



Sakae Holdings Ltd.
(Company Registration No. 199604816E)

Condensed Interim Financial Statements
For the Six Months Ended 31 December 2023

Table of Contents

	Page
A. Condensed interim consolidated statement of profit or loss and other comprehensive Income	3
B. Condensed interim statements of financial position	4
C. Condensed interim consolidated statement of cash flows	5
D. Condensed interim statements of changes in equity	6
E. Notes to the condensed interim consolidated financial statements	7
F. Other information required by Listing Rule Appendix 7.2	17

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		Group		
		6 months ended 31 December		Increase / (Decrease)
	Note	2023 (HY2024)	2022 (HY2023)	
		S\$'000	S\$'000	%
Revenue	4	7,432	9,209	(19.3)
Cost of sales		(2,439)	(2,937)	(17.0)
Gross profit		4,993	6,272	(20.4)
Other operating income and gains		2,043	2,161	(5.5)
Administrative expenses		(5,910)	(5,943)	(0.6)
Other operating expenses		(1,244)	(1,688)	(26.3)
Finance costs				
- Interest on borrowings		(457)	(528)	(13.4)
- Interest on leases		(283)	(261)	8.4
(Loss)/Profit before income tax	7	(858)	13	N.M.
Tax expense	8	-	(4)	N.M.
(Loss)/Profit for the period		(858)	9	N.M.
(Loss)/Profit attributable to equity holders of the company		(858)	9	N.M.
		(858)	9	N.M.
Basic and diluted earnings per share (cent)		(0.62)	0.01	
Net (loss)/profit for the period		(858)	9	N.M.
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Currency translation differences arising from consolidation		(26)	(161)	(83.9)
Other comprehensive income for the period, net of tax		(26)	(161)	(83.9)
Total comprehensive income for the period		(884)	(152)	
Attributable to:				
Equity holders of the Company		(884)	(152)	
		(884)	(152)	

N.M. – Not Meaningful

B. Condensed interim statements of financial position

	Note	Group		Company	
		31/12/2023	30/06/2023	31/12/2023	30/06/2023
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets:					
Cash and bank balances	11	5,005	5,784	2,444	3,200
Trade receivables		1,001	638	2,285	45
Other receivables and prepayments	12	921	885	181	146
Inventories		415	430	10	11
Income tax recoverable		26	2	19	-
Total current assets		7,368	7,739	4,939	3,402
Non-current assets:					
Deposits	12	65	65	-	-
Subsidiaries		-	-	10	10
Due from subsidiaries		-	-	3,336	3,525
Equity investments at fair value through profit or loss	13	-	4,100	-	4,100
Investment properties	14	389	395	-	-
Property, plant and equipment	15	101,653	102,322	98,792	99,999
Total non-current assets		102,107	106,882	102,138	107,634
Total assets		109,475	114,621	107,077	111,036
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Bank loans	16	21,003	22,962	21,003	22,962
Lease liabilities		1,929	1,438	276	377
Trade payables		1,498	1,485	366	387
Other payables and accruals		1,006	1,482	950	1,142
Provisions		204	210	50	50
Due to subsidiaries		-	-	7,799	6,994
Total current liabilities		25,640	27,577	30,444	31,912
Non-current liabilities:					
Bank loans	16	552	1,816	552	1,816
Lease liabilities		9,973	10,339	9,470	9,557
Deferred tax liabilities	17	13,148	13,148	13,148	13,148
Total non-current liabilities		23,673	25,303	23,170	24,521
Equity:					
Share capital	18	10,736	10,736	10,736	10,736
Treasury shares	18	(951)	(951)	(951)	(951)
Currency translation reserves		(1,033)	(1,007)	-	-
Revaluation reserves	19	73,773	73,773	73,773	73,773
Accumulated losses		(22,363)	(20,810)	(30,095)	(28,955)
Equity attributable to equity holders of the Company, total		60,162	61,741	53,463	54,603
Total equity		60,162	61,741	53,463	54,603
Total liabilities and equity		109,475	114,621	107,077	111,036

