering accountability, the Company and the Board ensures that employees consistently follow food safety standards. This commitment is crucial to maintaining the trust of the Group's customers and stakeholders in the Group's food and beverage products.

- (ii) **Since the company's listing, what improvements have been made in terms of monitoring and implementing preventive measures? Have there been any instances where the company received warnings or sanctions from the National Environment Agency (NEA) or the Singapore Food Agency in 2023?**

Company's Response:

In order to prevent the recurrence of such infringements, the Group have implemented preventive measures including increase the frequency of inspections by the Group's food hygiene officer and area manager; engagement and closely follow-up of pest control services, scheduling of daily housekeeping, engagement of a contractor to touch-up the food outlet premises, replacement of food container covers, setup of Environmental



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Sanitation Programme (ESP) for the Group's food courts, enhanced employee training on sanitation.

The Group did NOT receive any warning or sanction from the National Environment Agency (NEA) or the Singapore Food Agency in 2023.

- (iii) **Could the independent directors provide shareholders with insight into their knowledge and experience regarding Environmental Public Health (Food Hygiene) Regulations, the licensing framework for retail and non-retail food establishments, food safety, food handling, and food hygiene? How do the independent directors contribute to the company's success in these areas?**

Company's Response:

The independent directors will contribute to the Company's success by the following means:

- a) Governance: Ensure proper governance and oversight of food safety by reviewing policies and compliance measures.
- b) Risk management: Identify and manage risks related to food safety, considering their impact on the Company.
- c) Strategy development: Use their diverse expertise to contribute to strategic initiatives that prioritize food safety and compliance.
- d) External perspective: Tap into their various networks to engage with industry experts and stay informed about best practices and regulatory changes.
- e) Education and training: Continuously educate themselves on food safety to provide informed guidance to the Company.
- f) Collaboration: Work closely with management, supporting their efforts in food safety while offering their professional and management experience and perspective.

Independent directors would always defer to the expertise of management and specialized professionals when it comes to technical matters such as food safety and hygiene. However, by leveraging their corporate management experience, providing oversight, and contributing to strategic discussions, independent directors can play a crucial role in ensuring that the Company prioritizes and effectively addresses food safety and hygiene concerns.



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BY ORDER OF THE BOARD

Seah Qin Quan
CEO and Executive Director
23 May 2023

This announcement 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 announcement has not been examined or approved by the SGX-ST and 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.

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