ANNUAL REPORT

SAKAE HOLDINGS LTD.

SAKAE®
HOLDINGS
2020

CORPORATE PROFILE

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

Founded by Mr. Douglas Foo, Sakae Sushi – the flagship brand of the Group, is the first name that will come to mind when Japanese food is mentioned. The brand's trendy quick service kaiten (conveyor belt) sushi concept, along with continuous efforts in customer centric initiatives, food quality, business processes and excellent services have allowed us to grow outlets internationally, serving a vast array of sushi, sashimi and other delectable cuisines. Sakae Holdings' familiar "Green Frog" logo enjoys strong brand recall and top-of-mind recognition for over 20 years, and is an emblem of Sakae's ideology of continued, sustainable growth and innovation.

Our constant pursuit towards offering the highest standards of quality food at reasonable prices has led to the expansion of our food sources, and having fresh supplies imported directly from overseas regularly. We work closely with our suppliers, go on regular farm visits and conduct weekly laboratory tests on bacteria count, to ensure that our raw materials are sustainable and of high quality.

As we continue on our journey to building global brands, we constantly seek to improve our operational efficiency and service standards, as well as keeping a focus on our customers' varying preferences in local and international markets, enabling us to grow our market share and expand our global presence. We strongly believe that our farm-to-table approach, strong commitment towards food safety and quality, as well as constant innovation drive, can create and promote strong brand loyalty. Sakae is also dedicated to building a sustainable eco-friendly environment for the future generations. These strategies, values, never ending commitment and passion, drive us towards our vision of building Sakae to be the top brand recall for Sushi globally – "Think Sushi, Think Sakae".

CONTENTS

OUR VISION

To build global brands

OUR MISSION

To provide safe quality food with excellent service at great value

OUR CORE VALUES

E - Excellence is our minimum standard

P - Productivity in everything we do

I - Innovation to simplify and compete

C - Compassion to all

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

2019 was indeed a challenging year for businesses with geopolitical trade tensions, international conflicts and the onset of the Covid-19 global pandemic leading to a depressed global economy with no signs of uplift in the near future.

At the time of writing, although governmental measures implemented to curb the spread of Covid-19 in Singapore seem to be less stringent than before, we must not let our guard down and must continue to stay vigilant.

Financial Year in Review

Given the uncertain and fast-changing global economic conditions in FY2019/2020, weak consumer sentiment coupled with the required implementation of stringent Covid-19 preventive measures, disrupted the operations of businesses, especially those operating in the retail, Food & Beverages and services sector.

Such circumstances adversely affected the Group's financial performance with reduced revenue for the financial year from 1 July 2019 to 30 June 2020 ("FY2020") totalling $31.4 million, a decrease of 30.2% as compared to $45.0 million for the previous year ended 30 June 2019 ("FY2019"). Our group headquarters at Sakae Building, located at 28 Tai Seng Street recorded an increase in revaluation reserve, net of deferred tax, of $13.6 million in FY2020 compared to $3.5 million in FY2019.

The increase of Covid-19 cases amidst the traditional Chinese New Year festive period in the second half of FY2020 dampened what is usually our peak period of substantially greater sales volume and higher patronage. Elevated social distancing measures with the subsequent implementation of the Circuit Breaker period further affected our dine-in business as our restaurants were only allowed to operate takeaway, online ordering and restaurant delivery businesses with support from the Group's central kitchen. Restrictions on large-scale events have also affected our business-to-business sales volume.

Strengthening our Brand

In such an unpredictable economic climate, even as business resilience takes on greater importance, the Company remains steadfast in re-affirming the Sakae brand values – bringing safe, quality food at greater value to our customers via robust delivery networks. Building on our back-to-basics approach in providing safe and high quality food with sustainable farm-to-table approach, while keeping in mind the changing needs of our customers, we believe we will emerge stronger from the Covid-19 pandemic, bringing real value to our consumers.

Operations

Since the start of Covid-19 pandemic, the Company has responded swiftly to implement the various forms and degrees of social distancing measures to control the local transmission of the virus. We have constantly made adjustments accordingly to the evolving situation and to our internal guidelines to enhance precautionary protocols to safeguard and protect the well-being of our staff and customers.

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

Over the years, we have made conscious and considerable efforts in raising productivity to streamline our operations and business processes to achieve greater efficiency. The Group will continue to prudently manage its operations by taking steps which include exploring new delivery menu offerings and expanding our delivery channel outreach.

Another key aspect that has become increasingly important in the current Covid-19 environment is the ability of businesses to be nimble and agile. In this regard, building strategic alliances has always been part of our business ethos. Through Sakae Corporate Advisory, as we continue to work on the Da Nang City Planning project in Vietnam, new market openings have emerged as we continue to nurture growing relationships and explore new opportunities and partnerships.

Forging Ahead on Our Digital Journey

As the Food & Beverages industry sees a rise in the digitalisation of certain operational processes such as taking food orders, modes of payment, customer loyalty programmes and online delivery platforms, we remain committed to providing excellent service to our customers. While seeking out innovative ways to boost productivity and market ourselves aggressively against an evolving and, intensely competitive restaurant business environment, we continue to execute carefully planned strategic moves to expand our business.

The Company will continue to improve its performance by building on its online sales channels and efforts to digitalise its business operations while exploring new market opportunities. The Group will cautiously manage business costs through operational efficiency.

Outlook

With high operating cost pressures, the Food & Beverages industry is expected to face even greater challenges, intensified by the uncertainties of the Covid-19 situation. This may include a sudden surge in community cases and consequently the implementation of new measures that may affect dine-in services, consumer demand and market sentiment.

Amidst this uncertain and difficult period, the Group will remain flexible in redeploying resources to sustain its core business operations. The Group will stay vigilant in controlling its expenses while continuing to channel its existing fixed resources into enhancing efforts for optimising delivery and takeaway revenue across the Group's business.

The ongoing Covid-19 pandemic has added unprecedented complexity to the Group's businesses and operations, for which no one could have foreseen. The state of the virus outbreak remains fluid in Singapore, as well as in other countries. Having regard to the unpredictability of the length of time of disruption, as well as the depth of the economic impact, the Group will continue to closely monitor the situation and respond accordingly.

Appreciation

The Board wishes to express its heartfelt gratitude to our frontline team for their relentless contributions, commitment and hard work to continue to serve our customers, amidst the Covid-19 pandemic. Their dedication and commitment to our customers are an inspiration to all of us. The Covid-19 situation will remain dynamic and ever evolving in the coming months.

Given that the pace of recovery is still unclear, we will continue to stay vigilant. Together with our team, we will seek to show resilience in adversity and navigate this unprecedented situation with its varied challenges. We therefore seek the continued unwavering support and understanding from all our shareholders, valued customers, business partners and associates. In solidarity, we will emerge stronger.

Yours truly,
Douglas Foo
Chairman, Sakae Holdings Ltd.

CORPORATE STRUCTURE AND GLOBAL PRESENCE

SAKAE HOLDINGS

- Alliance Support Services Pte. Ltd.
- Hei Restaurants Chain Pte. Ltd.
- Sakae Sushi (J8) Pte. Ltd.
- Sakae Kyo Pte. Ltd.
- Nouvelle Events Holdings Pte. Ltd.

- Apex-Pal Investment Pte. Ltd.
- Apex-Pal (M) Sdn Bhd
- Nouvelle Events Holdings Sdn Bhd
- Swift Equity Sdn Bhd
- Sakae Corporate Advisory Pte. Ltd.
- Sakae Global Resources Pte. Ltd.

- Sakae Capital Pte. Ltd.
- Sakae Fintech Pte. Ltd.
- Cocosa Holdings Pte. Ltd.
- Cocosa Asia Pte. Ltd.

Singapore Malaysia Philippines Vietnam Indonesia

OUR INNOVATIONS

Our Innovations (Continuous Innovations And Productivity Upgrading)

Innovation as one of our core values has propelled continuous growth for Sakae by simplifying and enhancing work processes.

Our continuous growth has been achieved through the advancement of technological innovation and technological patents in our central kitchen and our restaurants island wide, enabling Sakae to raise productivity and streamline operations.

The emphasis on quick service and trendy kaiten (conveyor belt) sushi has also contributed to the expansion of outlets and alliances built across Singapore, Indonesia, Malaysia, the Philippines and Vietnam. The emergence of newer automation technology will continue at Sakae through continuous innovation and productivity upgrading.

Sushi Robot

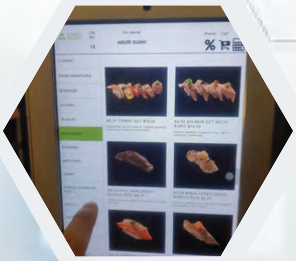
Solar Panel

Patented Portable Conveyor Belt

Automated Storage and Retrieval System (ASRS)

Delivery Integration

Second Tier Sushi Car



Interactive e-Menu

OPERATIONS REVIEW

Managing Challenges

The Group's revenue for the financial year from 1 July 2019 to 30 June 2020 ("FY2020") totalled $31.4 million, a decrease of 30.2% as compared to $45.0 million for the previous year ended 30 June 2019 ("FY2019"). The increase of Covid-19 cases amidst the traditional Chinese New Year festive period in the second half of FY2020 dampened what is usually our peak period of substantially greater sales volume and higher patronage. Elevated social distancing measures with the subsequent implementation of the Circuit Breaker period further affected our dine-in business as our restaurants were only allowed to operate takeaway, online ordering and restaurant delivery businesses, with support from the Group's central kitchen. Restrictions on large-scale events have also affected our business-to-business sales volume.

However, in tandem with the decrease of revenue, the Group has effectively controlled the cost of raw materials in its restaurant businesses, thus maintaining its gross profit margin at 60.4% in FY2020. Other operating income increased significantly by 224.5%, from $5.3 million in FY2019 to $17.2 million in FY2020, mainly due to the fair value gain recognised on equity investments from GREIH and GCM of $10.8 million in FY2020, barring any unforeseen factors or other costs, such as those possibly to be incurred by liquidators of GCM.

Administrative expenses increased by 3.2%, from $22.1 million in FY2019 to $22.8 million in FY2020, mainly due to the increase in depreciation charged at $4.6 million arising from the adoption of SFRS(I) 16 Leases. Alongside the decrease in Group revenue and streamlining of operations, labour cost has decreased significantly by 23.5%, from $16.6 million in FY2019 to $12.7 million in FY2020. Other operating expenses decreased significantly by 44.3%, from $23.0 million in FY2019 to $12.8 million in FY2020, mainly due to the decrease of rental expenses of $5.7 million, arising from the adoption of SFRS(I) 16 Leases. The actual increase in other operating expenses is due to the impairment loss on assets which includes other receivables of $5.6 million.

While the support extended by the Singapore Government, in particular the Job Support Scheme, and rental reliefs from landlords will cushion the decrease in Group's revenue in the short term, the Group expects consumer demand to continue to remain weak and uncertain, as consumers remain cautious in their spending. The Group will continue to monitor and adopt a cautious and prudent approach in managing its operations and businesses.

The Group acquired a 51% equity interest in a Chilean based frozen food seafood production and trading company, Cocosa Export S.A. ("Cocosa Export) on 6 March 2016. During FY2019, the Company determined that it had lost control over Cocosa Export. Accordingly, the Company derecognised its investment in Cocosa Export and recorded a loss on derecognition of $3,446,000. Further, the Group made a loss allowance of $2,791,000 in FY2019. In November 2019, Cocosa Export was placed under liquidation in accordance with a Chilean court order. Accordingly, the Group has made a further allowance of $4,272,000 in FY2020 to make full provision on the gross receivables from Cocosa Export as at 30 June 2020. Further to the above, the Group has also made full provision on an amount of $1,337,000 receivable from a related party, being a company owned by the non-controlling shareholder of Cocosa Export, during the current financial year.

Our group headquarters at Sakae Building, located at 28 Tai Seng Street recorded an increase in revaluation reserve, net of deferred tax, of $13.6 million in FY2020 compared to $3.5 million in FY2019.

During FY2020, the Group's reported loss before tax and net loss after tax were $1.4 million and $0.6 million respectively in FY2020, which represented a decrease of $11.5 million and $12.3 million respectively, as compared to the Group's reported loss before tax and net loss after tax were $12.9 million and $12.9 million respectively in FY2019.

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

Embracing a New Norm

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

As we progress to operate the business in line with our Sakae guiding principles, we expect things to be done differently as part of a new norm. We will continue to manage our operations and business processes to achieve greater efficiency. Given that it is impossible to predict when consumer sentiment will turn for the better, we will continue to persevere and adopt a back-to-basics approach to ensure safe and high quality food with a sustainable farm-to-table model, while keeping in mind the changing needs of our customers. While cost of materials may increase due to global supply chain disruption as announced by the Government, which may impact freight charges, we will continue to monitor costs closely and manage the same via new menu developments and offerings as well as constant sourcing of alternative food sources and items.

Fortifying Brand Presence

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

To drive revenue growth, we will increase our delivery offerings via more diverse delivery channels and partnerships, wider choices of tie-ups and expansion of marketing mechanics to reach various customer groups. With the launch of the CandyBar membership system, we have managed to grow our customer base through offering attractive deals to our customers. We will support this by increasing our social media and online presence to reach out and engage the online community further.

With greater competition in the food and beverages delivery arena brought about by the Covid-19 pandemic, we are constantly innovating and finding new ways to connect with our customers.

During the year, we adopted various marketing activities and expanded our digital outreach to engage and interact with our customers. To constantly meet the requirements of the astute customer, Sakae constantly sources for good quality and interesting products, creating and developing new menu offerings for all brands. We are also continually looking into areas for improvement, and focusing on customer centric initiatives to suit the lifestyle of our customers while digitalising our delivery options.

Sakae Sushi – the flagship brand of Sakae Holdings Ltd. was introduced in the midst of the 1997 Asian financial crisis. Despite various challenges, Sakae Sushi was successful and garnered a strong customer base through our affordable pricing and unique kaiten sushi concept.

Sakae Sushi has been innovative in our advancement, with numerous changes made throughout the years. These include the implementation of hassle-free food ordering from iPads and the installation of hot water tap dispensers at tables for our customers to top up their hot green tea anytime.

Sakae Sushi offers some of the best Japanese cuisine in Singapore, serving a tantalising collection of dishes that are suitable for casual dining and group gatherings. Diners are spoilt for choice with our menu covering over 200 delectable food items, ranging from fresh sushi and sashimi to donburi and hearty udon to ramen. Our menu is updated regularly and refreshed monthly with new seasonal food items introduced. To further create a more meaningful dining experience for our customers, we curate special promotions for different occasions like Mother's Day, Father's Day as well as National Day.

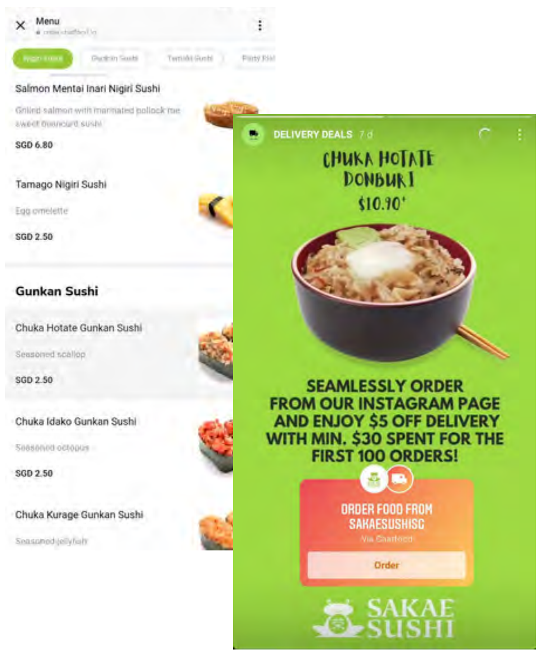
We continue to work with passion and commitment to bring an even more pleasant dining experience for our customers and simultaneously move towards our vision of advancing Sakae Sushi into an international brand synonymous with sushi.

SAKAE DELIVERY®
SAKAEDELIVERY.COM

Sakae Delivery was created for the convenience of our customers to allow them to dine in the comfort of their homes. The growing demand could be seen clearly as the years goes by. This service was especially in demand during the Covid-19 circuit breaker. Sakae Sushi was able to serve the demands of our customers even through these difficult times from our existing delivery service.

Sakae also took its first step to enable food ordering through their social media platforms, such as Facebook and Instagram. Apart from providing social media users content related to our food, our social media platforms are now also able to seamlessly take delivery orders.

With our island-wide delivery service, customers all over Singapore are just one click away from their favourite Japanese meals!



SAKAE TEPPANYAKI

Sakae Teppanyaki serves up a previously expensive dining affair to the masses with its affordable gastronomic experience. With a contemporary elegance, large Teppanyaki griddle and classy open dining concept, Sakae Teppanyaki dishes out only the best from our team of experienced chefs. Our current menu serves a wide range of dishes that include fresh seafood, high quality meats, including premium beef and a wide selection of mushrooms and vegetables. Our uniquely healthy menu will create an unforgettable dining experience. Sakae Teppanyaki has received rave reviews and is a hot favourite amongst food lovers.

HEI SUSHI

HALAL

Hei Sushi is the first Halal certified Japanese conveyor belt sushi restaurant in Singapore. It appeals to the masses and has successfully filled the niche in the market for good Halal Japanese cuisine. Hei Sushi is modelled after its sister brand, Sakae Sushi, providing kaiten (conveyor belt) sushi restaurant experience and serving high quality Japanese food.

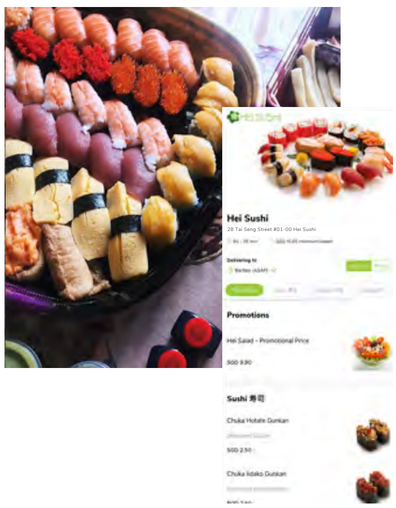
Apart from the usual sashimi and sushi, diners are spoiled for choice at Hei Sushi with our menu that covers a wide range of over 200 delicious Japanese dishes. Our extensive menu includes Mini Baked Rice, perfectly grilled Yakimono items, Fusion Udon with Japanese sesame sauce topped with shredded cheese, Hibachi (slow cooked on a grill plate) and Nabemono (Japanese steamboat). Our menu items have been carefully curated to appeal and suit the wide variety of local tastes and preferences. Various seasonal promotions such as the Ramadan bundle set and the National Day Promotion are a few meaningful promotions created to embrace the local celebrations.

HEI Delivery

HALAL

DELIVERY.HEISUSHI.COM

Hei Delivery was launched after seeing the success and rising demand of Sakae Delivery. Hei Delivery covers island-wide, aiming to serve our customers fresh Halal-certified sushi and quality food right to their doorstep. When the Covid-19 circuit breaker started, Hei Delivery was able to meet the sudden surge in food delivery, especially for Halal-certified sushi and Japanese food. The increase in orders from Hei Delivery website indicated that our customers were getting more aware and familiar with our delivery website and service. Seasonal online exclusive discounts were given to customers to boost the sales of Hei Delivery when the circuit breaker ended to maintain the profits generated from Hei Delivery.



SENJYU

SENJYU.COM.SG

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

Senjyu is a mid-to-upscale Japanese restaurant targeted at Japanese food lovers seeking to add a touch of sophistication and class to their palettes. Savour the best of both worlds, perfected with a touch of elegance and creativity. It all adds up to a dining experience that is distinctly Senjyu. Our private dining experience is by appointment, menus are available for online ordering and delivery service.

CrePes & Cream

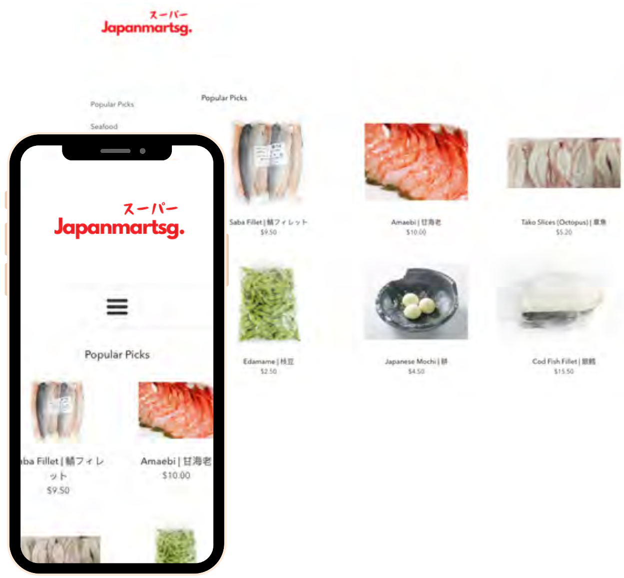
CREPESNCREAM.SG

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

スーパー Japanmartsg.

JAPANMARTSG.COM

Japanmartsg takes pride in delighting our customers with premium products priced at good value. Air-flown straight from Japan, our products are of a top-notch quality – fresh and handpicked specially for quality assurance. To meet the growing demand of fresh Japanese cuisines, Japanmartsg was created to provide our customers with the convenience of shopping online for affordable premium raw Japanese ingredients from the comfort of their homes. Offering a wide variety of products at competitive prices, in addition to our commitment towards customer service, Japanmartsg is poised to become our customer’s top choice when shopping for premium Japanese products.