C. Condensed interim consolidated statement of cash flows

	6 months ended 31 December	
	2023 (HY2024)	2022 (HY2023)
	S\$'000	S\$'000
Cash flows from operating activities		
(Loss) / Profit before income tax	(858)	13
Adjustments for:		
Depreciation of property, plant and equipment	1,148	1,131
Depreciation of right-of-use assets	955	1,103
Loss on disposal of property, plant and equipment	2	-
Gain on disposal of non-current assets classified as held for sale	-	(88)
Provision for restoration costs	(1)	-
Write-off of property, plant and equipment	-	(23)
Allowance for doubtful debts and bad debts, net	-	(12)
Unrealised foreign currency exchange (gain)	-	(162)
Interest expense	740	789
Interest income	(33)	(10)
Operating cash flows before working capital changes	1,953	2,741
Trade receivables	(363)	(315)
Other receivables and prepayments	(61)	40
Inventories	15	(171)
Trade payables	13	262
Other payables and accruals	(450)	(751)
Cash from operations	1,107	1,806
Interest paid	(740)	(789)
Interest received	33	10
Income tax and withholding taxes refunded, net	-	7
Net cash from operating activities	400	1,034
Cash flows from investing activities		
Purchase of property, plant and equipment	(375)	(90)
Receipts of final liquidation proceeds	4,074	-
Proceeds from disposal of property, plant and equipment	-	78
Proceeds from disposal of non-current assets classified as held for sale	-	88
Purchase of Treasury shares	-	(59)
Net cash from investing activities	3,699	17
Cash flows from financing activities		
Repayment of leases	(941)	(1,263)
Repayment of bank loans	(3,223)	(3,610)
Dividend paid	(695)	(695)
Net cash used in financing activities	(4,859)	(5,568)
Net decrease in cash and cash equivalents	(760)	(4,517)
Cash and cash equivalents at beginning of period	5,784	7,731
Effects of exchange rate changes on cash and cash equivalents	(19)	1
Cash and cash equivalents at end of period	5,005	3,215

D. Condensed interim statements of changes in equity

	Share capital	Treasury shares	Currency translation reserve	Revaluation reserve	Accumulated losses (profits)	Attributable to equity holders of the company
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group						
Six months period ended 31 December 2022						
Balance at July 1, 2022	10,736	(892)	(697)	72,119	(21,405)	59,861
<i>Total comprehensive income for the period</i>						
Profit for the period	-	-	-	-	9	9
Other comprehensive loss for the period	-	-	(161)	-	-	(161)
Repurchase of shares	-	(59)	-	-	-	(59)
Dividend paid	-	-	-	-	(695)	(695)
Total	-	(59)	(161)	-	(686)	(906)
Balance at December 31, 2022	10,736	(951)	(858)	72,119	(22,091)	58,955
Six months period ended 31 December 2023						
Balance at July 1, 2023	10,736	(951)	(1,007)	73,773	(20,810)	61,741
<i>Total comprehensive income for the period</i>						
Loss for the period	-	-	-	-	(858)	(858)
Other comprehensive income for the period	-	-	(26)	-	-	(26)
Dividend paid	-	-	-	-	(695)	(695)
Total	-	-	(26)	-	(1,553)	(1,579)
Balance at December 31, 2023	10,736	(951)	(1,033)	73,773	(22,363)	60,162

	Share capital	Treasury shares	Revaluation reserve	Accumulated losses (profits)	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company					
Six months period ended 31 December 2022					
Balance at July 1, 2022	10,736	(892)	72,119	(29,868)	52,095
<i>Total Comprehensive income for the period</i>					
Loss for the period	-	-	-	(449)	(449)
Repurchase of shares	-	(59)	-	-	(59)
Dividend paid	-	-	-	(695)	(695)
Total	-	(59)	-	(1,144)	(1,203)
Balance at December 31, 2022	10,736	(951)	72,119	(31,012)	50,892
Six months period ended 31 December 2023					
Balance at July 1, 2023	10,736	(951)	73,773	(28,955)	54,603
<i>Total Comprehensive income for the period</i>					
Loss for the period	-	-	-	(445)	(445)
Dividend paid	-	-	-	(695)	(695)
Total	-	-	-	(1,140)	(1,140)
Balance at December 31, 2023	10,736	(951)	73,773	(30,095)	53,463

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Sakae Holdings Ltd. (the “Company”) is incorporated and domiciled in Singapore. Its shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2023 are for the Company and its subsidiaries (collectively, the “Group”).

