SAKAE HOLDINGS LTD.

ANNUAL REPORT 2021

SAKAE® HOLDINGS

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 and Senjyu 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".

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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,

On behalf of the Board of Directors (the "Board") of Sakae Holdings Ltd., (the "Company" and together with its subsidiaries, the "Group"), I am pleased to present herewith our Company's annual report for the financial year ended 30 June 2021 ("FY2021").

Financial Year under Review

2021 has been a challenging year as businesses globally continue to grapple with the ever evolving effects of the Covid-19 pandemic. In Singapore and Malaysia, the fast changing Covid-19 preventive measures that differ unpredictably have adversely disrupted businesses in the Food & Beverages sector. The Group's financial performance reflects the same - reduced revenue for the FY2021 totalling $21.1 million, a decrease of 32.6% as compared to $31.4 million for the previous year ended 30 June 2020 ("FY2020"). While consumer demand for dine-in was affected by various safety measures introduced at different points in time to tackle the spread of the Covid-19 virus, the Group's online and delivery sales have continued to grow in FY2021. Coupled with the Group's prudent approach in managing its operating costs, as well as, grants and rebates received in the financial year under review, the Group managed to generate a profit before tax of $2.3 million in FY 2021, as compared to loss before tax of $1.4 million in FY2020.

The fair value of our group headquarters at Sakae Building, located at 28 Tai Seng Street recorded an increased of $10.6 million in FY2021, as compared to the recorded increased $16.3 million in FY2020. As a result, there is an increase in revaluation reserve, net of deferred tax, of $8.8 million in FY2021 compared to $13.5 million in FY2020.

Dividend

The Board has decided to recommend a final dividend of 1.20 cents per ordinary share for FY2021 to be approved by the shareholders at the upcoming annual general meeting.

Navigating the Challenges

Since the onset of Covid-19 pandemic, the Group has responded swiftly to implement various forms and degrees of social distancing measures to fight the spread of the Covid-19 virus. We have consistently reviewed our practice guidelines and adjusted the same accordingly to the evolving situation, with the primary aim of protecting our staff and our customers.

The Group has always placed strong emphasis on healthy dining, food safety and quality as well as sustainable growth and innovation. This Covid-19 pandemic has reinforced the importance of food safety and food sources traceability. Operationally, in FY2021, the Group remains steadfast in re-affirming the Sakae brand values of bringing safe and high quality food at greater value to our customers via robust delivery networks. Building on our back-to-basics approach that leverages on a sustainable farm-to-table mode while keeping in mind the changing needs of our customers, we believe we will emerge more resilient and stronger from the Covid-19 pandemic. The Sakae brand values will not change even as we continue to develop and 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.

In FY2021, it is with optimism that the Group looks towards the future – with the streamlining of our operations, the Group is now more nimble and agile, and hence more well prepared to adapt to the changing marketplace. We continue to explore new and innovative means of raising productivity, efficiency and prudently manage its operations by taking steps which include exploring new delivery menu offerings and expanding our delivery channel outreach.

Staying Resilient

To stay relevant and competitive in this digital age, the Group will continue to strengthen and refine our digital journey to stay ahead of the digital curve.

Our digital journey has enabled the Group to gain more insight and visibility on the key areas of our business. While seeking out innovative ways to boost productivity and market ourselves against an evolving and intensely competitive restaurant business environment, we continue to execute carefully planned strategic moves to expand our business. The Group will continue to work with digital partners and explore opportunities to improve its performance by focusing on its online sales channels and efforts to digitalise its business operations while exploring new market opportunities.

Outlook

In Singapore, thoughts of the Covid-19 pandemic moving towards an endemic brings much anticipated hope for the eventual dawn of a new era of business models and operating environment even for traditional industries such as the Food & Beverage sector. However, the Group has to prepare for this new dawn and seek opportunity in challenging times.

On a conservative front, the Group will continue to adopt a cautious outlook in planning its business operations. With the dynamic situation of the Covid-19 virus evolution, the Group will remain flexible in redeploying resources to sustain its core business operations while exploring areas which would bring value in time to come.

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.

Appreciation

I would like to thank my fellow members of the Board for their insights and guidance in navigating the Group through this unprecedented time. On behalf of the Board, I wish to express our heartfelt gratitude to our management team and staff, especially our frontline team for their relentless contribution, 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.

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.

I would also like to extend our appreciation to the shareholders, valued customers, business partners and associates for their unwavering support for us.

Yours truly,
Douglas Foo
Chairman, Sakae Holdings Ltd.