NOUVELLE EVENTS HOLDINGS

NOUVELLEVENTS.COM

Nineteen years and counting, Nouvelle Events is one of Singapore's premier F&B consultants. Being the first specialist caterer in Singapore, we offer a unique on-site kaiten (conveyor belt) sushi dining experience in a venue of your preference, made possible by our award-winning patented portable conveyor belt that allows us to bring the kaiten experience into any venue. Besides offering excellent buffet fare, 'live' stations like ice-crafting Sashimi station, live Teppanyaki station and Crepes station, our dedicated team of chefs continues to prepare and serve appetising local and international favourites. Our state-of-the-art Central Kitchen fully integrates and optimises our processes. The investments made in machineries and our Automatic Storage Retrieval System (ASRS) cold room have brought about greater synergy and efficient operational flow in ensuring food quality and safety. Besides facilitating growth in our business unit, Nouvelle is able to render stronger support to our Sakae restaurants and extend our B2B arm to distribute sushi, air flown salmon and seafood products to major hotels and restaurants efficiently.

SAKAE® FINTECH

Sakae Fintech Pte Ltd (a subsidiary of Sakae Holdings Ltd) aims to bring prosperity to the masses through developing and providing useful financial & technological applications and training. We are committed to develop mobile solutions and courses to enhance people's and businesses' competency when dealing with the uncertain economy and market. Our SakaeForex platform gives investors a cutting edge tool to learn and trade with confidence in new and powerful ways, whether they are doing it manually or on a mobile device. This trading app provides the convenience to help traders automate their trading strategies and optimise their performance. Through our financial and social trading technological partners, we can leverage on the consolidated market sentiment, news and opinion from industry experts which can further improve investors' trading experience.

SAKAE® CORPORATE ADVISORY

Sakae Corporate Advisory is the corporate advisory arm of Sakae Holdings Ltd. Sakae Corporate Advisory provides sound corporate advisory and strategic investor relations services to fast growing companies in emerging markets, and assists companies with investor case positioning and connecting with brokerages and investors globally. Besides helping companies in emerging markets deal with global capital markets, Sakae Corporate Advisory offers an extensive global network of brokerages and investors, including institutional funds, family offices and high net-worth individuals.

BOARD OF DIRECTORS

DOUGLAS FOO

CHAIRMAN

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

LILIAN FOO

CHIEF EXECUTIVE OFFICER & EXECUTIVE DIRECTOR

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

LOH CHEE PENG

NON- EXECUTIVE AND INDEPENDENT DIRECTOR

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

NGOH YORK CHAO NICHOLAS

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

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

DAVID PANG KAM WEI

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Mr David Pang Kam Wei was appointed as an Independent Director on 6 July 2020. Mr David Pang is currently the Vice President, Human Resources & Chief of Staff at Shiseido Travel Retail, a global organisation within Shiseido Group responsible for the duty free beauty business. As senior advisor to the President & CEO and a member of the Executive Committee, Mr Pang leads the integration of strategic priorities across the business, including corporate development, performance management, organisation and talent. He is also responsible for the human resources function, enterprise risk management and legal capability. Prior to his role at Shiseido Travel Retail in 2018, Mr Pang dedicated 10 years as a senior management consultant in Accenture, Mercer and Korn Ferry, advising C-level executives in business operating model design, performance management, leadership, organisation strategy and digitalisation for Fortune 500 companies operating in beauty, financial services, energy and technology sectors. Mr Pang started his career in the Singapore Government in 2001, where he spent 7 years on various Army leadership roles in operations and HR functions. As a thought leader in the private sector, he has been featured by Channel NewsAsia for commentaries on “attracting millennial talent” and “learning agility”, and South China Morning Post on “What Industry 4.0 means to Singapore and why its workers must upskill and lose their sense of entitlement”. Mr Pang graduated from Nanyang Technological University with a degree in Applied Economics and attended the Senior Leadership Program at IESE Business School sponsored by Shiseido.

SHU KWAN CHYUAN

CHIEF FINANCIAL OFFICER

Mr Shu Kwan Chyuan is responsible for the Group's overall financial reporting, financial planning, treasury and financial control matters. Mr. Shu has more than 16 years of experience in corporate finance as well as tax and treasury management. Prior to joining our Group in March 2018, he was the Group Financial Controller of Attilan Group Limited and has helped the group to obtain new funding to diversify into preschool business and working capital. He has held similar positions in Oriental University City Group, a subsidiary of Raffles Education Corporation Limited.

Mr Shu also has several years of experience as an external auditor with Ernst & Young and KPMG where he dealt primarily with audit and assurance of companies involved in various industry types such as futures, investment, securities, statutory board, REIT, trading, as well as manufacturing.

Mr Shu graduated with a Bachelor of Business Administration (Honours) Degree from the Anglia Ruskin University, United Kingdom. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Institute of Singapore Chartered Accountants.

TAN YEE CHENG

HEAD – HUMAN RESOURCE

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

CORPORATE SOCIAL RESPONSIBILITY

Sakae is committed to an active and socially responsible corporate culture. This is reflected in the adoption of environmentally friendly technology and equipment at our headquarters and at our outlets.

We believe in giving back to society, and through Sakae Foundation, continue to dedicate time and resources in supporting various charities, communities and causes to serve and give from the heart; as we stand by one of our core values – Compassion to All.

CARING FOR THE COMMUNITY

Sakae cares deeply for the community and believes in giving back to the community. Food insecurity has always been an existing problem for many low-income families and elderly in Singapore and this problem worsened when the Covid-19 outbreak hit the nation unexpectedly. Determined to give back to the community, Sakae has pledged to commit at least 100 Japanese bento meals monthly to low-income beneficiaries of Thye Hua Kwan (THK) Moral Charities. Sakae hopes to lessen their worries and cheer on these underprivileged families and individuals by giving them meals support.

Sakae launched our new initiative - "Gift-A-Meal", which aims to provide meal assistance to those in need, especially those who face food insecurity. When one purchases a "Gift-A-Meal" e-voucher through our website or from e-commerce platforms like Shopee, they can redeem a Teriyaki Chicken Donburi/Salad at any of our participating outlets for their own consumption. Concurrently on each voucher purchased by the public, Sakae will gift a meal to an individual who is a beneficiary of Thye Hua Kwan Family Service Centre @ MacPherson. This is a very meaningful initiative by Sakae and we aspire to do our part to build a stronger and more inclusive community.

SAKAE FOUNDATION

Sakae Foundation currently contributes to several charitable beneficiaries, rendering our support through sponsorships and visits to various organisations including Radin Mas Senior Citizens' Home and schools. Our foundation will continue to grow our efforts in philanthropic and voluntary contributions, and leave happy frog prints. We launched our Facebook page - "Project Happy Frog Prints", with the hope of fortifying our relationship with global communities and continue bringing joy, one frog print at a time.

SUPPORTING NATIONAL DEFENCE

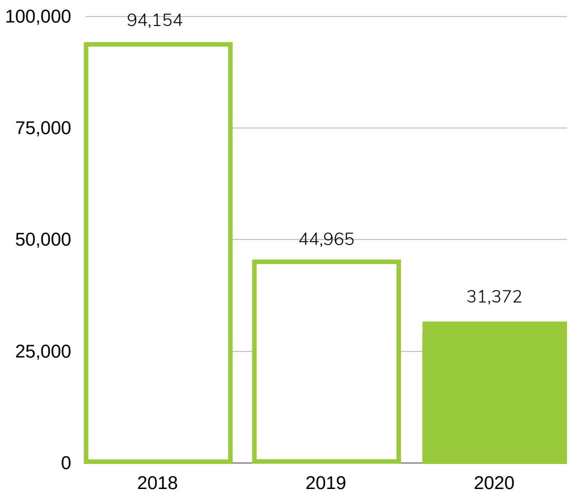
At Sakae, we strongly believe in contributing towards Singapore's national security. National Service (NS) is a vital component of national defence, and we support our employees' NS commitments by implementing NS-friendly policies. With our close supportive team culture, many employees are willing to step up to cover duties of their colleagues who needed to be away. Sakae also regularly takes part in Singapore Armed Forces Day, by encouraging their NSmen colleagues to take part in the SAF Day Rededication Ceremonies. Going beyond that, Sakae also offers attractive SAF Day promotions at our dining establishments to servicemen representing our nation.

With this, Sakae was a recipient of numerous awards and accolades, which are testaments of our contributions towards Total Defence. Some of these awards include the NS Advocate Award, Minister for Defence Award, Honorary Member of the Minister for Defence Award (MiDAs) League, the SAF Day Certificate of Appreciation, the SAF Award for Employers and the Ministry of Home Affairs (MHA) Award for the NSmen's Employers Commendation Category.

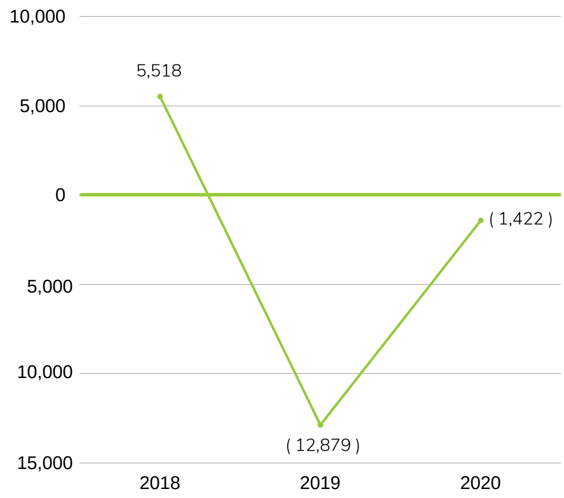
FINANCIAL HIGHLIGHTS

Results	2018 $'000	2019 $'000	2020 $'000
Revenue	94,154	44,965	31,372
Profits/(Losses) before associates and tax ("Operating Profits/(Losses) before tax")	5,518	(12,879)	(1,422)
Profits/(Losses) before tax	5,518	(12,879)	(1,422)
Profits/(Losses) attributable to shareholders	5,493	(12,948)	(600)
Non-current assets	92,107	83,705	104,072
Non-current liabilities	7,818	8,813	21,649
Total equity / Net tangible assets ("NTA")	43,038	32,282	45,243
Net assets per share (cents)	30.86	23.15	32.44
Earnings/(Losses) per share ("EPS") (cents)	3.94	(9.28)	(0.43)

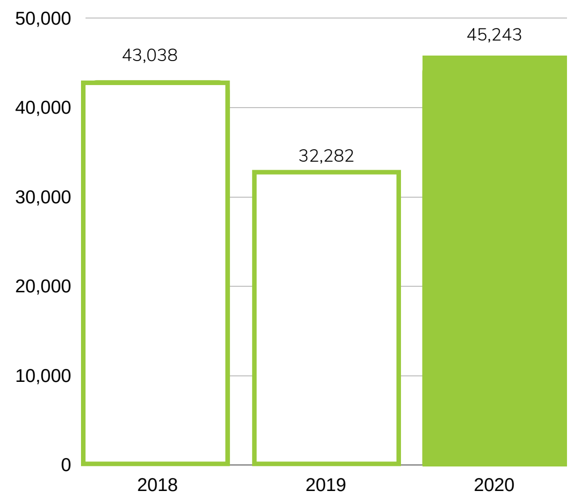
Revenue ($'000)



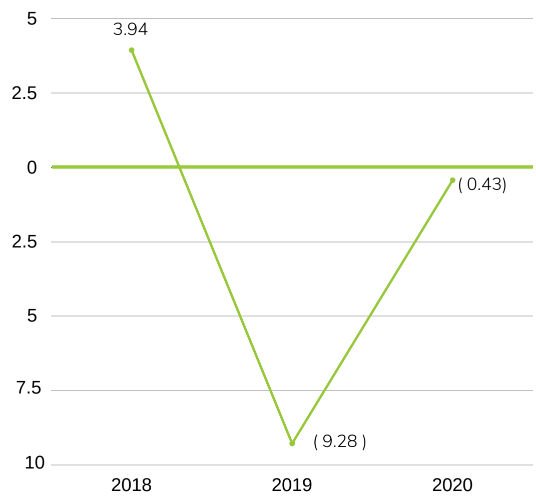
Operating Profits/(Losses) before tax ($'000)



NTA ($'000)



EPS (Cents)



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

The Board of Directors (the "Board") is pleased to report compliance of the Company with the Principles and Provisions set by the 2018 Code of Corporate Governance (the "Code") during the financial year ended 30 June 2020 ("FY2020"), unless otherwise stated. The Board will continue to improve compliance in line with developments in corporate governance by enhancing its framework. To the extent the Company's practices may vary from the provisions of the Code for FY2020, the Company will explain how its practices are consistent with the intent of the relevant principles of the Code.

BOARD MATTERS

Principle 1: Board's Conduct of Affairs

Apart from its statutory duties and responsibilities, the Board oversees the management and affairs of the Group. It focuses on strategies and policies, with particular attention paid to growth and financial performance. The Board is also responsible for considering sustainability issues relating to the environment and social factors as part of the strategic formulation of the Group. The Board also sets the Company's values and standards and provide guidance to Management to ensure that the Company's obligations to its shareholders and the public are met. The Board delegates the formulation of business policies and day-to-day management to the Management. All Directors are fiduciaries who make objective decisions in the best interests of the Company and hold Management accountable for performance. Directors monitor Management through various mechanisms in the form of policies established to address risk management and internal controls, share conduct and ethics with appropriate tone-from-the-top and desired organisational culture through conversations in each of the meetings attended by key management personnel and Directors. Should any conflict of interest arise during the meeting, the particular Director is to disclose his interest and recuse from the meeting after providing his views.

The principal functions of the Board are:

(a) to approve the Group's key business strategies and financial objectives;

(b) to approve major investments and divestments, and funding proposals;

(c) to oversee the processes for evaluating the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls, including safeguarding of shareholder's interests and the Company's assets; and

(d) to assume responsibility for corporate governance.

Directors are encouraged to attend programmes organised by the Singapore Institute of Directors. Each director will determine the courses best suited to that director to develop relevant competencies for effective discharge of duties as a director. In 2020, the Directors attended courses organised by the Singapore Institute of Directors.

The Board decides on matters requiring its approval and it is communicated to the Management for further action. Some of the matters reserved for the Board for review and approval are periodic financial results announcements and annual audited financial statements, declaration of dividends and other returns to shareholders, major corporate policies on key areas of operation, including corporate or financial restructuring and share issuances, mergers and acquisitions, material acquisitions and disposals, approval of transactions involving interested persons and appointment of new Directors.

The Board discharges its responsibilities either directly or indirectly through Board Committees such as a Nominating Committee, a Remuneration Committee and an Audit Committee. These committees function within clearly defined and written terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of each committee is also constantly reviewed by the Board. The ultimate responsibility for the final decision on all matters lies with the entire Board.

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

The Board holds at least four scheduled meetings each year to review and deliberate on the key activities and business strategies of the Group, including reviewing and approving acquisitions, financial performance, and to endorse the release of the interim and annual financial results. Where necessary, additional meetings may be held to address significant transactions or issues.

Ad-hoc Board meetings are convened as and when they are deemed necessary in between the scheduled meetings. The Company's Constitution permits a Board meeting to be conducted by way of tele-conference and video-conference.

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

	Board		**Audit Committee**	
Name of Director	**No. of Meetings Held**	**No. of Meetings Attended**	**No. of Meetings Held**	**No. of Meetings Attended**
Douglas Foo Peow Yong	4	4	–	–
Foo Lilian	4	4	–	–
Loh Chee Peng	4	4	4	4
Ngoh York Chao Nicholas	4	4	4	4
*Pek Eng Leong	3	3	3	3
**David Pang Kam Wei	1	1	1	1

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

* *Resigned as Director on 6 July 2020*
** *Appointed as Director on 6 July 2020*

Mr David Pang Kam Wei was appointed as Independent Director of the Company on 6 July 2020. He was briefed by the CEO on the Group's business activities, operations, strategic directions and policies. The new Director was provided with formal letters, setting out his duties and obligations.

The Company circulates the reports relating to operational and financial performance of the Group and Company prior to the Board meetings held quarterly. Additional reports are also available upon request. Where a physical meeting is not possible, timely communication with members of the Board is effected through electronic means which include electronic mail and teleconferencing.

The Company worked closely with a professional corporate secretarial firm, Messrs Tricor WP Corporate Services Pte. Ltd. to provide its Directors with regular updates on the latest changes to the Code of Corporate Governance and Listing Manual.

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

Principle 2: Board Composition and Guidance

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

Executive Directors:

Douglas Foo Peow Yong	(Executive Chairman)
Foo Lilian	(Executive Director and Chief Executive Officer)

Non-Executive Directors:

Loh Chee Peng	(Non-Executive and Independent Director)
Ngoh York Chao Nicholas	(Non-Executive and Independent Director)
David Pang Kam Wei	(Non-Executive and Independent Director)
Pek Eng Leong	(Non-Executive and Independent Director)(Resigned on 6 July 2020)

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

1. Whether a director, or a director whose immediate family member, in the current or immediate past financial year, provided to or received from the company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services), other than compensation for board service.

2. Whether a director, or a director whose immediate family member, in the current or immediate past financial year, is or was, a substantial shareholder or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services).

3. Payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant irrespective of whether they constitute a significant portion of the revenue of the organisation in question.

4. Whether a director is or has been directly associated with a substantial shareholder of the company, in the current or immediate past financial year.

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

a) a director who is being employed by the company or any of its related corporations for the current or any of the past three financial years; and

b) a director who has an immediate family member who is, or has been in any of the past three financial years, employed by the company or any of its related corporations and whose remuneration is determined by the Remuneration Committee (RC).

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

The Board has examined its size and is of the view that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Company. The Board is of the view that the effective blend of skills, experiences and knowledge remains a priority. The composition of the Board will be reviewed on an annual basis by the Nominating Committee to ensure that the Board has the appropriate mix of expertise and experience. The Board will constantly examine its size annually with a view to determine its impact upon its effectiveness and review its appropriateness for the nature and scope of the Group's operations.

The Board has always placed diversity as an agenda in strengthening the performance of the Board and its Board Committees. The Board exercises diversity practices through the effective blend of competencies and extensive experiences of Directors who are involved in strategic discussions with key management personnel who are aware and are prepared to navigate diverse cultures, geographies and markets to make decisions in the best interests of the Company. Ms Lilian Foo is the only female director in the Board and the Board values her participation and discussion at Board meetings. Meanwhile the Board will take into consideration other selection criteria of a director, such as age without compromising on qualifications, experience and capabilities for new appointments to the Board. The Board concurred with the NC that progressive refreshing of the Board should come without undue disruptions and take into account the scope and nature of the operations of the Company. The Board will constantly examine its size annually with a view to determine its impact upon its effectiveness and review its appropriateness for the nature and scope of the Group's operations.

The Board believes that there is a good balance of power and authority as all the Board Committees are chaired by Independent Directors. In FY2020, the non-executive Directors have met (without management present) on several occasions.

Principle 3: Chairman and Chief Executive Officer ("CEO")

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

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

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

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

The Board established in writing the division of responsibilities between the Chairman and the CEO in FY2020.

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

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

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

Principle 4: Board Membership

The NC comprises Mr David Pang Kam Wei as Chairman, Mr Ngoh York Chao Nicholas and Mr Douglas Foo Peow Yong as members as at the date of this report. Mr Pek Eng Leong has relinquished the position as NC member after his resignation as a director on 6 July 2020. The majority of whom, including the Chairman of the NC, are Independent Non-Executive Directors. The Chairman of the NC is not associated in any way with any substantial shareholders of the Company.

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

(a) reviewing and assessing candidates for directorships (including executive directorships) before making recommendations to the Board for the appointment of directors;

(b) reviewing and recommending to the Board new appointments, re-appointments or re-election of directors to the Board;

(c) determining annually whether or not a Director is independent;

(d) deciding, in relation to a Director who has multiple board representations, whether or not such a Director is able to and has been adequately carrying out his duties as a Director of the Company;

(e) regularly reviewing and recommending to the Board the structure, size and composition of the Board and to make recommendations to the Board with regard to any adjustments that are deemed necessary;

(f) reviewing and recommending to the Board training and professional development programmes for the Board;

(g) reviewing and recommending to the Board, board succession plans for directors, in particular, the Chairman and the Chief Executive Officer; and

(h) assessing the performance of the Board as a whole and contribution of each director to the effectiveness of the Board. This assessment process shall be disclosed annually.

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

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

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

Summary of activities in FY2020

- Reviewed structure, size and composition of the Board and Board Committees.
- Reviewed independence of Directors.
- Reviewed and initiated process for evaluating Board, Board Committee, Chairman and individual Directors performance.
- Reviewed results of performance evaluation and feedback to the Chairman and Board Committees.
- Reviewed the need for progressive refreshing of the Board.
- Considered recommendations for new Director, reviewed their qualifications and meet with such candidates, before a decision is made on a selection.
- Discussed information required to be reported under the Code or Listing Manual.

PARTICULARS OF DIRECTORS AS AT 30 JUNE 2020

Name of Director	Date of first appointment	Date of last re-election	Nature of appointment	Membership of Board committees	Directorship and Chairmanship, both present and those held over the preceding three years, in other listed companies and other principal commitments
Douglas Foo Peow Yong	17 February 1997	29 October 2019	Executive Chairman	Member of Nominating Committee and Remuneration Committee	Director of Sakae Group of companies
Foo Lilian	2 May 2002	27 June 2017	Executive Director / Chief Executive Officer	None	Director of Sakae Group of companies
Loh Chee Peng	28 January 2019	29 October 2019	Non-Executive and Independent Director	Chairman of Audit Committee and Member of Remuneration Committee	None
Ngoh York Chao Nicholas	18 October 2019	29 October 2019	Non-Executive and Independent Director	Chairman of Remuneration Committee, Member of Audit Committee and Nominating Committee	None
David Pang Kam Wei	6 July 2020	–	Non-Executive and Independent Director	Chairman of Nominating Committee and Member of Audit Committee	None

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

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

Ms Foo Lilian and Mr David Pang Kam Wei are due for retirement at the forthcoming Annual General Meeting pursuant to the Company's Constitution.