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

The principal activities of the Group consist of the business of investment holding, operating restaurants, kiosks and cafes, provision of corporate advisory services, provision of cold storage warehousing and logistics services.

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore (“Standards”). The condensed interim 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 financial position and performance of the Group since the last audited annual financial statements for the year ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The condensed interim financial statements are presented in Singapore dollars, which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 July 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2.2 Use of judgements and estimates

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 are the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2023.

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

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period from 1 July 2023 to 31 December 2023 ("HY2024").

4. Revenue

	Six months ended 31 December	
	2023	2022
	\$'000	\$'000
Types of goods and services		
Food and beverage sales	7,128	8,736
Rendering of services	304	473
Total	7,432	9,209
Timing of revenue recognition		
At a point in time	7,432	9,209

5. Segment information

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

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

5.1 Reportable segments

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

6 months ended 31 December	Revenue		Net profit	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Sakae Sushi	1,484	2,697	344	634
Hei Sushi	3,593	4,257	2,121	2,590
Other products and services	3,283	3,244	883	1,083
Less: Inter-segment revenue	(928)	(989)	-	-
Total	7,432	9,209	3,348	4,307

Central administration costs and directors' salaries	(3,406)	(3,432)
Other operating income and gains	2,043	2,161
Depreciation	(2,103)	(2,234)
Finance costs	(740)	(789)
(Loss)/Profit before income tax	(858)	13
Income tax credit	-	(4)
(Loss)/Profit for the financial period	(858)	9

6 months ended 31 December	Depreciation		Additions to property, plant and equipment	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Sakae Sushi	634	512	288	25
Hei Sushi	470	28	79	65
Other products and services	3	421	8	-
Unallocated corporate items	996	1,273	-	-
Total	2,103	2,234	375	90

	Segment Assets		Segment Liabilities	
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Sakae Sushi	14,238	17,246	20,916	28,517
Hei Sushi	2,628	1,750	3,496	3,294
Other products and services	2,609	1,525	24,901	21,069
Unallocated corporate items	90,000	94,100	-	-
Total	109,475	114,621	49,313	52,880

5.2 Disaggregation of revenue

	Revenue		Property, Plant and Equipment	
	6 months ended 31 December		31 December	30 June
	2023	2022	2023	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	6,817	7,836	100,622	101,695
Malaysia	615	1,373	1,031	627
	7,432	9,209	101,653	102,322

6. Financial instruments

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 December 2023 and 30 June 2023:

	Group		Company	
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	\$'000	\$'000	\$'000	\$'000
Financial assets				
At amortised cost	6,819	7,232	8,187	6,916
At fair value through profit or loss	-	4,100	-	4,100
	6,819	11,332	8,187	11,016
Financial liabilities				
At amortised cost	35,948	39,370	40,329	43,131

7. (Loss)/Profit before income tax

	Group	
6 months ended 31 December	2023	2022
	S\$'000	S\$'000
Depreciation of property, plant and equipment	1,148	1,131
Depreciation of right-of-use assets	955	1,103
Gain on disposal of property, plant and equipment, net	-	(23)
Loss on disposal of property, plant and equipment	2	-
Fair value loss on equity investments at fair value	26	-
Write-off of property, plant and equipment	5	(8)
Interest on borrowings	457	528
Interest on leases	283	261

8. Tax expense

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 in the condensed interim consolidated statement of profit and loss are:

	Group	
6 months ended 31 December	2023	2022
	\$'000	\$'000
Current income tax expense	-	(4)
Total tax expense	-	(4)

9. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares at the end of the:-
 (a) current financial period reported on; and,
 (b) immediately preceding financial year.