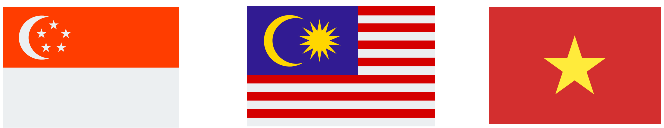
CORPORATE STRUCTURE AND GLOBAL PRESENCE

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 Vietnam

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, Malaysia and Vietnam. The emergence of newer automation technology will continue at Sakae through continuous innovation and productivity upgrading.

Patented Portable Conveyor Belt

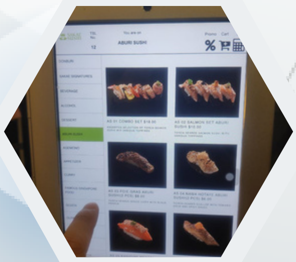
Solar Panel

Sushi Robot

Automated Storage and Retrieval System (ASRS)

Delivery Integration

Second Tier Sushi Car



Interactive e-Menu

OPERATIONS REVIEW

Staying Resilient

The Group reported revenue of $21.1 million for the financial year ended 30 June 2021 ("FY2021") which was 32.6% lower than the corresponding financial year ended 30 June 2020 ("FY2020"). The lower revenue was a result of the various social distancing control measures and restrictions brought about by the Covid-19 pandemic which in turn adversely affected the Group's Food and Beverage business. However, the decline in dine-in revenue was cushioned by revenue contribution in the Group's takeaway, online ordering and restaurant delivery businesses. Owing to weaker consumer demand and restrictions in place for dine-in, the Group has adapted its operational strategy to reduce the number of physical outlets and to focus more on online ordering and delivery sales.

Congruent with the lower revenue, there was also a corresponding decrease in cost of sales and labour costs. Despite lower revenue, the Group has seen an increase in its gross profit margin since the first quarter of FY2021. Gross profit margin has increased by 5.4% from 60.4% in FY2020 to 65.8% in FY2021. Other operating income of $9.4 million in FY2021 was 45.1% lower than $17.2 million in FY2020, mainly due to higher fair value gain recognised on equity investment from Griffin Real Estate Investments Holdings Pte Ltd of $11.1 million in FY2020, barring any unforeseen factors or other costs, such as those possibly to be incurred by liquidators of Gryphon Capital Management Pte Ltd.

Administrative expenses of $15.2 million in FY2021 were 33.4% lower than $22.8 million in FY2020. These were mainly attributed to lower labour costs and depreciation. Other administrative expenses had also decreased accordingly with the decrease in revenue. Other operating expenses of $3.8 million in FY2021 were 47.7% lower than $7.2 million in FY2020. The decrease was mainly due to lower rental expense and utilities in FY2021 as a result of the reduced number of outlets in operation. Finance costs of $1.1 million in FY2021 were 40.5% lower than $1.9 million in FY2020. The decrease was mainly due to repayment of short-term borrowings.

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, consumer demand remains uncertain as consumers are 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 generated profits in FY2021 with both profit before tax and profit after tax at $2.3 million, compared to loss before tax of $1.4 million and loss after tax of $0.6 million in FY2020 respectively.

The fair value of our group headquarters at Sakae Building, located at 28 Tai Seng Street recorded an increased of $10.6 million in FY2021, as compared to the recorded increased $16.3 million in FY2020. As a result, there is an increase in revaluation reserve, net of deferred tax, of $8.8 million in FY2021 compared to $13.5 million in FY2020.

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 revenue from takeaway, online ordering and restaurant delivery 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 pandemic. The Group has constantly responded swiftly to implement the various forms and degrees of social distancing measures to control the transmission of the Covid-19 virus.

As we progress, we continue to operate the business in line with our Sakae guiding principles although 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 while new variants of the Covid-19 virus continue to emerge, 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 operating cost may increase, for example, cost of materials may increase due to global supply chain disruption, 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 Sakae Branding

Since the inception of Sakae 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. 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. We adopted various marketing activities and expanded our digital outreach to engage and interact with our customers. To 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

SAKAESUSHI.COM.SG

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. We bring our affordable and tasty food right to your doorstep.

Sakae Delivery is now available on social media. With our island-wide delivery service, customers all over Singapore are just one click away from their favourite Japanese meals. Ordering in has never been easier.

SAKAEDELIVERY.COM

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.

HEISUSHI.COM

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.

DELIVERY.HEISUSHI.COM

Hei Delivery was launched following the success of Sakae Delivery. Enjoy the freshest Halal-certified sushi and Japanese food no matter where you are.

Our online exclusive promotions, discounts and seasonal campaigns make Hei Delivery the choice food option for your festive occasions and celebrations at home or at the workplace.

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.