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

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

The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence and there is accountability for good corporate governance. The Board Committees are chaired by Independent Directors and more than half of the Board consists of Independent Directors.

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

All Directors are required to declare their board representations. The NC will consider whether each Director is able to adequately carry out his/her duties as a Director of the Company, taking into consideration the number of listed company board representations and other principal commitments. The NC is satisfied that all the Directors are able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Directors of the Company.

Principle 5: Board Performance

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

The Board has a formal process for assessing the effectiveness of the Board as a whole with objective performance criteria as well as considering the contribution of each individual Director to the effectiveness of the Board. The NC assessed the functions and effectiveness of the Board as a whole, assessment of the Board Committees, assessment of each individual director to the effectiveness of the Board and assessment of the contribution by the Chairman in the Financial Year 2020. The assessment report was reviewed by the Board and the recommendations were discussed with a view to improve the overall effectiveness of the Board. The NC is of the view that the performance of the Board as a whole has been satisfactory.

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

Directors are required to ensure that they are in a position to devote the necessary time commitment and attention to the Company's matters and for the proper performance of their duties. Directors, while holding office, are at liberty to accept other board appointments, so long as such appointment is not in conflict with the Company's business and does not materially interfere with their performance as a director of the Company. Considering satisfaction of the current directors' participation and involvement in various active discussions relating to the Company, the Board agreed not to determine the maximum number of listed company board representations which any director may hold.

Remuneration Matters

Principle 6: Procedures for Developing Remuneration Policies

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

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

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

(a) reviewing and recommending to the Board a framework of remuneration for the Board and key management personnel;

(b) determining the specific remuneration packages for each Director and key management personnel;

(c) determining performance-related elements of remuneration and eligibility for benefits under long-term incentive schemes to align interests of executive Directors and link rewards to corporate and individual performance; and

(d) administering the Company's share option scheme.

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

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

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

Principle 7: Level and Mix of Remuneration

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

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

As part of its review, the RC ensures that the performance-related elements of remuneration form a significant part of the total remuneration package of the Executive Directors and key management personnel and is designed to align with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

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

Principle 8: Disclosure on Remuneration

The following tables show a breakdown of the remuneration of Directors and key management personnel for the financial year FY2020 as follows:

Remuneration band & name of directors	**Salary %**	**Bonus %**	**Directors' Fees %**	**Total %**
$500,000 to below $750,000				
Douglas Foo Peow Yong	96	4	-	100
$250,000 to below $500,000				
Foo Lilian	96	4	-	100
Below $250,000				
Loh Chee Peng	-	-	100	100
Ngoh York Chao Nicholas	-	-	100	100
*Pek Eng Leong	-	-	100	100
**David Pang Kam Wei	-	-	-	-

* *Resigned as Director on 6 July 2020*
** *Appointed as Director on 6 July 2020*

Remuneration band & name of top 5 key management personnel	Salary %	Bonus %	Incentive and other benefits %	Total %
$250,000 to below $500,000				
***Gladys Lim Cheng Leng	84	16	-	100
Below $250,000				
Shu Kwan Chyuan	96	4	-	100
Tan Yee Cheng	96	4	-	100
****Andy Liu Hong Wei	93	-	7	100

*** *Resigned on 31 December 2019*
**** *Resigned on 31 October 2020*

For competitive reasons, the Company is disclosing each individual Director's remuneration in bands of $250,000. The Group remunerates its key management personnel competitively. To maintain confidentiality of staff remuneration and to prevent poaching of key management personnel in a highly competitive industry, the Company discloses the remuneration of the key management personnel of the Group, in this report, in bands of $250,000 without aggregate of total remuneration paid to the key management personnel.

For the financial year FY2020, there is an employee of the Company namely Mr Foo Kia Hee, being the father of Mr Douglas Foo Peow Yong, the Executive Chairman, and Ms Foo Lilian, the Chief Executive Officer, whose remuneration falls between $100,000 and $150,000.

The Company does not have any employee share scheme.

Summary of activities in FY2020

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

Accountability and Audit

Principle 9: Risk Management and Internal Controls

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

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

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

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

The Board has received assurance from the CEO and CFO, that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

Principle 10: Audit Committee ("AC")

As at 30 June 2020, the AC comprises of Mr Loh Chee Peng, Mr Ngoh York Chao Nicholas and Mr Pek Eng Leong. Mr David Pang Kam Wei replaced Mr Pek Eng Leong as AC member after the change of director on 6 July 2020. The Chairman of the AC is Mr Loh Chee Peng. All of the AC members including the Chairman of the AC, are Independent and Non-Executive Directors. The members of the AC, collectively, have expertise or experience in financial management and are qualified to discharge the AC's responsibilities. None of the AC members nor the AC Chairman are former partners or Directors of the Company's existing auditing firm or auditing corporation.

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

(a) to review and discuss with internal and/or external auditors their reports on major accounting and control issues observed during the annual audit and review management's implementation of the recommended improvement actions;

(b) to review the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls and financial risk management systems;

(c) to review the balance sheet and profit and loss account and announcements of results before submission to the Board for approval;

(d) to review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to management and the management's response;

(e) to review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;

(f) to review arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow up action;

(g) to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company; and

(h) to review the internal control procedures and ensure co-ordination between the internal auditors and the management.

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

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

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

The AC has reviewed the volume of all audit and non-audit services to the Group by the external auditors. Please refer to the notes to the financial statements for details of the audit and non-audit fees. The AC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The existing auditor Messrs Deloitte & Touche LLP has expressed intention not to seek re-appointment at the forthcoming AGM. Messrs Deloitte & Touche LLP has completed the term of office for FY2020. The AC is pleased to recommend the appointment of Baker Tilly TFW LLP as the Company's external auditors in place of the retiring auditor, Messrs. Deloitte & Touche LLP at the forthcoming Annual General Meeting. The AC receives update on changes in accounting standards from external auditors.The AC shall continue to monitor the scope, cost effectiveness and result of the audit.

The AC and the Board are satisfied that the appointment of different auditors for its Singapore-incorporated subsidiaries would not compromise the standard and effectiveness of the audit of the Company. The Company has also engaged suitable auditing firm for its foreign-incorporated subsidiaries. The Company therefore is in compliance with Rule 712, 715 and 716 of the Listing Manual of the SGX-ST.

The AC had established a whistle blowing policy and had formed a Whistle Blowing Committee which consists of three Independent Non-Executive Directors of the Companyas a channel for persons employed by the Group to report in confidence any possible corporate improprieties in matters of financial reporting or non-compliance with regulations, policies and fraud, etc., without any prejudicial implications for these employees. The Whistle Blowing Committee and the AC is vested with the power and authority to receive, investigate and enforce appropriate action when any such non-compliance matter is brought to its attention.

As at date of report, there were reports received through the whistle-blowing mechanism. In handling the whistle-blowing reports, the AC carefully considers the allegations raised, makes consultations with independent advisors, and carries out necessary investigations.

Summary of activities for FY2020

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

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

The AC has reviewed the internal audit programme, the scope and results of internal audit procedures and is satisfied that the outsourced internal audit function is adequately resourced and has appropriate standing.

The internal auditor, Messrs. Virtus Assure Pte Ltdmeets the standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

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

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

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

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

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

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

Minutes of general meetings include substantial comments or queries from shareholders and responses from the Board and management relating to the agenda of the meeting. These minutes are made available to shareholders upon their request The Company publishes minutes of general meetings on its corporate website as soon as practicable.

The Company does not have a policy on dividends at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. The Board did not declare any dividend for the financial year ended 30 June 2020 in order to conserve cash for future operations in view of prevailing business conditions of the Group.

Principle 12: Engagement with Shareholders

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

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

The Company does not practice selective disclosure. Information on any new initiative is disseminated via SGXNET, news releases and the Company's website. The Company provides timely updates on its website at www.sakaeholdings.com through which shareholders can access information on the Group. Price-sensitive information is publicly released on an immediate basis where required under the Listing Manual. Where an immediate announcement is not possible, the announcement is made as soon as possible to ensure that shareholders and the public have fair access to the information. The Company does not have an Investor Relations and there is no Investor Relations policy. Shareholders can send questions to the Company's website www.sakaeholdings.com and the Company respond to such questions.

Principle 13: Engagement with Stakeholders

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

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

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

RISK MANAGEMENT

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

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

SECURITIES TRANSACTIONS

(Listing Manual Rule 1207(19))

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

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

MATERIAL CONTRACTS

(Listing Manual Rule 1207(8))

There were no material contracts of the Company or its subsidiaries involving the interest of any Director or controlling shareholders subsisting as at the financial year ended 30 June 2020.

INTERESTED PERSON TRANSACTIONS

(Listing Manual Rule 907)

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

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

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended June 30, 2020.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 43 to 127 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at June 30, 2020, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

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

Douglas Foo Peow Yong
Foo Lilian
Loh Chee Peng
Ngoh York Chao Nicholas
David Pang Kam Wei (Appointed on July 6, 2020)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

Name of directors and Company in which interests are held	Shareholdings registered in name of directors: At July 1, 2019 or date of appointment, if later	Shareholdings registered in name of directors: At end of year	Shareholdings in which directors are deemed to have an interest: At July 1, 2019 or date of appointment, if later	Shareholdings in which directors are deemed to have an interest: At end of year
<u>The Company</u>				
Ordinary shares				
Douglas Foo Peow Yong	31,926,740	31,926,740	60,000,100	60,000,100
Foo Lilian	100	100	-	-
Loh Chee Peng	1,200	1,200	-	-
Pek Eng Leong#	492,100	492,100	-	-

By virtue of Section 7 of the Singapore Companies Act, Douglas Foo Peow Yong is deemed to have an interest in the Company and all the related corporations of the Company.

The directors' interests in the shares and options of the Company at July 21, 2020 were the same at June 30, 2020.

Resigned on July 6, 2020.

4 SHARE OPTIONS

(a) The Sakae Performance Share Scheme ("PSS") was approved by the shareholders of the Company at an Extraordinary General Meeting held on April 21, 2008.

The committee administering the PSS comprises:

Ngoh York Chao Nicholas (Chairman)
Loh Chee Peng
Douglas Foo Peow Yong

The Performance Share Scheme complements the ESOS as it increases the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve superior performance. Shares will be awarded based on pre-determined dollar amounts such that the quantum of shares is dependent on the closing price of shares transacted on the market day the award is vested. The PSS shall continue in force at the discretion of the Committee, up to a maximum of ten years. The PSS has expired.

(b) *Option to take up unissued shares*

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

(c) *Option exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(d) *Unissued shares under option*

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5 AUDIT COMMITTEE

The Audit Committee of the Company, consisting all non-executive directors, is chaired by Mr Loh Chee Peng and other members include Mr Ngoh York Chao Nicholas and Mr David Pang Kam Wei. The Audit Committee has met at least four times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and the external and internal auditors of the Company:

(a) The audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

(b) The Group's financial and operating results and accounting policies;

(c) The financial statements of the Company and the consolidated financial statements of the Group before their submission to the Board of Directors of the Company and the external auditors' report on those financial statements;

(d) The quarterly, half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

(e) The co-operation and assistance given by the management to the Group's internal and external auditors; and

(f) The re-appointment of the internal and external auditors of the Group.

The Audit Committee has full access to and co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has made its recommendations to the Board of Directors and the Board of Directors is satisfied with the proposed appointment of Baker Tilly TFW LLP as external auditor of the Company in place of the retiring auditor, Deloitte & Touche LLP, at the forthcoming AGM of the Company.

6 AUDITORS

Messrs Deloitte & Touche LLP has expressed that they will not seek re-appointment as auditors of the Company at the forthcoming Annual General Meeting of the Company. Baker Tilly TFW LLP has expressed its willingness to accept appointment as auditor.

ON BEHALF OF THE DIRECTORS

....
Douglas Foo Peow Yong

....
Foo Lilian

October 14, 2020

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Sakae Holdings Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at June 30, 2020 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year ended June 30, 2020, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 43 to 127.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at June 30, 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Qualified Opinion

a) Our auditor's report on the financial statements for the prior year ended June 30, 2019 was modified due to various matters and management has taken steps to address some of those matters during the current year ended June 30, 2020, as disclosed in Note 2 to the financial statements. As a result, our opinion on the current year's financial statements is qualified on the opening balances of respective account balances set out below, and the corresponding adjustments recorded under "other operating income/ other operating expenses" in the current year's consolidated profit or loss.

   i) Investment in Griffin Real Estate Investment Holdings Pte. Ltd. ("GREIH")

      As disclosed in Note 2(i) to the financial statements, the Group has an investment in GREIH with carrying amount of $10,099,000 as at June 30, 2019, which is accounted for as an equity investment at fair value through profit or loss. As the fair values of the investment as at July 1, 2018 and June 30, 2019 have not been determined as required by SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9"), our opinion on the financial statements for the prior year ended June 30, 2019 was modified accordingly.

      Management has assessed and determined that the fair value of GREIH at June 30, 2020 amounted to $9,888,000. Arising from the liquidation of GREIH, the Group has also received an amount of $11,358,000 from the liquidator being the partial return of capital relating to the Group's investment in GRIEH. Accordingly, on the basis of the partial return of capital and fair value at June 30, 2020, the Group has recognised a fair value gain under "other operating income" amounting to $11,147,000 in GREIH in the current financial year's consolidated profit or loss. Since opening balances affect the determination of the current year's consolidated profit or loss, we are unable to determine whether adjustments to the current year's consolidated profit or loss and opening retained earnings might be necessary in respect of the fair value gain recognised during the current year ended June 30, 2020.

ii) Investment in and receivables from Cocosa Export S.A. and amount due from the non-controlling shareholder of Cocosa Export S.A.

As disclosed in Note 2(iii) to the financial statements, during the prior financial year ended June 30, 2019, the Group ceased consolidating one of its subsidiaries, Cocosa Export S.A ("Cocosa Export"), as the Group had assessed that it had lost control of Cocosa Export with effect from March 31, 2019 although the Group is still the majority shareholder of Cocosa Export. As a result, the Group recorded (a) a loss on derecognition of $3,446,000; and (b) a loss allowance of $2,791,000 on amount due from Cocosa Export during the prior year ended June 30, 2019. As at June 30, 2019, the Group also had a receivable due from a company owned by the non-controlling shareholder of Cocosa Export, amounting to $1,337,000. As we were unable to obtain sufficient appropriate evidence in respect of (a) whether the Group continued to have control over Cocosa Export or the point in time when such control was lost and the appropriateness of the classification of the investment in Cocosa Export if the control had indeed been lost, and the existence of the gross receivables of $5,412,000 due from Cocosa Export and the recoverability of those receivables net of the loss allowance of $2,791,000; and (b) the existence and recoverability of the receivable due from the non-controlling shareholder of Cocosa Export, our opinion on the financial statements for the prior year ended June 30, 2019 was modified accordingly.

During the current year, the Company and SGX appointed a Special Auditor to perform an independent review of the Group's transactions with Cocosa Export and its non-controlling shareholder in the prior financial years, and as at date of our report, the independent review report has not been finalised. A liquidation suit against Cocosa Export was also initiated during the year by a bank and subsequent to the end of the financial year in August 2020, Cocosa Export has been placed under liquidation in accordance with a Chilean court order. Consequently, management has assessed that any outstanding receivables from Cocosa Export and its non-controlling shareholder should be fully impaired and an additional loss allowance of $5,609,000 was made on those receivables and recorded under "other operating expenses" in the current year's consolidated profit or loss.

Since opening balances affect the determination of the current year's consolidated profit or loss, we are unable to determine whether adjustments to the current year's consolidated profit or loss and opening retained earnings might be necessary in respect of the (a) additional loss allowance recognised during the current year ended June 30, 2020; (b) findings of the Special Auditor when the report is finalised and (c) the point in time when control in Cocosa Export was lost.

b) As disclosed in Note 2(i) to the financial statements, the Group has an investment in Gryphon Capital Management Pte. Ltd. ("GCM") with carrying amount of $369,000 as at June 30, 2019, which is accounted for as equity investments at fair value through profit or loss. As the fair values of the investment as at July 1, 2018 and June 30, 2019 have not been determined as required by SFRS(I) 9, our opinion on the financial statements for the prior year ended June 30, 2019 was modified accordingly.

During the current year, management has written off the investment in GCM and recognised a fair value loss of $369,000 under "other operating expenses" in the current year's consolidated profit or loss. As management could not determine the fair value of GCM as at June 30, 2019 and 2020 in accordance with SFRS(I) 9, we are unable to determine the appropriateness of the write-off of the investment by management and/or the effect on the current year's results had the valuation been performed.

c) As disclosed in Note 2(ii) to the financial statements, the Group reversed certain commodities sales transactions ("Transactions") amounting to $5,930,000 for the financial period ended June 30, 2018 and related receivables from its books and the Group made a provision of $5,695,000 in the inventory related to the Transactions.

There were no appropriate procedures that we could design and perform to obtain sufficient appropriate audit evidence to evaluate the nature and veracity of the Transactions and whether the reversal of the sales and related recognition of inventory provision were appropriate as well as the related disclosures in the Group's financial statements for the financial period ended June 30, 2018.

As the investigation is still ongoing as at the date of this report, we are unable to determine whether any adjustments in the accompanying financial statements may be necessary. Our opinion on the financial statements for the prior year ended June 30, 2019 was also modified accordingly.

d) As disclosed in Note 39 to the financial statements, the Group has made various adjustments to the consolidated statement of profit or loss and other comprehensive income for the prior year ended June 30, 2019, including adjustments arising from the reconciliation of intragroup balances as disclosed in Note 2(iv). As we were not provided with sufficient supporting documents for some of these adjustments, we are unable to determine whether the adjustments relate to the prior year ended June 30, 2019 and/or before.

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

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in our report above, we have issued a qualified opinion due the matters highlighted in the *Basis for Qualified Opinion* section.

Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis of Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How the matter was addressed in the audit
Going concern assumption	
As at June 30, 2020, the Group and the Company have net current liabilities of $37.2 million and $56.0 million respectively. The Group and the Company have total bank borrowings of $44.3 million and $43.7 million as at June 30, 2020 respectively. The Group has to comply with certain financial covenants required by a bank as stipulated in the bank loan facility letter at the end of the reporting period. As at June 30, 2020, the Group has met the financial covenants as stipulated by the bank. Based on the Group's cash flow forecast up to September 2021 drawn up by management, the Board of Directors has concluded that there is no material uncertainty regarding the Group's and the Company's ability to continue as a going concern. With the internally generated funds, expected proceeds from the disposal of Malaysia properties, expected capital return from the liquidator of GREIH and expected proceeds from government grant in response to the impact of Covid-19 to businesses, and ability to continue to roll over the short-term revolving bank loans and having access to unutilised credit facilities, the Board of Directors has concluded that the Group and the Company will have sufficient financial resources to enable the Group and the Company to continue as a going concern for at least the next twelve months up to September 2021. Management's critical judgements underlying the cash flow forecast and going concern assessment are set out in Note 4(i)(a) and Note 40 to the financial statements.	Our audit procedures included the following: • Obtained an understanding of management's key assumptions underlying the cash flow forecast; • Challenged the key assumptions used by management, reviewed the significant one off cash flow items, including expected proceeds from the disposal of Malaysia properties, expected capital return from the liquidator of GREIH and expected proceeds from government grant in response to the impact of Covid-19 to businesses and performed sensitivity analysis; • For the outstanding short-term revolving credit facilities as at June 30, 2020, which were due subsequent to the year end, checked that they were approved by lenders for roll-over; and • Reviewed management's assessment regarding compliance with loan covenants stipulated in the loan agreements throughout the cash flow forecast period, and checked for availability of credit facilities. Based on our procedures, we noted that the judgement and estimates applied by management and Board of Directors, including further sensitivity analysis where appropriate, supported the Group's cash flow forecast and going concern assessment. We have also reviewed the adequacy and appropriateness of the related disclosures made in the financial statements.