	Group		Company	
	31/12/2023	30/6/2023	31/12/2023	30/6/2023
Net asset value per ordinary share based on issued share capital as at the end of period (cent)	43.29	44.43	38.47	39.29

10. Earnings per share

6 months ended 31 December	Group	
	2023	2022
(Loss)/profit for the period (\$'000)	(858)	9
Basic and diluted earnings per share (cent)	(0.62)	0.01

Explanatory notes:

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

11. Cash and bank balances

	Group		Company	
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	\$'000	\$'000	\$'000	\$'000
Cash at banks	3,914	3,883	2,443	3,199
Cash on hand	9	20	1	1
Fixed deposits	1,082	1,881	-	-
Cash and cash equivalents in consolidated statement of cash flows	5,005	5,784	2,444	3,200

12. Other receivables and prepayments

	Group		Company	
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	\$'000	\$'000	\$'000	\$'000
Other receivables	-	405	-	393
Less: allowance for impairment loss	-	(393)	-	(393)
	-	12	-	-
Deposits	748	798	121	146
Prepayments	173	75	60	-
Total Current	921	885	181	146
Deposits - Non-current	65	65	-	-
Total	986	950	181	146

13. Equity investments at fair value through profit or loss

Presented as non-current assets:

	Group		Company	
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	\$'000	\$'000	\$'000	\$'000
Unquoted equity shares, at fair value	-	4,100	-	4,100

Investments in unquoted equity shares relate to the following:

	Proportion of ownership interest %	Country of incorporation
<i>Under liquidation:</i>		
Griffin Real Estate Investments Holdings Pte Ltd ("GREIH")	24.69	Singapore
Gryphon Capital Management Pte Ltd ("GCM")	20.00	Singapore

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

Fair values of the investments in unquoted equity shares are determined based on the net expected amounts to be realised through the sale of assets and repayment of obligations as assessed by the liquidators as at end of reporting period.

Unquoted equity shares are classified as Level 3 (30 June 2023 : Level 3) in the fair value hierarchy.

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

	Group		Company	
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the financial period/year	4,100	4,496	4,100	4,496
Receipts of final liquidation proceeds	(4,074)	(3,481)	(4,074)	(3,481)
Fair value (loss)/gain for the financial period/year	(26)	3,085	(26)	3,085
	-	4,100	-	4,100

During the current financial period, the group received a final return of capital from the liquidator of GREIH of \$4,074,000 (30 June 2023 : \$3,481,000).

14. Investment properties

	Group	
	31 December 2023	30 June 2023
	\$'000	\$'000
Balance at the beginning of the financial period/year	395	-
Reclassification from non-current assets classified as held for sale	-	374
Fair value gain recognized in profit or loss	-	21
	395	395
Exchange differences	(6)	-
Balance at the end of the financial period/year	389	395

15. Property, plant and equipment

During the period ended 31 December 2023, the Group acquired property, plant and equipment with an aggregate cost of \$375,000 (31 December 2022: \$90,000).

16. Bank loans

	Group		Company	
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	\$'000	\$'000	\$'000	\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	19,739	21,710	19,739	21,710
Unsecured	1,264	1,252	1,264	1,252
	21,003	22,962	21,003	22,962
<u>Amount repayable after one year</u>				
Unsecured	552	1,816	552	1,816

The Group obtained loan facilities to finance the construction of its headquarters which was mortgaged to the lending bank as a form of collateral and short term loans for working capital.