Key audit matters	How the matter was addressed in the audit
Impairment of assets - Leasehold building	
Property, plant and equipment ("PPE") (Note 16) represents a significant portion of the Group's and Company's total assets and their proportion as at June 30, 2020 is 76% and 76% respectively. Out of the total balance, leasehold building is stated at valuation based on the market valuation as at June 30, 2020. Their proportion to the Group's and Company's total PPE is 84% and 88% respectively. As disclosed in Note 4(ii)(e) to the financial statements, the asset is revalued based on the valuation performed by independent professional valuer engaged by the Group. The valuation for the asset involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. In determining the fair value of the assets the valuer has used comparable sales method and the key inputs are values per square meter referenced to comparable properties but adjusted for differences such as type of use/specification, size/floor area, location and condition and tenure. In relying on the valuation report of a professional valuer, the Group has exercised judgment in arriving at a value which is reflective of the current market conditions.	Our audit procedures focused on evaluating and challenging the key estimates used by management in the valuation of the leasehold building. These procedures include: • obtained an understanding of the key controls and processes that management has in place in respect of valuation of the leasehold building; • obtained the external valuation reports and evaluated the work scope, qualifications, competency, objectivity and independence of the external valuer; • discussed with the external valuer to obtain understanding of their work performed on the asset covering amongst others, the valuation methodology, the key unobservable inputs and the significant judgement and appropriateness of assumptions applied; • considered the adequacy of the disclosures in the financial statements, about the key assumptions used in the valuation and the relationships between the key unobservable inputs and fair values, in conveying the inherent degree of subjectivity in valuations. The key judgement and estimation on the valuation of the leasehold building are disclosed in Note 4(ii)(e) to the financial statements, and further information related to these assets are provided in Note 16 to the financial statements.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, except for the matters referred to in the *Basis for Qualified Opinion* section of our report, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Yang Chi Chih.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

October 14, 2020

STATEMENT OF FINANCIAL POSITION
As at June 30, 2020

	Note	The Group 2020 $'000	The Group 2019 $'000 (Restated)	The Company 2020 $'000	The Company 2019 $'000 (Restated)
ASSETS					
Current assets					
Cash and bank balances	7	7,142	1,169	4,765	316
Trade receivables	8	1,349	1,755	606	412
Other receivables and prepayments	9	1,977	9,474	417	5,690
Inventories	10	615	938	30	67
Convertible loan note receivable	11	-	-	-	-
Equity investments at fair value through profit or loss	12	53	377	-	25
Non-current assets classified as held for sale	13	6,425	-	-	-
Income tax recoverable		225	1,015	-	-
Total current assets		17,786	14,728	5,818	6,510
Non-current assets					
Deposit	9	457	-	-	-
Subsidiaries	14	-	-	10	10
Due from subsidiaries	14	-	-	12,403	15,500
Joint venture	15	-	350	-	-
Equity investments at fair value through profit or loss	12	9,888	10,468	9,888	6,792
Property, plant and equipment	16	93,011	69,357	88,862	63,856
Investment properties	17	-	2,810	-	-
Intangible asset	18	-	-	-	-
Goodwill	19	716	720	-	-
Total non-current assets		104,072	83,705	111,163	86,158
Total assets		121,858	98,433	116,981	92,668
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Bank loans	20	44,287	50,001	43,667	48,930
Lease liabilities	21	3,033	-	381	-
Trade payables	22	3,328	3,583	879	1,384
Other payables and accruals	23	3,874	3,094	1,941	1,402
Provisions	24	420	550	84	131
Due to subsidiaries	14	-	-	14,903	10,756
Income tax payable		24	110	-	-
Total current liabilities		54,966	57,338	61,855	62,603
Non-current liabilities					
Lease liabilities	21	10,852	-	9,637	-
Deferred tax liabilities	25	10,797	8,813	10,974	8,376
Total non-current liabilities		21,649	8,813	20,611	8,376
Capital, reserves and non-controlling interests					
Issued capital	26	10,736	10,736	10,736	10,736
Treasury shares	27	(892)	(892)	(892)	(892)
Currency translation reserve		(722)	(718)	-	-
Revaluation reserve	28	60,168	46,580	59,229	45,696
Accumulated losses		(24,047)	(23,447)	(34,558)	(33,851)
Equity attributable to equity holders of the Company		45,243	32,259	34,515	21,689
Non-controlling interests		-	23	-	-
Total equity		45,243	32,282	34,515	21,689
Total liabilities and equity		121,858	98,433	116,981	92,668

See accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended June 30, 2020

	Note	Group 2020 $'000	Group 2019 $'000 (Restated)
Revenue	29	31,372	44,965
Cost of sales		(12,434)	(16,546)
Gross profit		18,938	28,419
Other operating income	30	17,185	5,310
Administrative expenses		(22,782)	(22,062)
Other operating expenses		(12,834)	(22,957)
Finance costs			
- Interest on borrowings		(1,346)	(1,589)
- Interest on leases		(583)	-
Loss before tax		(1,422)	(12,879)
Income tax credit (expense)	31	822	(69)
Loss for the year	32	(600)	(12,948)
Loss attributable to:			
Equity holders of the Company		(600)	(12,948)
Non-controlling interests		-	-
		(600)	(12,948)
Basic and diluted loss per share (cents)	33	(0.43)	(9.28)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended June 30, 2020

	Note	Group 2020 $'000	Group 2019 $'000 (Restated)
Loss for the year		(600)	(12,948)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Reclassification of capital reserves		-	(166)
Revaluation of properties	28	16,327	4,441
Deferred tax liability relating to revaluation of properties	25	(2,739)	(896)
		13,588	3,379
Items that may be reclassified subsequently to profit or loss			
Currency translation differences of foreign operations and de-recognition of foreign operations		(4)	136
Other comprehensive income for the year, net of tax		13,584	3,515
Total comprehensive profit (loss) for the year		12,984	(9,433)
Total comprehensive profit (loss) attributable to:			
Equity holders of the Company		12,984	(9,433)
Non-controlling interests		-	-
		12,984	(9,433)

See accompanying notes to the financial statements

	Issued capital	Treasury shares	Capital reserve	Currency translation reserve	Revaluation reserve	Accumulated losses	Attributable to equity holders of the Company	Non-controlling interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group									
Balance as at July 1, 2018	10,736	(892)	166	(854)	43,035	(10,499)	41,692	1,346	43,038
Derecognition of subsidiary (Note 35)	-	-	-	-	-	-	-	(1,323)	(1,323)
Total comprehensive income (loss) for the year (Restated)									
Loss for the year	-	-	-	-	-	(12,948)	(12,948)	-	(12,948)
Other comprehensive income	-	-	(166)	136	3,545	-	3,515	-	3,515
Total *(Restated)*	-	-	(166)	136	3,545	(12,948)	(9,433)	-	(9,433)
Balance as at June 30, 2019 (Restated)	10,736	(892)	-	(718)	46,580	(23,447)	32,259	23	32,282
Total comprehensive income (loss) for the year									
Loss for the year	-	-	-	-	-	(600)	(600)	-	(600)
Other comprehensive income	-	-	-	(4)	13,588	-	13,584	-	13,584
Total	-	-	-	(4)	13,588	(600)	12,984	-	12,984
Strike-off of subsidiary (Note 14[10])	-	-	-	-	-	-	-	(23)	(23)
Balance as at June 30, 2020	10,736	(892)	-	(722)	60,168	(24,047)	45,243	-	45,243

	Issued capital	Treasury shares	Revaluation reserve	Accumulated losses	Total
	$'000	$'000	$'000	$'000	$'000
Company					
Balance as at July 1, 2018	10,736	(892)	42,196	(23,898)	28,142
Total comprehensive income (loss) for the year (Restated)					
Loss for the year	-	-	-	(9,953)	(9,953)
Other comprehensive income	-	-	3,500	-	3,500
Total (Restated)	-	-	3,500	(9,953)	(6,453)
Balance as at June 30, 2019 (Restated)	10,736	(892)	45,696	(33,851)	21,689
Total comprehensive income for the year					
Profit for the year	-	-	-	(707)	(707)
Other comprehensive income	-	-	13,533	-	13,533
Total	-	-	13,533	(707)	12,826
Balance as at June 30, 2020	10,736	(892)	59,229	(34,558)	34,515

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended June 30, 2020

	Group	
	2020	2019
	$'000	$'000 (Restated)
Operating activities		
Loss before tax	(1,422)	(12,879)
Adjustments for:		
Depreciation of property, plant and equipment	2,193	2,835
Depreciation of right-of-use assets	4,625	-
Depreciation of investment property	25	24
Amortisation of prepaid lease	-	51
Loss (Gain) on disposal of property, plant and equipment, net	329	(19)
Write-off of property, plant and equipment	55	968
Impairment loss on property, plant and equipment	996	493
Impairment loss recognised on other receivables	5,609	2,791
Impairment loss recognised on trade receivables	37	24
Impairment loss on joint venture	350	-
(Gain) loss on derecognition of subsidiary	(664)	3,446
Impairment loss recognised on intangible asset	-	322
Write-back of amounts due to related and outside parties	(42)	-
Write-back of other payables	(167)	-
Dividend income from equity investments	(9)	(308)
Fair value (gain) loss on equity investments at FVTPL - net	(10,778)	311
Provision (reversal) of reinstatement costs	44	(28)
Unrealised foreign exchange loss (gain)	6	(10)
Interest expense	1,929	1,589
Interest income	(24)	(32)
Operating cash flows before movements in working capital	3,092	(422)
Trade receivables	369	124
Other receivables and prepayments	1,309	(5,668)
Inventories	308	500
Trade payables	(93)	(385)
Other payables and accruals	1,489	6,126
Cash generated from operations	6,474	275
Interest paid	(1,929)	(1,589)
Interest received	24	32
Income taxes and withholding taxes refunded - net	898	97
Net cash from (used in) operating activities	5,467	(1,185)

	Group	
	2020	2019
	$'000	$'000 (Restated)
Investing activities		
Purchase of property, plant and equipment	(588)	(721)
Receipts of partial liquidation proceeds	11,358	-
Proceeds from disposal of property, plant and equipment	-	19
Dividend income from equity investments	9	308
Proceeds from disposal of equity investments at FVTPL	288	1,344
Redemption of unit trust	-	105
Derecognition of subsidiary	(35)	(157)
Net cash from investing activities	11,032	898
Financing activities		
Repayment of leases	(4,808)	-
Repayment of bank loans	(5,263)	(3,724)
Net cash used in financing activities	(10,071)	(3,724)
Net increase (decrease) in cash and cash equivalents	6,428	(4,011)
Cash and cash equivalents at beginning of year	98	4,148
Effects on exchange rate changes on the balance of cash held in foreign currencies	(4)	(39)
Cash and cash equivalents at end of year (Note 7)	6,522	98

Note: As there are no non-cash changes for liabilities arising out of financing activities, no reconciliation has been presented.

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration No. 199604816E) is incorporated in Singapore with its principal place of business and registered office at 28 Tai Seng Street, Singapore 534106. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activities of the Company consist of the business of operating restaurants, kiosks and cafes, trading, sushi processing and operating as caterer and franchiser.

The principal activities of the subsidiaries and joint venture are disclosed in Notes 14 and 15 to the financial statements respectively.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended June 30, 2020 were authorised for issue by the Board of Directors on October 14, 2020.

2 SIGNIFICANT MATTERS

(i) Investments in Griffin Real Estate Investment Holdings Pte. Ltd. ("GREIH") and Gryphon Capital Management Pte. Ltd. ("GCM")

As previously announced and disclosed by the Company, GREIH and GCM were associates of the Company since January 2011. Starting from December 2013, the Company commenced legal suits against various defendants in connection with the affairs of GREIH and GCM. The legal suits and subsequent appeals were concluded in the financial period ended June 30, 2018. GREIH and GCM were also ordered by the High Court to be wound up in April 2017 and August 2017 respectively.

With the conclusion of the legal matters pertaining to GREIH and GCM, and with the commencement of liquidation proceedings, the Group reclassified its cost of investments in GREIH and GCM to available-for-sale investments during the financial period ended June 30, 2018. As of July 1, 2018, the Group reclassified the available-for-sale investments to equity investments at fair value through profit or loss due to the adoption of SFRS(I) 9 *Financial Instruments*.

During the current financial year, the Group received partial returns of capital from the liquidators of GREIH totaling $11,358,000. As at the end of the reporting period, the Group and the Company recognised net fair value gains on equity investments in GREIH of $11,147,000 (Note 12) under other operating income based on estimated returns on liquidation proceeds assessed by the liquidators.

Management has determined that the fair value of equity investment in GREIH as of June 30, 2020 is $9,888,000 which was 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 the end of the reporting period.

During the current year, management has written off the investment in GCM and recognised a fair value loss of $369,000 (Note 12) under "other operating expenses".

(ii) Sugar transactions

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

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

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

During the current year, the matter remains under investigation by the authorities. As any financial impact arising from the Transaction has been fully accounted for in the financial statements for the year ended June 30, 2018, management has assessed that there will be no impact to the financial statements for the year ended June 30, 2020 and June 30, 2019 arising from this matter.

(iii) Investment in and receivables from Cocosa Export S.A. and amount due from the non-controlling shareholder of Cocosa Export S.A.

The Group acquired a 51% equity interest in a Chilean based frozen seafood production and trading company, Cocosa Export S.A. ("Cocosa Export) on March 6, 2016.

During the financial year ended June 30, 2019, management determined that it had lost control over Cocosa Export with effect from March 31, 2019. Accordingly, the Company derecognised its investment in Cocosa Export and recorded a loss on derecognition of $3,446,000. Further, the Group made an impairment on goodwill of $3,225,000 and a loss allowance of $2,791,000 on the amount due from Cocosa Export in the financial year ended June 30, 2019.

In November 2019, a liquidation suit against Cocosa Export was also initiated and subsequent to the end of the financial year in August 2020, Cocosa Export was placed under liquidation in accordance with a Chilean court order. Accordingly, the Group has made a further allowance of $4,272,000 in the current financial year to make full provision on the gross receivables from Cocosa Export as at June 30, 2020.

Further to the above, the Group has also made full provision on an amount of $1,337,000 receivable from a company owned by the non-controlling shareholder of Cocosa Export, during the current financial year.

In February 2020, the Company appointed KPMG Services Pte Ltd ("the Special Auditor") to undertake a review on matters pertaining to the Group's transactions with Cocosa Export and its non-controlling shareholder in the prior financial years. The Special Auditor has commented in their draft review report that it appears the Group lost control of Cocosa Export sometime between March and May 2019. As at the date of approval of these financial statements, the independent review report has not been finalised.

(iv) Intragroup balances

During the current financial year, the Group appointed an independent accounting firm (the "External Consultant") to reconcile the intragroup differences of $1,540,000 that was noted at June 30, 2019. Management and its External Consultant have completed the reconciliations and recorded certain adjustments to the statement of financial position as at June 30, 2019 and the consolidated statement of profit or loss and other comprehensive income for the prior year ended June 30, 2019 to rectify the differences noted. The resultant adjustments have been included in the disclosures in Note 39.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 and SFRS(I)s.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, when applicable, the cost on initial recognition of an investment in a joint venture.

In the Company's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

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

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Specifically, investment in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. Fair value is determined in the manner described in Note 5(c)(vi).

Foreign exchange gains and losses

The carrying amount of financial assets that are dominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically,

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit and loss in the "other operating expense" line item; and

- For financial assets measured at FVTPL that are not part of a designated hedging relationship exchange differences are recognised in profit and loss in the "other operating expense" line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investment in debt instruments that are measured at amortised cost or at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognise lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instruments at an amount equal to 12m ECL. The assessment of whether lifetime ECL should be recognised is based on significant increased in the likelihood or risk of default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instruments that are possible within 12 months after the reporting date.

Significant increase in credit risk

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

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor; and

- significant increases in credit risk on other financial instruments of the same debtor.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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

Definition of default

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

- when there is a breach of financial covenants by the counterparty; or

- information developed internally or obtained from external sources indicates that the debtors is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event; or

(c) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write off policy

The Group writes off a financial asset when there is information indicating that there counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12m ECL at the current reporting date.

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

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other operating income or other operating expenses" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

The Group does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting arrangements.

LEASES (Before July 1, 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefit derived from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

LEASES (After July 1, 2019)

The Group as lessee

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

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

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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

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

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

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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

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

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

The right-of-use assets are presented as a separate line in the statement of financial position.

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

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

<u>The Group as lessor</u>

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

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

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

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

NON-CURRENT ASSETS HELD FOR SALE - Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

PROPERTY, PLANT AND EQUIPMENT - Land and building held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at the revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of the land and building is recognised in other comprehensive income and accumulated in revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of the land and building is charged to profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of the asset.

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

Building on freehold land	-	1.00% to 2.00%
Leasehold building	-	Over the remaining lease period
Production equipment	-	6.70%
Restaurant equipment	-	20%
Renovation	-	20%
Furniture and fittings	-	20%
Computers	-	100%
Motor vehicles	-	20% to 25%
Office equipment	-	20%

Assets under construction-in-progress are not depreciated as these assets are yet available for use. Depreciation will commence when these assets are available for their intended use.

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

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

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

INVESTMENT PROPERTIES - Investment properties, which are property held to earn rentals and/or for capital appreciation, including property under construction or redevelopment for such purposes, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation (except for freehold land) and any accumulated impairment losses.

Depreciation is charged so as to write-off the cost of investment property, other than freehold land, over its estimated useful life, using the straight-line method on the following bases:

Building on freehold land	-	1.00% to 2.00%
Freehold property	-	1.00%

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

INTANGIBLE ASSETS - Research costs are expensed as incurred. Deferred development costs arising from development expenditures on an Forex Trading Apps are recognised as an intangible asset when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the assets to be capable of operating in the manner intended by management.

Following initial recognition of the deferred development costs as an intangible asset, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use. Deferred development costs have a finite useful life and are amortised over the period of expected sales from the related project (ranging from 5 to 10 years) on a straight line basis.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition-date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Gain on acquisition of subsidiary arises when the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree is less than the fair value of the identifiable net assets of the subsidiary acquired. This difference is recognised in profit or loss.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain. Before recognising a gain on a bargain purchase, management shall reassess whether it has correctly identified all of the assets acquired and all of the liabilities assumed and shall recognise any additional assets or liabilities that are identified in that review.

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

On disposal of a subsidiary or the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

JOINT VENTURE - A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the joint venture. When the Group’s share of losses of a joint venture exceeds the Group’s interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group’s net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS(I) 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group’s investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL - At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of impairment loss is treated as a revaluation increase.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that the Group should purchase, construct, or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION - The Group recognises revenue from the following major sources:

- Food and beverage sales
- Service charge and consultancy fee income

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

When the customer initially entered into customer loyalty programmes, the transaction price received by the group is recognised as a contract liability until the goods have been delivered to the customer.

Food and beverage sales

Revenue from the sales of food and beverage is recognised when control of the goods has transferred to the customer, being at the point the food and beverages are served or delivered.

Service charge and consultancy fee income

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

Interest income

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

Rental income

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

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group’s obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

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

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group’s liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interest and not recognised in profit or loss. For all other partial disposals (i.e. of jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in currency translation reserve.

Goodwill arising on the acquisition of a foreign operation is treated as asset of the foreign operation and translated at the closing rate.

SEGMENT REPORTING - An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

The Group determines and presents operating segments based on information that internally is provided to the Group's chief operating decision makers. All operating segments' operating results are reviewed regularly by the Group's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash at bank and on hand and short-term deposits and bank overdrafts that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

(i) Critical judgements in applying the Group's accounting policies

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

(a) Going concern assumption

As at June 30, 2020, the Group and Company have net current liabilities of $37,180,000 (2019 (Restated) : $42,610,000) and $56,037,000 (2019 (Restated) : $56,093,000) respectively. The Group has to comply with certain financial covenants required by a bank as stipulated in the bank loan facility letter at the end of the reporting period. As at June 30, 2020, the Group has met the financial covenants as stipulated by the bank.

Based on the Group's cash flow forecast up to September 2021 drawn up by management, the Board of Directors has concluded the Group and the Company will have sufficient financial resources to enable the Group and the Company to continue as a going concern for at least the next twelve months up to September 2021 and that there is no material uncertainty regarding the Group's and the Company's ability to continue as a going concern, taking into consideration the following:

(a) The Group will be able to continue to generate positive operating cash flows to meet its day-to-day expenditure, taking into account the impact posed by Covid-19 on its operations (Note 40);

(b) The Group will be able to continue to roll-over its short-term revolving loans and such credit facilities from the Group's lenders will continue to be available for at least up to September 2021. At the end of the reporting period, the Group and the Company have short-term revolving bank loans of $42.3 million (2019 : $44.4 million) which are renewable at maturity. The Group has rolled-over the short-term revolving bank loans on a monthly or quarterly basis with the latest roll-over in September 2020 for 1 month. As at June 30, 2020, the Group also has committed unutilised credit facilities of $5.0 million (2019 : $3.2 million);

(c) The Group is expected to receive $2,963,000 for its proposed disposal of certain properties in Malaysia and the transaction is expected to be completed in the next few months; and

(d) The Group is expected to receive $9,888,000 from the liquidator of GREIH.

(b) Derecognition of Cocosa Export

During the financial year ended June 30, 2019, the Group has derecognised Cocosa Export as a subsidiary on the basis that the Group has lost control over Cocosa Export as they were unable to obtain the management accounts and to direct the operations unilaterally.

During the current financial year, a bank applied to the Chilean Court and successfully placed Cocosa Export under liquidation. Accordingly, the Group recorded a full impairment on the amount due from Cocosa Export and also on the amount due from the non-controlling shareholder of Cocosa Export. The loss allowances charged to the profit or loss statement on the receivables due from Cocosa Export and on the receivables due from the non-controlling shareholder of Cocosa Exported amounted to $4,272,000 and $1,337,000 respectively (Note 9).

(c) Derecognition of Apex-Pal (Chengdu) Co. Ltd.

During the current financial year, the Group ceased consolidating one of its subsidiaries, Apex-Pal (Chengdu) Co. Ltd. (“Apex Chengdu”) as its operations has ceased completely during the financial year and the Group has commenced closure of this subsidiary. The closure was completed on September 24, 2020. As a result, the Group recorded a gain on derecognition of $664,000 under other operating income in the current financial year.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Calculation of loss allowance

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

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

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. Any changes in the probability in default may result in a change in the loss allowance currently provided for. The carrying amount of the trade and other receivables have been disclosed in Notes 8 and 9 respectively.

(b) Fair value measurements and valuation process

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Fair values of equity investments at fair value through profit or loss are determined based on expected net realisable values of net assets to be distributed from liquidation proceedings.

Information about the valuation techniques and inputs used in determining the fair value of equity investments at fair value through profit or loss and leasehold building are disclosed in Notes 12 and 16 respectively.

(c) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating unit to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value, details of which are described in Note 19.

The carrying amount of goodwill at the end of the reporting period was $716,000 (2019 : $720,000).

(d) Impairment of property, plant and equipment

The Group and Company assess annually whether property, plant and equipment have any indication of impairment in accordance with its accounting policy. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of the fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Management is confident that the allowance for impairment, where necessary, is adequate. The carrying amounts of property, plant and equipment of the Group and Company at the end of the reporting period are disclosed in Note 16 to the financial statements.

(e) Valuation of leasehold building

As described in Note 16, the Group's leasehold building are revalued based on the valuation performed by independent professional valuers.