17. Deferred tax liabilities

The following are the major deferred tax liabilities recognised by the Group and Company, and, movements thereon, during the current and prior reporting periods:

	Revaluation reserve \$'000	Accelerated tax depreciation \$'000	Total \$'000
<u>Group</u>			
At 1 July 2022	13,090	9	13,099
Charge to other comprehensive Income	339	-	339
(Credit) Charge to profit and loss	(290)	-	(290)
At 30 June 2023	13,139	9	13,148
Charge to other comprehensive Income	-	-	-
Credit to profit and loss	-	-	-
At 31 December 2023	13,139	9	13,148

	Revaluation reserve	Accelerated tax depreciation	Total
	\$'000	\$'000	\$'000
<u>Company</u>			
At 1 July 2022	13,090	9	13,099
Charge to other comprehensive income	339	-	339
Credit to profit or loss	(290)	-	(290)
At 30 June 2023	13,139	9	13,148
Charge to other comprehensive income	-	-	-
Credit to profit or loss	-	-	-
At 31 December 2023	13,139	9	13,148

18. Share capital

	Group and Company			
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	'000	'000	\$'000	\$'000
	Number of ordinary shares		Total share capital	
Issued and paid up:				
At beginning and end of the period/year	142,000	142,000	10,736	10,736

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

The total number of issued shares (excluding treasury shares) was 138,972,000 (30 June 2023: 138,972,000).

Treasury shares

The Company's Treasury shares as set out below.

	Group and Company			
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	'000	'000	\$'000	\$'000
	Number of ordinary shares		Total share capital	
Issued and fully paid up:				
At beginning of the period/year	3,028	2,528	951	892
Shares purchased during the period/year	-	500	-	59
At end of the period/year	3,028	3,028	951	951

19. Revaluation reserve

The property revaluation reserve arises on the revaluation of leasehold building.

	Group
	\$'000
At 1 July 2022	72,119
Recognised in other comprehensive income	1,654
At 30 Jun 2023 & 31 December 2023	<u>73,773</u>

20. Dividend

	Group and Company	
	31 December 2023	30 June 2023
	\$'000	\$'000
A final dividend of 0.5 cent per share tax exempt one-tier on the issued and fully paid ordinary shares	695	695
	<u>695</u>	<u>695</u>

21. Related party transactions

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

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

	Group	
6 months ended 31 December	2023	2022
	\$'000	\$'000
Rental income	250	245

22. Subsequent events

There are no known subsequent events which have led to adjustments to these condensed interim financial statements.

F. Other Information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Sakae Holdings Ltd and its subsidiaries as at 31 December 2023, the related condensed profit or loss and other comprehensive income, condensed consolidated statements of changes in equity, condensed consolidated statement of cash flows for the six months period, and, certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Financial performance (HY2024 vs HY2023)

Group revenue for the half-year ended 31 December 2023 (“HY2024”) totalled \$7.4 million, a decrease of 19.3% as compared to \$9.2 million in the corresponding period of the previous year (“HY2023”). The decrease in revenue is attributed partly to disruption in restaurant operations due to the renovation of stores as obligated by leasing requirements, as well as store relocation and movement in Malaysia. Along with the physical refresh of the stores, the Group has revamped and developed new food and menu offerings for its brands. The Group will continue to actively drive sales via various channels, including online orders and delivery services, and will collaborate with other food operators to explore extending the Group’s reach.

The gross profit margin has declined marginally from 68.1% in HY2023 to 67.2% in HY2024. The Group will continue its ongoing efforts to review and manage the inflationary food cost through pricing action and effective food cost management.

Other operating income and gains decreased by 5.5%, from \$2.2 million in HY2023 to \$2.0 million in HY2024. This is mainly due to lower rental rebates by \$0.1 million as well as lower rental income of \$0.1 million due to the transitioning of tenants.

Administrative expenses at \$5.9 million remain relatively the same in HY2024 as compared to HY2023.

Other operating expenses has decreased by 26.3%, from \$1.7 million in HY2023 to \$1.2 million in HY2024, mainly due to lower utilities charges of \$0.1 million, lower online platform commissions of \$0.2 million and lower FX translation loss of \$0.2 million.

Finance costs remain the same at \$0.7 million in HY2024 as compared to HY2023.

Group net loss after tax for the period is \$0.9 million, as compared to Group net profit after tax of \$0.009 million in HY2023. The Group’s net loss is attributed largely to the depreciation of its building in Singapore and interest totalling \$1.5 million. The Group will continue to use the building and its resources efficiently and effectively to support the Group’s operations.