In determining the fair value of the Group's leasehold building in Singapore, the valuer has used various methods of valuation which involve the making of certain assumptions and the use of estimates, which includes the Group being able to perform and observe all the stipulations contained in the lease agreement, one of which is that the Group has fulfilled the requirement to make a fixed investment in plant and machinery of $6.95 million to exercise the option to extend the lease for another 30 years beyond the original lease term of 30 years. Although the Group did not invest the stipulated amount, Jurong Town Corporation ("JTC") had confirmed in writing on June 5, 2012 that JTC had agreed to waive the investment shortfall and approved the option to extend the lease by another 30 years. In relying on the valuation report of the professional valuer, the Group has exercised judgement in arriving at a value which is reflective of the current market conditions. In 2020, the Group recognised a revaluation surplus of $13,533,000 (2019 : $3,500,000), net of deferred tax, on the building. As at June 30, 2020, the carrying amount of the building was $78.0 million (2019 : $63.0 million).

The fair value of the Group's leasehold building are disclosed in Note 16 to the financial statements.

(f) Depreciation and useful lives of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. As described in Note 3, the Group reviews the estimated useful lives of its property, plant and equipment at the end of each annual reporting period. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual value of these assets. The carrying amounts of the property, plant and equipment are disclosed in Note 16 to the financial statements.

(g) Impairment of investment in joint venture

An impairment loss in joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. During the year, the Group recorded an impairment on the carrying amount of the cost of investment in joint venture of $350,000 based on its assessment of operational and financial information of the joint venture (Note 15).

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Financial assets		(Restated)		(Restated)
Amortised cost:				
Loans and receivables	10,646	11,411	5,788	5,732
Due from subsidiaries	-	-	12,403	15,500
Equity investments at fair value through profit or loss	9,941	10,845	9,888	6,817
	20,587	22,256	28,079	28,049
Financial liabilities				
Amortised cost	50,897	55,844	61,290	62,168
Lease liabilities	13,885	-	10,018	-
	64,782	55,844	71,308	62,168

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

In 2020 and 2019, the Group and Company do not have any financial instruments which are subject to offsetting under enforceable master netting arrangements or similar netting arrangements.

(c) Financial risk management policies and objectives

Risk management is carried out by the Finance Department under policies approved by the Board of Directors. The Group's overall risk management programme seeks to minimise potential adverse effects of financial performance of the Group.

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group does not hold or issue derivative financial instruments for speculative purpose.

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

(i) Foreign exchange risk management

The Group is exposed to foreign currency risk as a result of its transactions where the denominations differ from the functional currencies of the respective Group entities.

At the end of reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the Group's functional currency are as follows:

	Assets		Liabilities	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
United States dollar	111	82	-	-

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against Singapore dollars. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the United States dollar strengthen/weaken by 10% against the functional currency of the respective group entity, loss before tax will decrease/(increase) by:

	Group	
	2020	2019
	$'000	$'000
United States dollar	11	8

(ii) Price risk

The Group is exposed to equity securities price risk arising from investments in quoted securities held by the Group which are classified on the consolidated balance sheet as equity investments at fair value through profit or loss. No sensitivity analysis disclosure is presented as a reasonable change in prices for equity securities will not have any material impact to the Group.

(iii) Interest rate risk management

Summary quantitative data of the Group's interest-bearing financial instruments can be found in section (v) of this Note.

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If the interest rates had been 50 basis points higher or lower and all other variables were held constant, the loss before tax of the Group's and Company's for the year ended June 30, 2020 would increase/decrease by $7,000 and $7,000 respectively (2019 : $15,000 and $15,000 respectively). This is mainly attributable to the Group's and Company's exposure to interest rates on its variable rate borrowings.

(iv) <u>Credit risk management</u>

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

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

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk.

Further details of credit risks on trade and other receivables are disclosed in Notes 8 and 9 to the financial statements respectively.

The Group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Group's and the Company's financial assets, as well as the maximum exposure to credit risk:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Group				$'000	$'000	$'000
2020						
Trade receivables	8	(a)	Lifetime ECL (simplified approach)	1,514	(165)	1,349
Other receivables	9	(b)	12-month ECL	2,119	-	2,119
Other receivables	9	(b)	Lifetime ECL	8,844	(8,808)	36
				12,477	(8,973)	3,504
2019 (Restated)						
Trade receivables	8	(a)	Lifetime ECL (simplified approach)	2,782	(1,027)	1,755
Other receivables	9	(b)	12-month ECL	2,600	-	2,600
Other receivables	9	(b)	Lifetime ECL	9,086	(3,199)	5,887
				14,468	(4,226)	10,242

Company	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$'000	$'000	$'000
2020						
Trade receivables	8	(a)	Lifetime ECL (simplified approach)	691	(85)	606
Other receivables	9	(b)	12-month ECL	401	-	401
Amounts due from subsidiaries	14	(c)	12-month ECL	9,664	-	9,664
Other receivables and amounts due from subsidiaries	9,14	(b),(c)	Lifetime ECL	35,278	(32,523)	2,755
				46,034	(32,608)	13,426
2019 (Restated)						
Trade receivables	8	(a)	Lifetime ECL (simplified approach)	1,387	(975)	412
Other receivables	9	(b)	12-month ECL	786	-	786
Amounts due from subsidiaries	14	(c)	12-month ECL	14,630	-	14,630
Other receivables and amounts due from subsidiaries	9,14	(b),(c)	Lifetime ECL	26,694	(21,606)	5,088
				43,497	(22,581)	20,916

(a) The Group determines the expected credit losses on trade receivables by using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate.

(b) The Group and Company determine that these receivables are not past due and have low risk of default except that the Group's and Company's other receivables include an amount of $8,844,000 and $7,431,000 (2019 (Restated) : $9,086,000 and $7,417,000) respectively. Accordingly, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL) for those receivables that are not past due and have low risk of default.

Management has determined the loss allowance for the other receivables amounting to $8,808,000 and $7,415,000 (2019 : $3,199,000 and $3,199,000) for the Group and the Company respectively based on lifetime ECL as there has been a significant increase in credit risk since initial recognition.

(c) For purpose of impairment assessment, the amount due from subsidiaries net of loss allowance made is considered to have low credit risk as the timing of payment is controlled by the holding company taking into account cash flow management within the holding company's group of companies and there has been no significant increase in the risk of default on the loan since initial recognition. Accordingly, for the purpose of impairment assessment for this loan, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

Management has determined the loss allowance based on lifetime ECL for amount due from those subsidiaries amounting to $25,108,000 (2019 : $18,407,000) for which there has been a significant increase in credit risk since initial recognition.

(v) Liquidity risk management

Liquidity risk reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due. The Group's strategy to manage liquidity risk is to ensure that the Group has sufficient funds to meet all its potential liabilities as they fall due, including shareholder distributions.

Management believes that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future as set out in Note 4(i)(a) to the financial statements.

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statement of financial position.

	Weighted average effective interest rate	**On demand or within 1 year**	**Within 2 to 5 years**	**After 5 years**	**Adjustments**	**Total**
	%	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group						
June 30, 2020						
Non-interest bearing instruments	-	6,610	-	-	-	6,610
Fixed interest rate instruments	2.51	46,660	4,133	19,657	(13,655)	56,795
Variable interest rate instruments	1.51	1,386	-	-	(9)	1,377
		54,656	4,133	19,657	(13,664)	64,782

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustments	Total
	%	$'000	$'000	$'000	$'000	$'000
Group						
June 30, 2019 (Restated)						
Non-interest bearing instruments	-	5,843	-	-	-	5,843
Fixed interest rate instruments	3.28	48,523	-	-	(1,541)	46,982
Variable interest rate instruments	3.15	3,096	-	-	(77)	3,019
		57,462	-	-	(1,618)	55,844
Company						
June 30, 2020						
Non-interest bearing instruments	-	17,623	-	-	-	17,623
Fixed interest rate instruments	2.68	43,301	2,891	19,657	(13,541)	52,308
Variable interest rate instruments	1.51	1,386	-	-	(9)	1,377
		62,310	2,891	19,657	(13,550)	71,308
June 30, 2019 (Restated)						
Non-interest bearing instruments	-	13,238	-	-	-	13,238
Fixed interest rate instruments	3.28	47,417	-	-	(1,506)	45,911
Variable interest rate instruments	3.15	3,096	-	-	(77)	3,019
		63,751	-	-	(1,583)	62,168

Non-derivative financial assets

The Group's and Company's non-derivative financial assets are interest-free and repayable on demand or due within 12 months from the end of the reporting period except for non-current deposits (Note 9) and amounts due from subsidiaries (Note 14).

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities approximate their respective fair values, either due to their relatively short-term maturity or that they are floating rate instruments that are re-priced to market interest rates on or near the end of reporting period.

The fair values of the other financial assets and non-current liabilities are disclosed in Notes 9, 12, 14 and 21 to the financial statements.

(d) ***Capital management policies and objectives***

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern, to maximise the return to stakeholders through the optimisation of the debt and equity balances, and to ensure that all externally imposed capital requirements are complied with.

The capital structure of the Group consists of debt, which includes the borrowings and lease liabilities disclosed in Notes 20 and 21, and equity attributable to the equity holders of the Company, comprising issued capital as disclosed in Note 26 and reserves. The Group is required to maintain certain financial ratios in order to comply with covenants in bank loan agreements with banks.

The management reviews the capital structure on a semi-annual basis. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. The management also ensures that the Group and the Company maintain the financial ratios within a set range to comply with the financial loan covenants imposed by the banks.

Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

The Group's overall strategy remains unchanged from prior year.

6 OTHER 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 year.

	2020	2019
	$'000	$'000 (Restated)
Rental income	458	351

Compensation of directors and key management personnel

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

	2020	2019
	$'000	$'000
Short-term benefits	1,642	1,917
Post-employment benefits	87	93
Directors' fee	85	85
Total	1,814	2,095

The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

7 CASH AND BANK BALANCES

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Cash at bank	7,124	1,102	4,763	293
Cash on hand	18	67	2	23
Cash and bank balances	7,142	1,169	4,765	316
Less: Bank overdrafts (Note 20)	(620)	(1,071)	-	-
Cash and cash equivalents in the statement of cash flows	6,522	98	4,765	316

Cash and cash equivalents comprise cash and short-term deposits with maturity of three months or less. The carrying amounts of these assets approximate their fair values.

The bank overdrafts bears interest rates ranging from 2.20% to 3.50% (2019 : 2.20% to 2.35%) per annum.

8 TRADE RECEIVABLES

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000 (Restated)	$'000	$'000 (Restated)
Outside parties	1,412	2,663	589	1,268
Less: Loss allowance	(99)	(961)	(19)	(909)
	1,313	1,702	570	359
Related party (Note 6)	102	119	102	119
Less: Loss allowance	(66)	(66)	(66)	(66)
	36	53	36	53
	1,349	1,755	606	412

The average credit period on sales of goods is 45 days (2019 : 45 days). No interest is charged on the overdue trade receivables.

Loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate.

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

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

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Group Trade receivables – days past due					
2020	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	> 90 days	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Expected credit loss rate	*%	*%	*%	*%	20%	
Estimated total gross carrying amount at default – collectively assessed	288	207	125	55	839	1,514
Lifetime ECL	-	-	-	-	(165)	(165)
Net	288	207	125	55	674	1,349

	Group Trade receivables – days past due					
2019 (Restated)	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	> 90 days	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Expected credit loss rate	*%	*%	*%	*%	61%	
Estimated total gross carrying amount at default – collectively assessed	742	229	62	60	1,689	2,782
Lifetime ECL	-	-	-	-	(1,027)	(1,027)
Net	742	229	62	60	662	1,755

* The expected credit loss rate is assessed as negligible.

2020	Company Trade receivables – days past due Not past due	1 to 30 days	31 to 60 days	61 to 90 days	> 90 days	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Expected credit loss rate	*%	*%	*%	*%	24%	
Estimated total gross carrying amount at default – collectively assessed	119	125	97	2	348	691
Lifetime ECL	-	-	-	-	(85)	(85)
Net	119	125	97	2	263	606

2019 (Restated)	Company Trade receivables – days past due Not past due	1 to 30 days	31 to 60 days	61 to 90 days	> 90 days	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Expected credit loss rate	*%	*%	*%	*%	79%	
Estimated total gross carrying amount at default – collectively assessed	108	4	20	13	1,242	1,387
Lifetime ECL	-	-	-	-	(975)	(975)
Net	108	4	20	13	267	412

* The expected credit loss rate is assessed as negligible.

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with SFRS(I) 9:

	Lifetime ECL - credit-impaired Group	Company
	$'000	$'000
As at July 1, 2018	1,204	975
Amount written off	(201)	-
Change in allowance recognised in profit or loss	24	-
Balance as at June 30, 2019 (Restated)	1,027	975
Amount written off	(899)	(890)
Change in allowance recognised in profit or loss	37	-
Balance as at June 30, 2020	165	85

9 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000 (Restated)	$'000	$'000 (Restated)
Other receivables[1]	7,507	7,749	6,094	6,080
Less: Loss allowance	(7,471)	(3,199)	(6,078)	(3,199)
	36	4,550	16	2,881
Amount due from related party[2] (Note 6)	1,337	1,337	1,337	1,337
Less: Loss allowance	(1,337)	-	(1,337)	-
Deposits	1,657	2,595	401	786
Prepayments	279	987	-	686
Amount due from shareholder	5	5	-	-
Total Current	1,977	9,474	417	5,690
Deposits – Non-current	457	-	-	-
Total	2,434	9,474	417	5,690

(1) Other receivables of the Group and the Company include an amount of $7,063,000 and $5,685,000 (2019 (Restated): $7,063,000 and $5,685,000) due from Cocosa Export. As Cocosa Export has been placed under liquidation in August 2020, management has made a full impairment at June 30, 2020 and accordingly additional loss allowance of $4,272,000 (2019 : $2,791,000) has been recognised in the current financial year.

(2) Amount due from related party relates to a company owned by the non-controlling shareholder of Cocosa Export. A loss allowance equivalent to the full amount due from the related party of $1,337,000 has been made in the current financial year.

The movements in the credit loss allowance are as follows:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000 (Restated)	$'000	$'000 (Restated)
At beginning of the year	3,199	408	3,199	408
Arising during the year	5,609	2,791	4,216	2,791
At end of the year	8,808	3,199	7,415	3,199

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

Deposits and other receivables, other than an amount of $8,844,000 and $7,431,000 (2019 (Restated) : $9,086,000 and $7,417,000) at the Group and the Company respectively, are considered to have low risk of default as they are not due for payment at the end of reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at the amount equal to 12 month ECL.

Management has determined the loss allowance for the other receivables of the Group and the Company amounting to $8,808,000 and $7,415,000 (2019 : $3,199,000 and $3,199,000) respectively based on lifetime ECL as they are of the view that there has been a significant increase in credit risk since initial recognition.

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

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

10 INVENTORIES

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Inventories	6,310	6,633	30	67
Less: Allowance for inventory obsolescence (Note 2(ii))	(5,695)	(5,695)	-	-
	615	938	30	67
Commodities	5,695	5,695		-
Less: Allowance for inventory obsolescence (Note 2(ii))	(5,695)	(5,695)	-	-
Beverages and food supplies	518	807	21	50
Non-food supplies	66	95	9	17
Merchandise	31	36	-	-
	615	938	30	67

Based on management's assessment, an allowance amount has been determined by the Group based on the estimates made. As of June 30, 2020, the total allowance for inventory obsolescence amounted to $5,695,000 (2019 : $5,695,000).

11 CONVERTIBLE LOAN NOTE RECEIVABLE

	Group and Company	
	2020	2019
	$'000	$'000
Convertible loan note	1,017	1,017
Less: Allowance for impairment loss	(1,017)	(1,017)
Net	-	-

The unsecured convertible loan note which bore interest of 6% per annum, payable quarterly, was subscribed on September 25, 2015 from a private company incorporated in Australia ("Australian Private Company"). Included in the convertible note agreement were the following conditions:

(a) The note is convertible into ordinary shares of the note issuer at any time between date of issue of the note and the redemption date (i.e. September 24, 2016) at the option of the Company as follows:

(i) If the EBIDTA of the note issuer achieved and exceeded AUD1,000,000, the loan note will be convertible based on the following formula: or;

$$\frac{\text{Total value of convertible note to be converted}}{\text{EBIDTA x 5}}$$

(ii) Upon completion of trade sale which is defined as the sale of (a) the main undertaking of the business of the note issuer or (b) more than 50% of all fully paid ordinary shares of the note issuer then on issue at the time of such sale; or

(iii) If the note issuer successfully applied to list on the Australian Stock Exchange (being 10% for AUD500,000 and 20% for AUD1,000,000).

(b) The Company may at any time up to the redemption date by written notice to the note issuer to redeem the convertible notes.

(c) The Company may at any time after the redemption date convert the notes to ordinary shares. On May 20, 2016, an additional unsecured convertible loan note of AUD500,000 was subscribed, subject to the same conditions as set out above.

In 2016, pursuant to discussions held in relation to the acquisition of a business by the Australian Private Company ("Business Acquisition"), the Company had agreed to convert, by way of issuing a letter, dated May 20, 2016 (the "Conversion Letter"), both notes and outstanding interests, into ordinary shares representing 20% of equity interest in the Australian Private Company ("Conversion"). It has always been the understanding and agreement between the Company and the Australian Private Company that the parties had entered into the Agreement for the sole purpose of, inter alia, the Business Acquisition being completed on terms acceptable to the Company. This was also stated in the Conversion Letter. As at June 30, 2018, the Business Acquisition deal did not materialise, and the Company has yet to receive any documents evidencing its legal and beneficial ownership in the Australian Private Company. As far as the Company is aware and to the best of its knowledge, the Company is not a shareholder of the Australian Private Company, and it has also issued a letter, dated April 27, 2017, to revoke the Conversion Letter with immediate effect. As such, management is of the view that the Company should remain as a convertible loan note holder.

Management has assessed the economic performance of the investment and is of the view that full impairment is required.

There has been no development on the above matter during the current financial year.

12 EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Presented as current assets:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Quoted equity shares, at fair value	53	377	-	25

Investments in quoted equity securities above offer the Group and the Company the opportunity for return through dividend income and fair value gains. The fair values of these securities are based on closing quoted bid price in an active market on the last market day of the financial year. The quoted equity shares are classified as Level 1 (2019 : Level 1) in the fair value hierarchy.

Presented as non-current assets:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Unquoted equity shares, at fair value	9,888	10,468	9,888	6,792

Investments in unquoted equity shares relate to the following:

	Proportion of ownership interest	Country of incorporation
	%	
Under liquidation:		
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 reclassified its cost of investments in GREIH and GCM to available-for-sale investments during the financial period ended June 30, 2018. As of July 1, 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 (2019 : Level 3) in the fair value hierarchy.

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

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Balance at beginning of the year	10,468	10,468	6,792	6,792
Receipts of partial liquidation proceeds	(11,358)	-	(11,358)	-
Net fair value gains for the year	10,778	-	14,454	-
Balance at end of the year	9,888	10,468	9,888	6,792

During the current financial year, the Group received partial returns of capital from the liquidator of GREIH of $8,148,000 and $3,210,000 in September 2019 and May 2020 respectively.

Movements in the fair values of GREIH and GCM for the year are as follows:

	2020	
	GREIH	GCM
	$'000	$'000
Balance at beginning of the year	10,099	369
Fair value realized through receipts of partial liquidation proceeds	(11,358)	-
Fair value gains (losses) for the year	11,147	(369)
Balance at end of the year	9,888	-

13 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Group	
	2020	2019
	$'000	$'000
<u>Properties held for sale</u>		
Reclassified from property, plant and equipment (Note 16)	3,640	-
Reclassified from investment properties (Note 17)	2,785	-
	6,425	-

Following the approval of the disposal mandate by shareholders on April 20, 2020 to sell the Group's properties in Malaysia, the related freehold land and building on freehold land and investment properties have been reclassified as "non-current assets classified as held for sale" in the current financial year and presented separately in the consolidated statement of financial position.

Particulars of the non-current assets classified as held for sale as at June 30, 2020 are as follows:

Name of property	Description	Tenure	Existing use	Strata Gross floor area	Group's interest in the property
No. 3 Jalan Udang Harimau 2 Medan Niaga Kepong 51200 Kuala Lumpur Malaysia	2½ storey commercial boutique bungalow	Freehold	Property rental	899 sqm	100%
No. B4 Garden Shoppe @ One City Jalan USJ 25/1A 47650 Subang Jaya Selangor Darul Ehsan Malaysia	An intermediate four-storey shop-office building	Freehold	Property rental	163.5 sqm	100%
Surian Residences Condominium Jalan PJU 7/15 Mutiara Damansara 47810 Petaling Jaya Selangor Darul Ehsan Malaysia	One condominium unit (with 2 carparks)	Freehold	Property rental	194 sqm	100%
No. 7 Jalan Udang Harimau 2 Medan Niaga Kepong 51200 Kuala Lumpur Malaysia	2½ storey commercial boutique bungalow	Freehold	Office premises	1,604 sqm	100%

14 SUBSIDIARIES

	Company	
	2020	2019
	$'000	$'000 (Restated)
Unquoted equity shares, at cost	364	364
Less: Allowance for impairment loss	(354)	(354)
Net	10	10
Due from subsidiaries	37,511	33,907
Less: Allowance for impairment loss	(25,108)	(18,407)
Net	12,403	15,500
Due to subsidiaries	14,903	10,756

In determining the ECL, management has taken into account the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the related company operates, in estimating the probability of default of the receivables as well as the loss upon default. Management determines the amount due from subsidiaries is subject to immaterial credit loss except for an amount of $25,108,000 (2019 (Restated) : $18,407,000) for which management has assessed that there has been a significant increase in credit risk since initial recognition.

Management is of the view that the amounts due from the subsidiaries represent deemed capital investment in subsidiaries, as there is no contractual obligation for repayment by the subsidiaries.

Movement in the allowance for impairment loss on amounts due from subsidiaries:

	Company	
	2020	2019
	$'000	$'000 (Restated)
Balance at beginning of the year	18,407	24,008
Impairment loss recognised in profit and loss - net	7,179	2,776
Reversal of provision for impairment	(478)	(2,039)
Provision for impairment written off	-	(6,338)
Balance at end of the year	25,108	18,407

Management carried out a review of the investments in subsidiaries and amount due from subsidiaries at the end of each reporting period to determine whether there is any indication that the investments and receivables have suffered an impairment loss in accordance with the accounting policy. Management made the assessment based on existing financial performance as well as operating profit forecasts of certain subsidiaries. The review led to an accumulated impairment loss on receivables of $25,108,000 (2019 (Restated) : $18,407,000) as at year end.

Details of the Group's significant subsidiaries as at June 30, 2020, and 2019 are as follows:

Subsidiaries	Effective equity interest and voting power held by the Group 2020 %	2019 %	Country of incorporation (or registration) and operations	Principal activities
Held by the Company				
Apex-Pal Investment Pte. Ltd. (1)	100	100	Singapore	Investment holding
Sakae Corporate Advisory Pte. Ltd. (5)	100	100	Singapore	Provision of corporate advisory services
Held by Apex-Pal Investment Pte. Ltd.				
Alliance Support Services Pte. Ltd. (5)	100	100	Singapore	Provision of cleaning services
Apex-Pal Malaysia Sdn. Bhd. (4)	100	100	Malaysia	Operation of restaurants, kiosks and cafes
Apex-Pal F&B (Beijing) Ltd (3)	100	100	People's Republic of China	Dormant
Apex-Pal (Chengdu) Co. Ltd. (3) (7)	100	100	People's Republic of China	Operation of restaurants, kiosks and cafes
Nouvelle Events Sdn Bhd (2)	100	100	Malaysia	Investment property holding
Swift Equity Sdn Bhd (2)	100	100	Malaysia	Investment property holding
Oishi Sushi Pte. Ltd. (9)	100	100	Singapore	Operation of restaurants, kiosks and cafes
Sakae Kyo Pte. Ltd. (5)	100	100	Singapore	Operation of restaurants, kiosks and cafes
Sakae Sushi (Scape) Pte. Ltd. (9)	100	100	Singapore	Operation of restaurants, kiosks and cafes
Sakae Sushi (J8) Pte. Ltd. (5)	100	100	Singapore	Operation of restaurants, kiosks and cafes
Yummy Venture Pte. Ltd. (9)	100	100	Singapore	Operation of restaurants, kiosks and cafes
Hei Restaurants Chain Pte. Ltd. (5)(6)	100	100	Singapore	Operation of restaurants, kiosks and cafes
Sakae Global Resources Pte. Ltd. (5)	100	100	Singapore	General wholesale trading
Nouvelle Events Holdings Pte. Ltd. (5)(6)	100	100	Singapore	Providing cold storage warehousing and logistics services

Subsidiaries	Effective equity interest and voting power held by the Group 2020	Effective equity interest and voting power held by the Group 2019	Country of incorporation (or registration) and operations	Principal activities
	%	%		
Held by Sakae Global Resources Pte. Ltd.				
Cocosa Holdings Pte. Ltd. [5]	51	51	Singapore	Investment holding
Cocosa Asia Pte Ltd. [5]	51	51	Singapore	Trading in canned and frozen seafood products
Held by Sakae Corporate Advisory Pte. Ltd.				
Sakae Fintech Pte. Ltd. [5]	100	100	Singapore	Provision of corporate advisory services, dormant
Sakae Capital Pte. Ltd. [5]	100	100	Singapore	Sale of commodities goods, dormant
Sakae Financial Services Pte. Ltd. [8]	-	100	Singapore	Provision of corporate finance advisory services, dormant
Sakae Fund Management Pte. Ltd. [8]	-	100	Singapore	Provision of fund management advisory services, dormant
Held by Sakae Fintech Pte. Ltd				
Bitecoin Pte. Ltd. [8]	-	80	Singapore	Dormant
Held by Bitecoin Pte. Ltd.				
Bitechain Pte Ltd [9]	80	80	Singapore	Dormant

Notes

(1) Audited by Deloitte & Touche LLP, Singapore

(2) Audited by Beh, Lee & Associates

(3) Not required to be audited under local regulations

(4) Audited by Deloitte & Touche PLT

(5) Audited by HLB Atrede LLP

(6) Audited by Deloitte & Touche LLP, Singapore for purpose of consolidating the results for the Group's financial statements.

(7) Under liquidation as at June 30, 2020. Liquidation completed on September 24, 2020.

(8) Struck off during the year.

(9) Struck off subsequent to year end.

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

15 JOINT VENTURE

	Group 2020	Group 2019
	$'000	$'000
Cost of investment in joint venture	350	350
Less: Allowance for impairment loss	(350)	-
Net	-	350

Details of the Group's joint venture as at June 30, 2020 and 2019 are as follows:

Joint Venture	Proportion of ownership interest and voting power held 2020	Proportion of ownership interest and voting power held 2019	Country of incorporation and operations	Principal activities
	%	%		
Novitee Pte. Ltd.	40.00	40.00	Singapore	Provision of software consultancy and development services
Held by Novitee Pte. Ltd.				
Balanced Consultancy Pte. Ltd.	40.00	40.00	Singapore	Provision of software consultancy and development services
Jerisys Pte. Ltd.	40.00	40.00	Singapore	Provision of software consultancy and development services

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

In previous financial periods, the Group had not recognised contributions from Novitee as the Group was of the view that such contributions were immaterial. During the current financial year, the Group assessed available operating and financial information, and has ascertained that it is unlikely for the Group to be able to recover the carrying amount of its investment in the Joint Venture. Accordingly, the Group has made an impairment charge equivalent to the full carrying amount of its cost of investments in the Joint Venture in the current financial year.

16 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Building on freehold land	Leasehold building	Right-of-use assets	Production equipment	Restaurant equipment	Renovation	Furniture and fittings	Computers	Motor vehicles	Office equipment	Construction in-progress	Total
	$'000 (ii)	$'000 (ii)	$'000 (i)(iii)	$'000	$'000	$'000	$'000 (iv)	$'000	$'000	$'000	$'000	$'000	$'000
Cost or valuation:													
At July 1, 2018	5,905	2,754	60,000	-	418	13,805	8,905	6,125	3,677	1,597	231	643	104,060
Reclassifications	-	-	-	-	-	-	643	-	-	-	-	(643)	-
Additions	-	-	-	-	-	255	148	180	33	-	2	103	721
Disposals	-	-	-	-	-	(120)	-	-	-	-	-	-	(120)
Write-offs	-	-	-	-	-	(2,361)	(1,586)	(1,360)	(353)	-	-	-	(5,660)
Eliminated on revaluation	-	(26)	(1,217)	-	-	-	-	-	-	-	-	-	(1,243)
Revaluation increase	172	52	4,217	-	-	-	-	-	-	-	-	-	4,441
Exchange differences	(80)	(35)	-	-	-	(353)	(19)	(184)	(81)	(1)	(4)	(1)	(758)
Derecognition of subsidiary (Note 35)	(3,344)	(1,606)	-	-	(418)	-	-	-	-	(22)	-	-	(5,390)
At June 30, 2019	2,653	1,139	63,000	-	-	11,226	8,091	4,761	3,276	1,574	229	102	96,051
Adoption of SFRS(I) 16 (Note 37)	-	-	-	18,746	-	-	-	-	-	-	-	-	18,746
Reclassifications	-	-	-	239	-	80	(18)	237	-	-	-	(538)	-
Reclassification to non-current assets classified as held for sale (Note 13)	(2,505)	(1,135)	-	-	-	-	-	-	-	-	-	-	(3,640)
Additions	-	-	-	-	-	26	97	4	25	-	1	435	588
Disposals	-	-	-	-	-	(1,800)	(933)	(827)	(310)	-	-	-	(3,870)
Write-offs	-	-	-	-	-	(708)	(428)	(100)	(492)	-	-	-	(1,728)
Eliminated on revaluation	-	-	(1,305)	-	-	-	-	-	-	-	-	-	(1,305)
Revaluation increase	22	-	16,305	-	-	-	-	-	-	-	-	-	16,327
Exchange differences	(170)	(4)	-	(32)	-	(3)	(3)	(7)	(3)	-	-	1	(221)
At June 30, 2020	-	-	78,000	18,953	-	8,821	6,806	4,068	2,496	1,574	230	-	120,948

Comprising:	Freehold land	Building on freehold land	Leasehold building	Right-of-use assets	Production equipment	Restaurant equipment	Renovation	Furniture and fittings	Computers	Motor vehicles	Office equipment	Construction in-progress	Total
	$'000 (ii)	$'000 (ii)	$'000 (i)(iii)	$'000	$'000	$'000	$'000 (iv)	$'000	$'000	$'000	$'000	$'000	$'000
Group													
June 30, 2020													
At cost	-	-	-	18,953	-	8,821	6,806	4,068	2,496	1,574	230	-	42,948
At valuation	-	-	78,000	-	-	-	-	-	-	-	-	-	78,000
	-	-	78,000	18,953	-	8,821	6,806	4,068	2,496	1,574	230	-	120,948
June 30, 2019													
At cost	-	-	-	-	-	11,226	8,091	4,761	3,276	1,574	229	102	29,259
At valuation	2,653	1,139	63,000	-	-	-	-	-	-	-	-	-	66,792
	2,653	1,139	63,000	-	-	11,226	8,091	4,761	3,276	1,574	229	102	96,051

	Freehold land	Building on freehold land	Leasehold building	Right-of-use assets	Production equipment	Restaurant equipment	Renovation	Furniture and fittings	Computers	Motor vehicles	Office equipment	Construction in-progress	Total
	$'000 (ii)	$'000 (ii)	$'000 (i)(iii)	$'000	$'000	$'000	$'000 (iv)	$'000	$'000	$'000	$'000	$'000	$'000
Group													
Accumulated depreciation:													
At July 1, 2018	-	80	-	-	43	12,262	6,924	5,485	3,674	1,352	222	-	30,042
Depreciation	-	26	1,217	-	-	501	753	201	34	102	1	-	2,835
Disposals	-	-	-	-	-	(120)	-	-	-	-	-	-	(120)
Write-offs	-	-	-	-	-	(1,807)	(1,413)	(1,076)	(352)	-	-	-	(4,648)
Eliminated on revaluation	-	(26)	(1,217)	-	-	-	-	-	-	-	-	-	(1,243)
Exchange differences	-	(80)	-	-	(43)	(629)	630	(334)	(203)	(2)	3	-	(658)
At June 30, 2019	-	-	-	-	-	10,207	6,894	4,276	3,153	1,452	226	-	26,208
Depreciation	-	27	1,305	4,625	-	339	285	139	42	56	-	-	6,818
Disposal	-	-	-	-	-	(1,548)	(930)	(790)	(273)	-	-	-	(3,541)
Write-offs	-	-	-	-	-	(665)	(366)	(100)	(492)	-	-	-	(1,623)
Eliminated on revaluation	-	-	(1,305)	-	-	-	-	-	-	-	-	-	(1,305)
Exchange differences	-	(27)	-	(13)	-	(1)	(2)	(4)	(4)	2	-	-	(49)
At June 30, 2020	-	-	-	4,612	-	8,332	5,881	3,521	2,426	1,510	226	-	26,508

	Freehold land	Building on freehold land	Leasehold building	Right-of-use assets	Production equipment	Restaurant equipment	Renovation	Furniture and fittings	Computers	Motor vehicles	Office equipment	Construction in-progress	Total
	$'000 (ii)	$'000 (ii)	$'000 (i)(iii)	$'000	$'000	$'000	$'000 (iv)	$'000	$'000	$'000	$'000	$'000	$'000
Group													
Accumulated impairment:													
At July 1, 2018	-	-	-	-	-	20	16	8	-	-	-	-	44
Impairment loss during the year	-	-	-	-	-	6	307	180	-	-	-	-	493
Write-off	-	-	-	-	-	(20)	(16)	(8)	-	-	-	-	(44)
Exchange differences	-	-	-	-	-	-	(4)	(3)	-	-	-	-	(7)
At June 30, 2019	-	-	-	-	-	6	303	177	-	-	-	-	486
Impairment loss during the year	-	-	-	670	-	126	113	87	-	-	-	-	996
Write-off	-	-	-	-	-	(2)	(47)	(1)	-	-	-	-	(50)
Exchange differences	-	-	-	-	-	(1)	(1)	(1)	-	-	-	-	(3)
At June 30, 2020	-	-	-	670	-	129	368	262	-	-	-	-	1,429
Carrying amount:													
At June 30, 2020	-	-	78,000	13,671	-	360	557	285	70	64	4	-	93,011
At June 30, 2019	2,653	1,139	63,000	-	-	1,013	894	308	123	122	3	102	69,357

Company

	Leasehold building	Right-of-use assets	Restaurant equipment	Renovation	Furniture and fittings	Computers	Motor vehicles	Office equipment	Construction in-progress	Total
	$'000 (i)(iii)	$'000	$'000	$'000 (iv)	$'000	$'000	$'000	$'000	$'000	$'000
Cost or valuation:										
At July 1, 2018	60,000	-	5,883	2,663	1,641	1,991	1,532	166	643	74,519
Reclassifications	-	-	-	643	-	-	-	-	(643)	-
Additions	-	-	-	-	-	7	-	-	-	7
Disposals	-	-	(120)	-	-	-	-	-	-	(120)
Write-offs	-	-	(475)	(48)	-	(210)	-	-	-	(733)
Eliminated on revaluation	(1,217)	-	-	-	-	-	-	-	-	(1,217)
Revaluation increase	4,217	-	-	-	-	-	-	-	-	4,217
At June 30, 2019	63,000	-	5,288	3,258	1,641	1,788	1,532	166	-	76,673
Reclassifications	-	-	-	-	-	-	-	-	-	-
Additions	-	11,323	-	-	-	3	-	-	-	11,326
Disposals	-	-	(45)	(151)	(58)	(44)	-	-	-	(298)
Write-offs	-	-	(708)	(412)	(100)	(492)	-	-	-	(1,712)
Eliminated on revaluation	(1,305)	-	-	-	-	-	-	-	-	(1,305)
Revaluation increase	16,305	-	-	-	-	-	-	-	-	16,305
At June 30, 2020	78,000	11,323	4,535	2,695	1,483	1,255	1,532	166	-	100,989

Comprising:	Leasehold building	Right-of-use assets	Restaurant equipment	Renovation	Furniture and fittings	Computers	Motor vehicles	Office equipment	Construction in-progress	Total
	$'000 (i)(iii)	$'000	$'000	$'000 (iv)	$'000	$'000	$'000	$'000	$'000	$'000
Company										
June 30, 2020										
At cost	-	11,323	4,535	2,695	1,483	1,255	1,532	166	-	22,989
At valuation	78,000		-	-	-	-	-	-	-	78,000
	78,000	11,323	4,535	2,695	1,483	1,255	1,532	166	-	100,989
June 30, 2019										
At cost	-	-	5,288	3,258	1,641	1,788	1,532	166	-	13,673
At valuation	63,000	-	-	-	-	-	-	-	-	63,000
	63,000	-	5,288	3,258	1,641	1,788	1,532	166	-	76,673

	Leasehold building	Right-of-use assets	Restaurant equipment	Renovation	Furniture and fittings	Computers	Motor vehicles	Office equipment	Construction in-progress	Total
	$'000 (i)(iii)	$'000	$'000	$'000 (iv)	$'000	$'000	$'000	$'000	$'000	$'000
Company										
Accumulated depreciation:										
At July 1, 2018	-	-	5,426	2,357	1,623	1,907	1,307	166	-	12,786
Depreciation	1,217	-	200	479	14	21	102	-	-	2,033
Disposals	-	-	(120)	-	-	-	-	-	-	(120)
Write-offs	-	-	(475)	(35)	-	(209)	-	-	-	(719)
Eliminated on revaluation	(1,217)	-	-	-	-	-	-	-	-	(1,217)
At June 30, 2019	-	-	5,031	2,801	1,637	1,719	1,409	166	-	12,763
Depreciation	1,305	870	131	191	4	24	59	-	-	2,584
Disposals	-	-	(45)	(152)	(60)	(43)	-	-	-	(300)
Write-offs	-	-	(665)	(363)	(99)	(492)	-	-	-	(1,619)
Eliminated on revaluation	(1,305)	-	-	-	-	-	-	-	-	(1,305)
At June 30, 2020	-	870	4,452	2,477	1,482	1,208	1,468	166	-	12,123
Accumulated impairment:										
At July 1, 2018	-	-	-	-	-	-	-	-	-	-
Impairment loss during the year	-	-	6	47	1	-	-	-	-	54
At June 30, 2019	-	-	6	47	1	-	-	-	-	54
Impairment loss during the year	-	-	(2)	(47)	(1)	-	-	-	-	(50)
At June 30, 2020	-	-	4	-	-	-	-	-	-	4
Carrying amount:										
At June 30, 2020	78,000	10,453	79	218	1	47	64	-	-	88,862
At June 30, 2019	63,000	-	251	410	3	69	123	-	-	63,856

(i) The Group has pledged the leasehold building with carrying amount of $78.0 million (2019 : $63.0 million) to secure the bank loans as disclosed in Note 20.

(ii) A freehold land and building on freehold land were stated at valuation based on the market valuation as at June 30, 2020 as determined by International Property Consultants (M) Sdn Bhd ("KGV"), an independent valuer not connected with the Group. The market valuation was determined by adopting the market comparable method which considers recent transaction prices for similar properties in the vicinity. There has been no change to the valuation technique during the year. The net revaluation deficit, after related deferred tax provision, for both the freehold land and building on freehold land amount to RM338,000 (approximately $114,000) has been recorded in the revaluation reserve. Had the freehold land and building on freehold land been carried at historical cost, their carrying amounts would have been approximately RM5,274,000 (approximately $1,724,650) and RM2,925,000 (approximately $961,000) respectively.

Based on the market valuation as determined by KGV, the allocation of the market valuation between freehold land and building on freehold land as at June 30, 2020 were RM8,115,000 ($2,642,000) [2019 : RM8,115,000 ($2,653,000)] and RM3,485,000 ($1,135,000) [2019 : RM3,485,000 ($1,139,000)] respectively.

The freehold land and building on freehold land is a 2 ½ storey commercial boutique bungalow with an area of 1,605 sqm, located at No. 7 Jalan Udang Harimau 2, Medan Niaga Kepong, 51200 Kuala Lumpur, Malaysia. The building on freehold land is used as office and factory and the Group has 100% interest in the property.

The freehold land and building on freehold land have been pledged to financial institutions to secure credit facilities. As at June 30, 2020, the freehold land and building on freehold land have been reclassified to non-current assets classified as held for sale (Note 13).

(iii) The leasehold building was stated at valuation based on the market valuation as at June 30, 2020 as determined by RHT Chestertons Valuation and Advisory Pte Ltd [2019 : RHT Chestertons Valuation and Advisory Pte Ltd], an independent valuer not connected with the Group. The market valuation was determined by adopting the comparable sales method, making reference to sales of similar properties in the vicinity and adjustments for differences such as type of use/specific There has been no change to the valuation technique during the year. The net revaluation surplus, after related deferred tax provision, amounted to $13,533,000 (2019 : $3,500,000) which has been recorded in the revaluation reserve. Had the leasehold building been carried under the cost model, the carrying amount would have been approximately $9.9 million (2019 : $11.2 million).

The leasehold building is a 7-storey commercial building with an area of 18,743 sqm, located at 28 Tai Seng Street, Singapore 534106, and used as office, warehouse and central kitchen production. The Group and Company have 100% (2019 : 100%) interest in the property. The property is held under a land use term for 30 years with expiry on August 31, 2036, with an option at expiry to extend for a further 30 years.

(iv) Included in the cost of renovation as of year end is a provision for reinstatement costs for the Group and Company of $207,000 and $84,000 (2019 : $586,000 and $131,000) respectively.

(v) The Group has carried out a review of the recoverable amount of its property, plant and equipment, having regard to the ongoing performance of its outlets. The review has led to an additional impairment loss of $996,000 in the current period (2019 : $493,000) recognised in profit or loss due to closure of outlets.

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

	Level 1	Level 2	Level 3	Fair values
	$'000	$'000	$'000	$'000
Group				
As at June 30, 2020				
Leasehold building	-	-	78,000	78,000
As at June 30, 2019				
Freehold land	-	-	2,653	2,653
Building on freehold land	-	-	1,139	1,139
Leasehold building	-	-	63,000	63,000
	-	-	66,792	66,792

	Level 1	Level 2	Level 3	Fair values
	$'000	$'000	$'000	$'000
Company				
As at June 30, 2020				
Leasehold building	-	-	78,000	78,000
As at June 30, 2019				
Leasehold building	-	-	63,000	63,000

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

Description	Fair values		Valuation techniques	Significant unobservable input(s)	Range	
	June 30, 2020	June 30, 2019			June 30, 2020	June 30, 2019
	$'000	$'000				
Malaysia						
Freehold land	-	2,653	Comparable sales method	Price per square metre [1]	$1,647	$1,487 to $2,016
Building on Freehold land	-	1,139	Comparable sales method	Price per square metre [1]	$708	$705 to $881
Singapore						
Leasehold building	78,000	63,000	Comparable sales method	Price per square metre (built-in) [1]	$3,991	$3,361

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

17 INVESTMENT PROPERTIES

	Freehold land	Building on freehold land	Freehold properties	Total
	$'000	$'000	$'000	$'000
Group				
Cost:				
At July 1, 2018	1,122	504	1,416	3,042
Exchange difference	(34)	(15)	(43)	(92)
At June 30, 2019	1,088	489	1,373	2,950
Reclassification to non-current assets classified as held for sale (Note 13)	(1,088)	(489)	(1,373)	(2,950)
At June 30, 2020	-	-	-	-
Accumulated depreciation:				
At July 1, 2018	-	51	71	122
Depreciation	-	10	14	24
Exchange difference	-	(5)	(1)	(6)
At June 30, 2019	-	56	84	140
Depreciation	-	10	15	25
Reclassification to non-current assets classified as held for sale (Note 13)	-	(66)	(99)	(165)
At June 30, 2020	-	-	-	-
Carrying amount:				
At June 30, 2020	-	-	-	-
At June 30, 2019	1,088	433	1,289	2,810

Rental income from the investment properties for the financial year ended June 30, 2019 amounted to $93,000 and direct operating expenses (including repair and maintenance) arising from the rental generating investment properties was $14,000.