Financial position of the Group

Group and Company cash and bank balances as at 31 December 2023 (“HY2024”) stood at \$5.0 million and \$2.4 million, compared to \$5.8 million and \$3.2 million in HY2023. The Group has declared a final tax exempt (one-tier) dividend of \$0.7 million and reduced bank borrowings of \$3.2 million in HY2024. The Group continues to be cautious and will take reasonable steps to manage its cash flow effectively.

Trade receivables has increased by \$0.4 million from \$0.6 million in HY2023 to \$1.0 million in HY2024 and is attributed to billings to customers at period end, which are collectible after the period end.

There are no significant movements noted in other receivables and pre-payments during the period.

The balance of Equity investments at fair value through profit and loss has reduced to nil with the final return of capital of \$4.1 million from the liquidator of GREIH in HY2024.

Trade payables as well as other payables and provisions have decreased by 14.8% from \$3.2 million in HY2023 to \$2.7 million in HY2024 with payment of accrued expenses.

Shareholders' equity for the Group and Company stood at \$60.2 million and \$53.5 million respectively as at HY2024, as compared with \$61.7 million and \$54.6 million respectively as at HY2023.

Cash flow of the Group

The Group has operating cash outflows of \$0.8 million in HY2024. The Group has received \$4.1 million from the liquidator of GREIH for the final return of capital, which is utilised mainly against repayment of bank loans of \$3.2 million and well as declaration of a final tax exempt (one-tier) dividend of \$0.7 million. The Group will continue to adopt a cautious approach even as it seeks sustainable growth in its operations and in managing its operating costs effectively.

3. (i) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Treasury shares

The Company's Treasury shares as set out below.

	Group and Company			
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	'000	'000	\$'000	\$'000
	<u>Number of ordinary shares</u>		<u>Total share capital</u>	
Issued and fully paid up:				
At beginning of the period/year	3,028	2,528	951	892
Share purchased during the period/year	-	500	-	59
At end of the period/year	3,028	3,028	951	951

- (ii) **To show the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	31 December 2023	30 June 2023
Number of shares held as treasury shares	3,028,000	3,028,000
Total number of issued shares (excluding treasury shares)	138,972,000	138,972,000

- (iii) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- (iv) **A statement showing all sales, transfers, cancellation and/or use of subsidiary holding as at end of the current financial period reported on.**

During the financial period, there was no transaction pertaining to subsidiary holdings.

4. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable as the figures have not been audited or reviewed by the Company's statutory auditors.

5. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

- (a) **Updates on the efforts taken to resolve each outstanding audit issue.**

Not applicable.

- (b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

6. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Accounting policies and methods of computation used in the condensed interim financial statements for the period ended 31 December 2023 are consistent with those applied in the consolidated financial statements for the year ended 30 June 2023.

7. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

8. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	6 months ended 31 December	
	2023	2022
Earnings per ordinary share for the period		
(a) Based on weighted average number of ordinary shares in issue (cent)	(0.62)	0.01
(b) On a fully diluted basis (cent)	(0.62)	0.01

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

No forecast or prospect statement has been issued previously.

10. 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.

Due to global economic circumstances and trends, the Group expects the operating environment to remain challenging in the food and beverages industry. Amidst an environment of high inflationary costs and inherent competition, the Group will adopt a cautious outlook in managing the challenging operating conditions while exploring ways to improve its operational efficiency and extending reach.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (in cent)	0.5 cent per share
Tax rate	Tax Exempt 1-tier

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared or recommended for current financial period. The Group will proceed conservatively in its management of resources in the uncertain global economy and will make recommendations for dividends when appropriate to do so.

13. Interested person transactions

There were no interested person transactions during the financial period ended 31 December 2023. The Company did not obtain any general mandate from its shareholders in respect of any interested person transaction.

14. Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of the Company for the six months ended 31 December 2023 presented in this announcement, to be false or misleading in any material respect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirmed that it has procured undertakings from all its directors and executive officers (in the format as set out in Appendix 7.7) under Rule 720(1).

BY ORDER OF THE BOARD

Chan Lai Yin
Company Secretary

14 February 2024