Investment properties with carrying amount of $2,957,000 was pledged to secure the bank loans as disclosed in Note 20 in the financial year ended June 30, 2019. As at June 30, 2020, the investment properties have been reclassified to non-current assets classified as held for sale (Note 13).

The market valuation of the freehold land and building on freehold land as at June 30, 2019 were RM4,550,000 (approximately $1,495,000)] and RM1,650,000 (approximately $542,000) respectively. The total market valuation of the freehold properties as at June 30, 2019 were RM4,360,000 (approximately $1,433,000). The market valuations were determined by KGV, an independent valuer not connected with the Group, who have appropriate qualifications and recent experience in the fair value measurement of the properties in the relevant locations.

The market valuation was determined by adopting the market comparable method which considers recent transaction prices for similar properties in the vicinity. There has been no change to the valuation technique during the year for the freehold land and building on freehold land. In estimating the fair value of the properties, the highest and best use of the properties is the current use.

Fair value measurement of the Group's investment properties

The fair value of the Group's investment properties are as disclosed above. The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement.

Details of the Group's investment properties and information about the fair value hierarchy are as follows:

	Level 1	Level 2	Level 3	Fair values
	$'000	$'000	$'000	$'000
As at June 30, 2019				
Freehold land	-	-	1,495	1,495
Building on freehold land	-	-	542	542
Freehold properties	-	-	1,433	1,433
	-	-	3,470	3,470

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

Description	Fair values		Valuation techniques	Significant unobservable input(s)
	2020	2019		
	$'000	$'000		
Freehold land	-	1,495	Comparable sales method	Price per square metre
Building on freehold land	-	542	Comparable sales method	Price per square metre
Freehold properties	-	1,433	Comparable sales method	Price per square metre

18 INTANGIBLE ASSETS

	Development cost
	$'000
Group	
Cost:	
At July 1, 2018, June 30, 2019 and June 30, 2020	322
Accumulated amortisation:	
At July 1, 2018, June 30, 2019 and June 30, 2020	-
Accumulated impairment:	
At July 1, 2018	-
Impairment loss during the year	322
At June 30, 2019 and June 30, 2020	322
Net carrying amount:	
At June 30, 2020	-
At June 30, 2019	-

19 GOODWILL

	Group	
	2020	2019
	$'000	$'000
At beginning of the year	720	3,968
Impairment loss during the year	-	(3,225)
Exchange differences	(4)	(23)
At end of year	716	720

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

	Group	
	2020	2019
	$'000	$'000
Apex-Pal (Malaysia) Sdn Bhd	716	720

Impairment testing of goodwill

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

The recoverable amount of the CGU is determined from value-in-use calculations. The key assumptions for the value-in-use calculation are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The pre-tax discount rate applied to the cash flow projections is 10% (2019 : 6%) per annum and reflects specific risks relating to the business segment and cash flows beyond the one-year period. The growth rates used are based on the historical trend.

At the end of the reporting period, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

During the financial year ended June 30, 2019, an impairment loss of $3,225,000 has been recorded under other operating expenses in the consolidated statement of profit or loss. This is as a result of the derecognition of its subsidiary, Cocosa Export due to a loss in control (Note 2(iii)). Management is of the view that the investment made is not recoverable and accordingly, has fully impaired the corresponding goodwill that arose arising from the acquisition.

20 BANK LOANS

	Group		Company	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	$'000	$'000	$'000	$'000
Loan A (1) (Secured)	1,377	3,019	1,377	3,019
Loan A (2) (Secured)	42,290	44,360	42,290	44,360
Loan A (3) (Secured)	-	786	-	786
Loan B	-	765	-	765
Bank overdrafts (Note 7)	620	1,071	-	-
	44,287	50,001	43,667	48,930

Details of the bank loans are set out below:

Loan A (1) A long-term bank loan of $12,374,000 was raised to finance the construction of the operational headquarters, the leasehold building at Tai Seng Street [Note 16(iii)]. The bank loan carries variable interest at rates ranging between 1.51% and 3.15% (2019 : 1.98% and 3.15%) per annum. The 10 year term loan is repayable over 120 monthly instalments which commenced in February 2011. The outstanding loan amount is $ 1,377,000 (2019 : $3,019,000) at the end of reporting period. As the loan contains recallable clause giving the bank unconditional rights to demand for repayment, the loan has been classified as current liability.

Loan A (2) Short-term bank loans of $42,290,000 (2019 : $44,360,000) bear fixed interests at rates ranging from 1.61% to 2.26% (2019 : 3.15% to 3.32%) per annum and are renewable upon maturity for one to three months (2019 : one to three months).

Loan A (3) Trust receipts financing bear fixed interests at rates ranging from 1.50% to 3.74% (2019 : 0.57% to 3.46%) per annum and are renewable upon maturity for one to three months (2019 : one to three months). As at June 30, 2020, there was no outstanding amount (2019 : $786,000).

The Group has pledged the leasehold building [See Note 16(i)] with carrying amount of $78 million (2019 : $63.0 million) to secure the bank loans A (1), A (2) and A (3).

Loan B Short-term bank loans is unsecured (2019 : $765,000) bears fixed interest at rates ranging from 4.01% to 4.31% (2019 : 4.14% to 4.31%) per annum and are renewable upon maturity for one to three (2019 : one to three months). As at June 30, 2020, there was no outstanding amount (2019 : $765,000).

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

21 LEASE LIABILITIES

	Group 2020 $'000	Company 2020 $'000
Maturity Analysis:		
Year 1	3,561	824
Year 2	1,794	790
Year 3	1,029	790
Year 4	790	790
Year 5	520	520
Year 6 onwards	19,656	19,656
	27,350	23,370
Less: Unearned interest	(13,465)	(13,352)
	13,885	10,018
Analysed as:		
Current	3,033	381
Non-current	10,852	9,637
	13,885	10,018

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

22 TRADE PAYABLES

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000 (Restated)	$'000	$'000 (Restated)
Outside parties	2,736	2,749	779	1,080
GST	270	302	26	67
Deferred revenue	322	532	74	237
	3,328	3,583	879	1,384

The average credit period on purchases of goods is 30 days (2019 : 30 days). No interest is charged for outstanding balances exceeding its credit period.

Deferred revenue arises from the Group's and Company's customer loyalty programmes. The consideration received in sales transaction is allocated between the loyalty award credits and the other component of the sales. The amount allocated to the loyalty award credits is determined by reference to its fair value and is deferred until the awards are redeemed or liability is extinguished.

23 OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000 (Restated)	$'000	$'000 (Restated)
Accrued expenses	1,529	593	978	335
Other payables	2,345	2,501	963	1,067
	3,874	3,094	1,941	1,402

Included in other payables are amounts due to directors of $285,000 (2019 : $283,000) which are unsecured, interest-free and repayable on demand.

24 PROVISIONS

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Provision for reinstatement costs	420	472	84	131
Provision for bonus	-	78	-	-
	420	550	84	131

Movement of provision for reinstatement costs:

	Group		Company	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	$'000	$'000	$'000	$'000
Balance at beginning of the year	472	563	131	133
Utilisation of provision during the year	(96)	(63)	(36)	(2)
Addition during the year	55	-	-	-
Reversal during the year (Note 32)	(11)	(28)	(11)	-
Balance at end of the year	420	472	84	131

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

25 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	Accelerated tax depreciation	Others	Total
	$'000	$'000	$'000	$'000
Group				
At July 1, 2018	7,972	229	(383)	7,818
Charge to other comprehensive income	896	-	-	896
Charge (Credit) to profit and loss (Note 31)	52	(34)	101	119
Exchange differences	(8)	(3)	(9)	(20)
At June 30, 2019	8,912	192	(291)	8,813
Charge to other comprehensive income	2,739	-	-	2,739
(Credit) Charge to profit and loss (Note 31)	(869)	(185)	290	(764)
Exchange differences	6	2	1	9
At June 30, 2020	10,788	9	-	10,797

	Revaluation reserve	Accelerated tax depreciation	Total
	$'000	$'000	$'000
Company			
At July 1, 2018	7,473	345	7,818
Charge to other comprehensive income	717	-	717
Credit to profit or loss	177	(336)	(159)
At June 30, 2019	8,367	9	8,376
Charge to other comprehensive income	2,772	-	2,772
Credit to profit or loss	(174)	-	(174)
At June 30, 2020	10,965	9	10,974

26 ISSUED CAPITAL

	Group and Company			
	2020	2019	2020	2019
	'000	'000	$'000	$'000
	Number of ordinary shares			
Issued and paid up:				
At beginning and end of the 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 139,472,000 (2019 : 139,472,000).

27 TREASURY SHARES

	Group and Company			
	2020	2019	2020	2019
	'000	'000	$'000	$'000
	Number of ordinary shares			
At beginning and end of the year	2,528	2,528	892	892

The Company acquired 2,528,000 of its own shares through purchases on the Singapore Exchange Securities Trading Limited in December 31, 2013. The total amount paid to acquire the shares was $892,000 and has been deducted from shareholders' equity. The shares are held as treasury shares.

28 REVALUATION RESERVE

The property revaluation reserve arises on the revaluation of the freehold land and building on freehold land, and the revaluation of leasehold building disclosed in Notes 16(ii) and Note 16(iii) to the financial statements respectively.

29 REVENUE

	Group	
	2020	2019
	$'000	$'000 (Restated)
Type of goods and services		
Food and beverage sales	27,867	41,511
Rendering of service	3,505	3,454
Total	31,372	44,965
Timing of revenue recognition		
At a point in time	31,372	44,965

30 OTHER OPERATING INCOME

	Group	
	2020	2019
	$'000	$'000 (Restated)
Interest income	24	32
Rental income	3,764	3,597
Government grants	1,303	284
Exchange gain	3	1
Write off amount due to outside parties	15	-
Write off amount due to related parties	27	-
Gain on derecognition of a subsidiary (Note 35)	664	-
Gain on disposal of property, plant and equipment	-	19
Fair value gains on equity investments at fair value through profit or loss	11,147	-
Dividend income from equity investment at fair value through profit or loss	9	308
Others	229	1,069
Total	17,185	5,310

31 INCOME TAX (CREDIT) EXPENSE

	Group	
	2020	2019
	$'000	$'000 (Restated)
Current tax expense	(58)	-
Over provision for current tax	-	(50)
Deferred tax expense (credit) (Note 25):		
Current	(764)	(378)
Under provision in prior year	-	497
Total income tax expenses	(822)	69

Domestic income tax expense is calculated at 17% (2019 : 17%) of the estimated assessable loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total tax (credit) expense for the year can be reconciled to the accounting loss as follows:

	Group	
	2020	2019
	$'000	$'000 (Restated)
Loss before tax	(1,422)	(12,879)
Income tax calculated at 17% (2019 : 17%)	(242)	(2,189)
Tax effect of expense that are not deductible in determining taxable profit	907	1,574
Tax effect of income that are not taxable in determining taxable profit	(1,778)	(58)
Tax rebates and incentives	(208)	(106)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(289)	(226)
Effect of unused tax losses not recognised as deferred tax assets	802	624
Under provision of deferred tax	-	497
Over provision of current tax	-	(50)
Others	(14)	3
	(822)	69

Unrecognised tax losses, capital allowances and other temporary differences

As at June 30, 2020, the Group has tax losses of approximately $14,437,000 (2019 : $9,719,000) that are available for offset against future taxable profits, for which no deferred tax assets are recognised on these amounts due to uncertainty of their utilisation. The utilisation of the tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

32 LOSS FOR THE YEAR

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this has been arrived at after (crediting) charging:

	Group	
	2020	2019
	$'000	$'000 (Restated)
Directors' remuneration	1,021	975
Remuneration paid to immediate family members of the Chief Executive Officer	168	161
Directors' fees	85	85
Audit fees:		
Paid/ payable to auditors of the Company	270	115
Paid/ payable to other auditors	62	81
Non-audit fees:		
Paid/ payable to other auditors	358	10
Employee benefits expense (including directors' remuneration)	12,689	16,558
Defined contribution plan (included in employee benefits expense)	944	1,224
Cost of inventories recognised as expense	11,964	16,753
Rental expenses (as included in "other operating expenses")	1,972	7,696
Contingent rental expenses of the leased premises included in rental expenses	76	80
Impairment loss recognised on trade receivables	37	24
Impairment loss recognised on other receivables	5,609	2,791
Write-back of other payables	(167)	-
Provision (reversal) of reinstatement costs	44	(28)
Depreciation of property, plant and equipment	2,193	2,835
Depreciation of right-of-use-assets	4,625	-
Depreciation of investment properties	25	24
Amortisation of prepaid lease	-	51
Loss on derecognition of subsidiary	-	3,446
Write-off of property, plant and equipment	55	968
Impairment loss on property, plant and equipment	996	493
Impairment loss on joint venture	350	-
Impairment loss recognised on intangible asset	-	322
Loss on disposal of property, plant and equipment, net	329	-
Fair value loss on equity investment at FVTPL	369	311

33 BASIC AND DILUTED LOSS PER SHARE (CENTS)

	Group	
	2020	2019 (Restated)
Loss after tax attributable to equity holders of the Company ($'000)	(600)	(12,948)
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000)	139,472	139,472
Basic loss per share (cents)	(0.43)	(9.28)

There is no dilution of loss per share as no share options were granted.

34 OPERATING LEASE ARRANGEMENTS

The Group as lessee

Disclosure required by SFRS(I) 1-17 (Before July 1, 2019)

	Group
	2019
	$'000
Minimum lease payments under operating leases	7,776

At June 30, 2019, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2019	
	Group	Company
	$'000	$'000
Within one year	6,591	1,530
In the second to fifth years inclusive	6,951	1,578
After five years	21,009	-
Total	34,551	3,108

Operating lease payments include rentals payable by the Group for certain of its office and shop premises. Leases are negotiated for an average term of three years. Some of the leases contain escalation clauses and provide for contingent rentals based on percentages of sales. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

As disclosed in Note 37, the Group has adopted SFRS(I) 16 on July 1, 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statements of financial position as at July 1, 2019, except for short-term and low-value assets leases.

The Group as lessor

Operating leases, in which the Group is the lessor, relate to building owned by the Group with lease terms negotiated for an average of 3 years with no extension options. The lessee does not have an option to purchase the property at the expiry of the lease period.

	2020	
	Group	Company
	$'000	$'000
Maturity analysis of operating lease payments:		
Year 1	2,497	2,379
Year 2	2,059	2,058
Year 3	1,479	1,479
Year 4	1,252	1,252
Year 5	1,182	1,182
Year 6 onwards	584	584
Total	9,053	8,934

	2019	
	Group	Company
	$'000	$'000
Maturity analysis of operating lease payments:		
Year 1	2,978	2,877
Year 2	327	287
Year 3	327	287
Year 4	327	287
Year 5	324	286
Total	4,283	4,024

35 DERECOGNITION OF SUBSIDIARIES

(a) At June 30, 2020, the Group has derecognised Apex-Pal (Chengdu) Co. Ltd. as a subsidiary as the Group has commenced liquidation in June 2020.

Details of the derecognition are as follows:

	Group
	2020
	$'000
Current assets:	
Cash and cash equivalents	35
Other receivables and prepayments	122
Inventories	15
Total current assets	172
Current liabilities:	
Trade payables	(120)
Other payables and accruals	(716)
Total current liabilities	(836)
Net liabilities disposed	664
Gain on derecognition:	
Consideration on derecognition	-
Net liabilities derecognised	664
Gain on derecognition	664

The gain on derecognition of the subsidiary is recorded as part of 'other operating income' (Note 30) in the consolidated statement of profit or loss.

(b) During the financial year ended June 30, 2019, as disclosed in Note 2(iii), the Group has derecognised Cocosa Export as a subsidiary on the basis that the Group lost control over Cocosa Export as they were unable to obtain the management accounts and to direct the operations unilaterally.

Details of the derecognition were as follows:

	Group 2019 $'000
Current assets:	
Cash and cash equivalents	157
Trade receivables	1,165
Other receivables and prepayments	4,223
Inventories	392
Total current assets	5,937
Non-current assets:	
Goodwill	3,225
Property, plant and equipment	5,392
Total non-current assets	8,617
Current liabilities:	
Bank loans	(2,344)
Trade payables	(85)
Other payables and accruals	(7,559)
Income tax payable	(11)
Total current liabilities	(9,999)
Net assets disposed	4,555
Loss on derecognition:	
Consideration on derecognition	-
Net assets derecognised	(4,555)
Non-controlling interest derecognised	1,323
Effects of exchange differences in respect of net assets reclassified from equity on loss of control	(214)
Loss on derecognition	(3,446)

The loss on derecognition of the subsidiary was recorded as part of 'other operating expenses' in the consolidated statement of profit or loss.

36 SEGMENT INFORMATION

Products and services from which reportable segments derive their revenues

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.

- Other products and services, which is inclusive of other brands and services offered by the Group namely Sakae Teppanyaki, Sakae Delivery, Hei Sushi, Senjyu, Sachi, Crepes & Cream and Nouvelle Events. Each of these does not constitute 10% or more of total Group's revenue, profit for the year and assets.

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

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Revenue		Net loss	
	2020	2019	2020	2019
	$'000	$'000 (Restated)	$'000	$'000 (Restated)
Sakae Sushi	19,846	30,957	(756)	5,447
Other products and services	11,526	14,008	386	910
Total	31,372	44,965	(370)	6,357
Central administration costs and directors' salaries			(15,939)	(19,200)
Other operating income			5,374	5,310
Fair value gains on equity investments at fair value through profit or loss			11,147	-
Fair value loss on equity investment through profit or loss			(369)	(311)
Gain (loss) on derecognition of subsidiary			664	(3,446)
Finance costs			(1,929)	(1,589)
Loss before tax			(1,422)	(12,879)
Income tax credit (expense)			822	(69)
Loss for the year			(600)	(12,948)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, other operating income and finance costs, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets

	2020	2019
	$'000	$'000 (Restated)
Sakae Sushi	29,500	9,899
Other products and services	4,417	14,689
Total segment assets	33,917	24,588
Unallocated assets	87,941	73,845
Consolidated total assets	121,858	98,433

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible and certain financial assets attributable to each segment.

All assets are allocated to reportable segments other than equity investments at fair value through profit or loss and leasehold building.

Other segment information

	Depreciation		Additions to property, plant and equipment	
	2020	2019	2020	2019
	$'000	$'000 (Restated)	$'000	$'000
Sakae Sushi	5,512	1,531	588	-
Other products and services	1	61	-	721
Unallocated corporate items	1,305	1,243	-	-
Total	6,818	2,835	588	721

Geographical segments

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

	Revenue		Non-current assets	
	2020	2019	2020	2019
	$'000	$'000 (Restated)	$'000	$'000 (Restated)
Singapore	21,453	28,093	100,305	74,873
Malaysia	9,919	16,493	3,767	8,832
Others	-	379	-	-
Total	31,372	44,965	104,072	83,705

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

37 ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK

On July 1, 2019, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/ revised SFRS(I) pronouncements does not result in changes to the Group's and the company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as discussed below.

SFRS(I) 16 *Leases*

SFRS(I) 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of SFRS(I) 16 on the Group's consolidated financial statements is described below.

The date of initial application of SFRS(I) 16 for the Group is July 1, 2019.

The Group has applied SFRS(I) 16 using the cumulative catch-up approach which:

- requires the Group to recognise the right-of-use assets and lease liabilities in the statements of financial position, initially measured at the present value of the remaining lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments; and

- does not permit restatement of comparatives, which continue to be presented under SFRS(I) 1-17.

(a) Impact of the new definition of a lease

The Group has made use of the practical expedient available on transition to SFRS(I) 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with SFRS(I) 1-17 will continue to be applied to those leases entered or changed before July 1, 2019.

The change in definition of a lease mainly relates to the concept of control. SFRS(I) 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in SFRS(I) 1-17.

The Group applies the definition of a lease and related guidance set out in SFRS(I) 16 to all lease contracts entered into or modified on or after July 1, 2019 (whether it is a lessor or a lessee in the lease contract). The new definition in SFRS(I) 16 does not significantly change the scope of contracts that meet the definition of a lease for the Group.

(b) Impact on lessee accounting

Former operating leases

SFRS(I) 16 changes how the Group accounts for leases previously classified as operating leases under SFRS(I) 1-17, which were off-balance-sheet.

Applying SFRS(I) 16, for all leases, the Group:

a) Recognises right-of-use assets and lease liabilities in the statements of financial position, initially measured at the present value of the remaining lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with SFRS(I) 16:C8(b)(ii), except for the right-of-use asset for property leases which were measured on a retrospective basis as if the Standard had been applied since the commencement date;

b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss; and

c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated statement of cash flows.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under SFRS(I) 1-17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

Under SFRS(I) 16, right-of-use assets are tested for impairment in accordance with SFRS 1-36 *Impairment of Assets*.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes small items of office furniture), the Group has opted to recognise a lease expense on a straight-line basis as permitted by SFRS(I) 16. This expense is presented within other operating expenses in the consolidated statement of profit or loss.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying SFRS(I) 1-17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

(c) Impact on lessor accounting

SFRS(I) 16 does not change substantially how a lessor accounts for leases. Under SFRS(I) 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, SFRS(I) 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

(d) Financial impact of initial application of SFRS(I) 16

The lessee's incremental borrowing rate applied to the lease liabilities recognised in the statement of financial position on July 1, 2019 is ranging from 2.25% to 4.80%.

The following table shows the operating lease commitments disclosed applying SFRS(I) 1-17 at June 30, 2019, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application.

	Group
	2020
	$'000
Operating lease commitments at June 30, 2019	34,551
Less: Effect of discounting the above amounts	(14,921)
Less: Short-term leases recognised on a straight-line basis as an expense	(884)
Lease liabilities recognised as July 1, 2019	18,746

38 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements were issued but not effective and are expected to have an impact to the Group and the Company in the periods of their initial application.

Effective for annual periods beginning on or after January 1, 2020

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements* and SFRS(I) *1-8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material*
- Amendments to SFRS(I) 3 *Business Combinations: Definition of a Business*
- Amendments to References to the Conceptual Framework in SFRS(I) Standards
- Amendments to SFRS(I) 16 *Covid-19 Related Rent Concessions*
- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-16 *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37 *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The management anticipates that the adoption of the above SFRS(I) and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

39 PRIOR YEAR'S ADJUSTMENTS AND COMPARATIVE FIGURES

The comparative financial statements of the Group and Company has been restated mainly due to the following:

1) Classification errors between trade receivables and intercompany balances, and correction of revenue cut off error;

2) Recognition of deposits as rental expenses following termination of leases, erroneous recording of costs, and classification errors between receivables and intercompany balances;

3) Recognition of provision of reinstatement costs;

4) Correction of purchase cut-off errors, write-back of trade payables and classification errors between payables and intercompany balances;

5) Under/over recognition of liabilities and classification errors between other payables and intercompany balances;

6) Over-recognition of income tax provisions;

7) Reversal of capital reserves wrongly recognised in previous financial periods;

8) Correction of movements in currency translation reserve in previous financial periods;

9) Classification errors between revaluation reserve and accumulated losses;

10) Revenue cut-off error and over-recognition of revenue;

11) Over-recognition of cost of sales, recognition of unrecorded liabilities, and write-back of liabilities;

12) Reclassifications within statement of profit or loss, classification errors with intercompany balances, write-back of liabilities, and under-recognition of expenses; and

13) Reclassifications between due from subsidiaries, due to subsidiaries and other receivables and prepayments.

The effects of the restatement on the accounts for the year ended June 30, 2019 are as follows:

Group

Consolidated statement of financial position

As at June 30, 2019

	Previously reported	Restatements	Restated
	$'000	$'000	$'000
Trade receivables	1,304	451[1]	1,755
Other receivables and prepayments	9,591	(117)[2]	9,474
Property, plant and equipment	69,384	(27)[3]	69,357
Trade payables	(4,008)	425[4]	(3,583)
Other payables and accruals	(2,333)	(761)[5]	(3,094)
Income tax payable	(684)	574[6]	(110)
Capital reserve	(166)	166[7]	-
Currency translation reserve	738	(20)[8]	718
Revaluation reserve	(45,462)	(1,118)[9]	(46,580)
Accumulated losses	23,020	427	23,447
Total current assets	14,394	334	14,728
Total non-current assets	83,732	(27)	83,705
Total current liabilities	(57,576)	238	(57,338)
Total non-current liabilities	(8,813)	-	(8,813)
Total equity	(31,737)	(545)	(32,282)

Consolidated statement of profit or loss and other comprehensive income

Financial year ended June 30, 2019

	Previously reported	Restatements	Restated
	$'000	$'000	$'000
Revenue	44,756	209[10]	44,965
Cost of sales	(16,628)	82[11]	(16,546)
Gross profit	28,128	291	28,419
Other operating income	4,689	621[12]	5,310
Administrative expenses	(21,833)	(229)[12]	(22,062)
Other operating expenses	(22,516)	(441)[12]	(22,957)
Finance costs	(1,589)	-	(1,589)
Loss before tax	(13,121)	242	(12,879)
Income tax expense	(643)	574[6]	(69)
Loss for the year	(13,764)	816	(12,948)

Consolidated statement of cash flows

Financial year ended June 30, 2019

	Previously reported $'000	Restatements $'000	Restated $'000
Depreciation of property, plant and equipment	2,807	28	2,835
Impairment loss recognised on other receivables	2,775	16	2,791
Impairment loss (reversed) recognised on trade receivables	(187)	211	24
Unrealised foreign exchange loss (gain)	136	(146)	(10)
Trade receivables	786	(662)	124
Other receivables and prepayments	(5,769)	101	(5,668)
Trade payables	40	(425)	(385)
Other payables and accruals	5,561	565	6,126
Income taxes and withholding taxes refunded - net	27	70	97
Net cash used in operating activities	(1,185)	-	(1,185)
Net cash from investing activities	898	-	898
Net cash used in financing activities	(3,724)	-	(3,724)

Company

Statement of financial position

As at June 30, 2019

	Previously reported $'000	Restatements $'000	Restated $'000
Trade receivables	188	224[1]	412
Other receivables and prepayments	2,847	2,843[2]	5,690
Due from subsidiaries	14,417	1,083[13]	15,500
Trade payables	(1,604)	220[4]	(1,384)
Other payables and accruals	(1,180)	(222)[5]	(1,402)
Due to subsidiaries	(7,041)	(3,715)[13]	(10,756)
Accumulated losses	34,284	(433)	33,851
Total current assets	3,443	3,067	6,510
Total non-current assets	85,075	1,083	86,158
Total current liabilities	(58,886)	(3,717)	(62,603)
Total non-current liabilities	(8,376)	-	(8,376)
Total equity	(21,256)	(433)	(21,689)

40 SUBSEQUENT EVENTS

The Covid-19 is a global pandemic that has resulted in a highly uncertain economic climate. Measures to tackle the spread of the virus varies from country to country and changes from time to time.

With pressures of high operating costs, the Food & Beverage sector has been one of the most adversely affected industries. Various forms of government support, such as property tax rebates, enhanced Jobs Support Scheme and various rental assistance and/or subsidies from the premises in which the Group operates, provide some relief for the Group during this difficult period. Subsequent to the year-end, the Group expects to receive further proceeds from these government grants.

Even though the situation appears to have stabilised to some extent, significant uncertainties remain with fears of a new and sudden surge in community cases which may lead to the implementation of government measures that may significantly affect dine-in services, consumer demand and market sentiment. Also, there are uncertainties as to whether the current government support measures will continue upon the maturity of the current schemes.

As a result of the COVID-19 pandemic, the Group's cumulative revenue in the first three months of FY2021 was approximately 30% to 40% lower than the FY2020 revenues in the same period.

Depending on the duration of the COVID-19 crisis and continued negative impact on the economy, the Group may experience further negative results, liquidity constraints and may need to incur additional impairments on its assets in FY2021. The impact on the Group's activities for the remainder of FY2021 cannot be predicted with certainty. The Group will continue to assess the implications to its business when the current government support schemes are no longer available, and will cautiously manage business costs through operational efficiency. Notwithstanding this, management has assessed that the Group and the Company can continue to be a going concern for at least up to September 2021 as set out in Note 4(i)(a).

SHAREHOLDERS' INFORMATION AS AT 30 SEPTEMBER 2020

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

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

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	5	0.52	118	0.00
100 - 1,000	613	64.06	91,560	0.07
1,001 - 10,000	160	16.72	771,819	0.55
10,001 - 1,000,000	170	17.76	17,333,263	12.43
1,000,001 AND ABOVE	9	0.94	121,275,240	86.95
TOTAL	**957**	**100.00**	**139,472,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	RAFFLES NOMINEES (PTE.) LIMITED	60,254,900	43.20
2	DOUGLAS FOO PEOW YONG	31,926,740	22.89
3	KGI SECURITIES (SINGAPORE) PTE. LTD.	13,860,000	9.94
4	GOH KHOON LIM	4,320,000	3.10
5	OCBC SECURITIES PRIVATE LIMITED	4,156,100	2.98
6	LIM SONG CHIANG	2,149,800	1.54
7	PHILLIP SECURITIES PTE LTD	1,962,100	1.41
8	JOSEPH QUEK	1,561,600	1.12
9	TAN KEK LEA (CHEN JILI)	1,084,000	0.78
10	MAYBANK KIM ENG SECURITIES PTE. LTD.	822,151	0.59
11	FOO KIA HEE	770,100	0.55
12	CITIBANK NOMINEES SINGAPORE PTE LTD	722,000	0.52
13	LIN YONG SHENG DESMOND	707,800	0.51
14	TAN YIM HENG	707,500	0.51
15	DBS NOMINEES (PRIVATE) LIMITED	673,900	0.48
16	ALEXANDER THOMAS ZBORAY	596,000	0.43
17	GOH FUQIANG KENNETH	581,000	0.42
18	LUCIANA JASMAN	550,000	0.39
19	PEK ENG LEONG	492,100	0.35
20	TOH SOON HUAT	475,000	0.34
	TOTAL	**128,372,791**	**92.05**

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 30 September 2020.

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

Notes:

(1) Mr Douglas Foo Peow Yong is deemed to be interested in 100 shares held by his wife, Ms Koh Yen Khoon and 60,000,000 shares held in trust by Raffles Nominees (Pte) Ltd.

(2) Mr Goh Khoon Lim is deemed interested in 13,860,000 shares held by KGI Securities Singapore Pte. Ltd..

(3) Percentage is based on 139,472,000 shares (excluding treasury shares and subsidiary holdings) as at 30 September 2020.

FREE FLOAT
As at 30 September 2020, approximately 20.50% of the total number of issued shares excluding treasury shares and subsidiary holdings was held in the hands of the public (on the basis of information available to the Company).

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

TREASURY SHARES
As at 30 September 2020, the Company held 2,528,000 treasury shares, representing 1.81% of the total issued shares excluding treasury shares and subsidiary holdings.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**Meeting**") of Sakae Holdings Ltd. (the "**Company**") will be held will be held by electronic means on Friday, 30 October 2020 at 10.00 a.m. for the following purposes:

Ordinary Business

1. To receive and adopt the Directors' Statements and Audited Financial Statements of the Company for the financial year ended 30 June 2020 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Ms Foo Lilian retiring by rotation pursuant to Article 91 of the Company's Constitution and who, being eligible, offered herself for re-election. ***(See Explanatory Note (i))*** **(Resolution 2)**

3. To re-elect Mr David Pang Kam Wei retiring by rotation pursuant to Article 97 of the Company's Constitution and who, being eligible, offered himself for re-election. ***(See Explanatory Note (ii))*** **(Resolution 3)**

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

4. To approve the payment of Directors' fees of S$85,000 (FY2019: S$85,000) for the financial year ended 30 June 2020. **(Resolution 4)**

5. To appoint Messrs Baker Tilly TFW LLP as Auditors of the Company, in place of the retiring Auditors, Messrs Deloitte & Touche LLP, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors of the Company to fix their remuneration. ***(See Explanatory Note (iii))*** **(Resolution 5)**

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

Special Business

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

7. Authority to allot and issue shares

   "That, pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

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

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

   provided that:

   (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted

pursuant to this Resolution) does not exceed twenty per cent. (20%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below).

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) is based on the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares;

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

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." ***(See Explanatory Note (iv))*** **(Resolution 6)**

8. Proposed renewal of the Share Buyback Mandate

"That:

(a) for the purposes of Section 76C and 76E of the Companies Act, Chapter 50 (the "Companies Act") approval be and is hereby given for the renewal of the Share Buyback Mandate (as hereinafter defined) the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchase(s) on the SGX-ST; and/or

(ii) off-market purchase(s) is effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buyback Mandate");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held or required by law to be held;

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

(iii) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by Shareholders in general meeting;

(c) in this Resolution:

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

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

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

(ii) in the case of an off-market purchase of a Share, 110% of the Average Closing Price of the Shares;

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period; and

"Date of the making of the offer" means the date on which the Company makes an offer for the purchase or acquisition of Shares from holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and authorised by this Resolution." ***(See Explanatory Note (v))*** **(Resolution 7)**

9. Proposed Renewal of the Disposal Mandate for the Proposed Disposal of the Properties In Malaysia

"That:

(a) for the purposes of Chapter 10 of the Listing Manual, approval be and is given to the Company and/or the respective subsidiaries for the renewal of the Disposal Mandate to authorise the Company and/or the Group to dispose the Malaysia Properties to the extent mandated and according to the terms under the Renewal of Disposal Mandate as described in the Appendix; and

(b) the Directors and any one of them be and is authorised and empowered to approve, complete and do all such acts and things (including without limitation, to approve, modify, ratify, sign, seal, execute and deliver all such documents as may be required) as he or they may consider expedient, desirable, necessary or in the interests of the Company to give effect to the Proposed Renewal of the Disposal Mandate and this Resolution, and the transactions contemplated by the Proposed Renewal of the Disposal Mandate and/or authorised by this Resolution, or for all

the foregoing purposes." ***(See Explanatory Note (vi))*** **(Resolution 8)**

By Order of the Board

Chan Lai Yin
Company Secretary

Singapore, 15 October 2020

Explanatory Notes:

(i) Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the detailed information of Ms Foo Lilian who is seeking re-election at the Annual General Meeting can be found under "Supplemental Information on Directors seeking re-election".

(ii) Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the detailed information of Mr David Pang Kam Wei who is seeking re-election at the Annual General Meeting can be found under "Supplemental Information on Directors seeking re-election".

(iii) Ordinary Resolution 5 is to seek shareholders' approval to appoint Messrs Baker Tilly TFW LLP in place of the retiring Auditors, Messrs Deloitte & Touche LLP ("Proposed Change of Auditors"). Messrs Deloitte & Touche LLP has elected not to be re-appointed as the Company's auditors at the forthcoming AGM. Please refer to the Company's Addendum to the Annual Report dated 15 October 2020 for more details.

(iv) Ordinary Resolution 6 is to empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue shares and convertible securities in the Company. The aggregate number of shares (including any shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed fifty per cent (50%) of the Company's total number of issued shares excluding treasury shares and shares (if any) held by a subsidiary of the Company. For issues of shares other than on a pro rata basis to all shareholders, the aggregate number of shares to be issued will not exceed twenty per cent (20%) of Company's total number of issued shares excluding treasury shares and shares (if any) held by a subsidiary of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue shares pursuant to any Instrument made or granted under this authority.

(v) Ordinary Resolution 7, if passed, will empower the Directors of the Company to make purchases or otherwise acquire the Company's issued Shares from time to time subject to and in accordance with the guidelines set out in the Appendix accompanying this Notice. The authority will expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier, unless previously revoked or waived at a general meeting. Please refer to the Appendix for more details.

(vi) Ordinary Resolution 8, if passed, will empower the Directors of the Company to allow the Group to enter into memorandums of agreement, including but not limited to sale and purchase agreements, with any prospective purchaser(s) of the Malaysia Properties and such agreements shall not be subject to the specific approval of the Shareholders, notwithstanding that the completion date of the relevant transaction may fall on a date after the Renewal of the Disposal Mandate has lapsed and is in accordance with the guidelines set out in the Appendix accompanying this Notice. The authority will expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier, unless previously revoked or waived at a general meeting. Please refer to the Appendix for more details.

Notes:

i. The Annual General Meeting of the Company ("AGM") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on the Company's website at the URL www.sakaeholdings.com/agm. This Notice will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

ii. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by shareholders can participate at the AGM by observing and/or listening to the proceedings of the AGM through either live audio-visual webcast or live audio-only stream ("electronic means"), submission of questions in advance of the AGM, addressing of substantial and relevant questions, are set out in the Company's announcement dated 15 October 2020 (the "Announcement"), which has been uploaded together with this Notice of AGM on SGXNet on the same day. The Announcement may also be accessed at the Company's website www.sakaeholdings.com/agm. For the avoidance of doubt, the aforesaid section is circulated together with and forms part of this Notice of AGM.

iii. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the AGM in person. A member of the Company (whether individual or corporate and including a Relevant Intermediary*) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM, if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate and including a Relevant Intermediary*) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

iv. The Chairman of the AGM, as proxy, need not be a member of the Company.

v. In the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (i.e. by 10.00 a.m. on 27 October 2020), as certified by The Central Depository (Pte) Limited to the Company.

vi. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") who wishes to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 10.00 a.m. on 20 October 2020). SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to the appointment of the Chairman of the AGM as proxy for the AGM.

vii. The instrument appointing the Chairman of the AGM as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:

(a) be deposited at the Company's Share Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

(b) be sent via electronic mail to agm2020@sakaeholdings.com enclosing signed PDF copy of the Proxy Form;

not less than forty-eight (48) hours before the time set for the AGM.

* A Relevant Intermediary is:

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

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing the Chairman of the Annual General Meeting as proxy to vote at the Annual General Meeting and/or any adjournment thereof, and/or (b) by registering to attend the AGM via electronic means, and/ or (c) submitting any question prior to the AGM in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);

(ii) processing the pre-registration forms for the purposes of granting access to members (or their corporate representatives in the case of members who are legal entities) to participate at the AGM by electronic means to observe the proceedings of the AGM and providing them with any technical assistance, where necessary;

(iii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;

(iv) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(v) enabling the Company (of its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

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

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

PROXY FORM

IMPORTANT:

1. The Annual General Meeting of the Company ("**AGM**") will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM, are set out in the accompanying Company's announcement dated 15 October 2020 (the "**Announcement**"), which has been uploaded together with the Notice of AGM dated 15 October 2020 on SGXNet on the same day. The Announcement may also be accessed at the Company's corporate website at www.sakaeholdings.com/agm. For the avoidance of doubt, the Announcement is circulated together with and forms part of the Notice of AGM dated 15 October 2020 in respect of the AGM.
3. A member of the Company will not be able to attend the AGM in person. If a member of the Company (whether individual or corporate and including a Relevant Intermediary*) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate and including a Relevant Intermediary*) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
4. SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their SRS Operators to submit their votes by 10.00 a.m. on 20 October 2020.

By submitting an instrument appointing the Chairman of the AGM as proxy, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 October 2020.

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

of____(Addres)

being a member/members* of **SAKAE HOLDINGS LTD.** (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting as *my/our *proxy/proxies to attend and to vote for *me/us on my/our behalf at the Annual General Meeting (the "AGM") of the Company to be held by electronic means on Friday, 30 October 2020 at 10.00 a.m. and at any adjournment thereof.

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

No	Ordinary Resolutions:	For	Against	Abstain
1.	Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2020			
2.	Re-election of Ms Foo Lilian as Director			
3.	Re-election of Mr David Pang Kam Wei as Director			
4.	Approval for payment of Directors' fees for the financial year ended 30 June 2020			
5.	Appointment of Messrs Baker Tilly TFW LLP as Auditors of the Company, in place of the retiring Auditors, Messrs Deloitte & Touche LLP, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors of the Company to fix their remuneration			
6.	Authority to allot and issue shares			
7.	Proposed Renewal of the Share Buyback Mandate			
8.	Proposed Renewal of the Disposal Mandate of the Malaysia Properties			

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

Dated this .... day of .... 2020.

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

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

** Delete accordingly*

IMPORTANT: PLEASE SEE NOTES OVERLEAF BEFORE COMPLETING THIS FORM

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person and must appoint the Chairman of the AGM as proxy to attend, speak and vote on the member's behalf at the AGM and at any adjournment thereof. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. If a member (whether individual or corporate and including a Relevant Intermediary*) wishes to exercise his/her/its votes, he/she/it must submit this Proxy Form to appoint the Chairman of the AGM to vote on his/her/its behalf. A member (whether individual or corporate including a Relevant Intermediary*) appointing the Chairman of the AGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in this Proxy Form, failing which the appointment will be treated as invalid.

3. SRS Investors who wish to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 10.00 a.m. on 20 October 2020). SRS Investors should not directly appoint the Chairman as proxy to direct the vote.

4. Relevant Intermediaries shall also appoint the Chairman of the AGM to act as proxy and direct the vote at the AGM. Together with the instrument appointing a proxy, the Relevant Intermediaries shall provide to the Company a list of attendees who would like to participate at the AGM by observing and/or listening to the proceedings of the AGM through either live audio-visual webcast or live audio-only stream with such information that may be requested by the Company.

   * A Relevant Intermediary is:

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

5. The Chairman of the AGM, as proxy, need not be a member of the Company.

6. The instrument appointing the Chairman of the AGM as proxy must be deposited at the Company's Share Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or send electronic mail to agm2020@sakaeholdings.com enclosing signed PDF copy of the Proxy Form not less than forty-eight (48) hours before the time appointed for the meeting.

7. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorized officer.

8. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

9. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.

10. The Company shall be entitled to reject an instrument appointing the Chairman of the AGM as proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing the Chairman of the AGM as proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at seventy two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

11. By submitting an instrument appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 October 2020.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

NOMINATING COMMITTEE

David Pang Kam Wei (Chairman)
Ngoh York Chao Nicholas
Douglas Foo Peow Yong

REMUNERATION COMMITTEE

Ngoh York Chao Nicholas (Chairman)
Loh Chee Peng
Douglas Foo Peow Yong

COMPANY SECRETARY

Chan Lai Yin (ACIS)

REGISTERED OFFICE

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

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place, #32-01
Singapore Land Tower
Singapore 048623

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
6 Shenton Way, #33-00
OUE Downtown 2,
Singapore 068809
Partner-in-charge: Yang Chi Chih
Date of appointment: Since 29 October 2019

PRINCIPAL BANKERS

United Overseas Bank Ltd
DBS Bank Ltd

SAKAE®
HOLDINGS

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