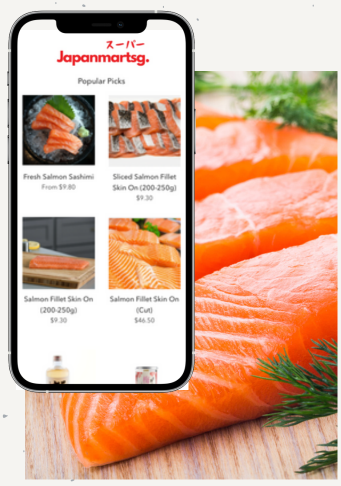
Senjyu is a mid-to-upscale Japanese food concept targeted at Japanese food lovers seeking to add a touch of sophistication and class to their palettes. Savour the best of both worlds, perfected with a touch of elegance and creativity. It all adds up to a dining experience that is distinctly Senjyu. Indulge in the Senjyu fine dining experience, where our private chefs serve up premium Japanese cuisine in an exclusive private setting. Look forward to our virtual tours, where customers can virtually explore popular destinations in Japan while savouring our themed bento sets. Senjyu’s premium bentos are available for delivery.

スーパー Japanmartsg.

JAPANMARTSG.COM

Japanmartsg takes pride in delighting our customers with premium products priced at good value. Airflown straight from Japan, our products are of a topnotch 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.



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 & Cream offers online crepes order and delivery straight to you.

NOUVELLE®
EVENTS HOLDINGS

NOUVELLEVENTS.COM

Twenty 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®
CORPORATE ADVISORY

SAKAECA.COM

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 greater heights. 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, Mr Ngoh is the Principal Legal Counsel at the Singapore Manufacturing Federation (SMF) and its Director of Corporate and Council Affairs. Mr Ngoh 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, Mr Ngoh was formerly with the Attorney-General's Chambers and the Singapore Legal Service Commission for about 10 years. During his time with the Commission, Mr Ngoh 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, Mr Ngoh 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.

KEY MANAGEMENT

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 17 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, a member of the Institute of Singapore Chartered Accountants and a member of the ASEAN Chartered Professional Accountant.

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 our 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".

THK FSC@ MacPherson clients all smiles after receiving the warm bento sets sponsored by Sakae

THK staff and client from THK FSC@ MacPherson during the bento set distribution

CARING FOR THE COMMUNITY

Sakae cares deeply for the community and believes in giving back to the community. One of the existing problems in Singapore is food insecurity in which many low-income families and elderly people need helping hands. Unfortunately, this problem worsened since the Covid-19 outbreak, and Sakae is determined to give back to the community.

This year, Sakae has pledged to commit at least 100 Japanese bento meals monthly to low-income beneficiaries of Thye Hua Kwan (THK) Moral Charities. By caring for the community, Sakae hopes to cheer on these underprivileged families and individuals by giving them meals support.

Sakae launched a new initiative "Gift-A-Meal" which aims to provide meal assistance to those in need, especially those who face food insecurity. Whenever someone purchases a "Gift-A-Meal" e-voucher through our website or from e-commerce platforms, 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 give a meal to an individual who is a beneficiary of Thye Hua Kwan Family Service Centre @ MacPherson. Sakae believes "Gift-A-Meal" is a very meaningful initiative, and aspires to do our part to build a stronger and more inclusive community in Singapore.

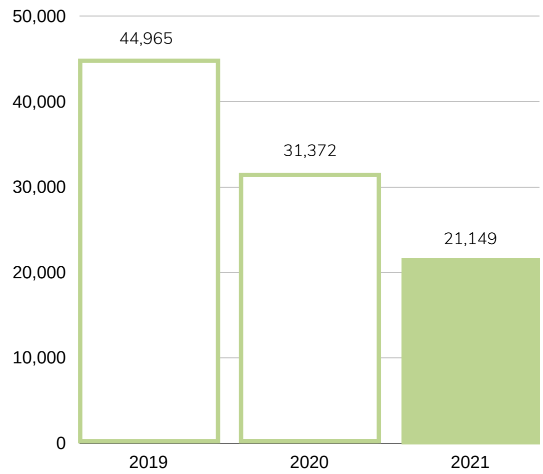
FOOD WASTE MANAGEMENT

Food waste accounts for a significant portion of the total waste generated in Singapore. To do our part to save the environment, Sakae adopts multiple approaches to sustainable waste and resource management. Efficient food purchases and processes, Central Kitchen preparation and centralised cold chain storages have helped to improve efficiency and reduce food wastage. In support of the Zero Waste initiatives, Sakae has installed a food waste digester machine at our group headquarters to treat and recycle food waste sustainably. The compost produced will be used in turn as fertilisers for our greenery landscape around our headquarters. We will continue our best efforts as we sustain and support these Zero Waste initiatives.

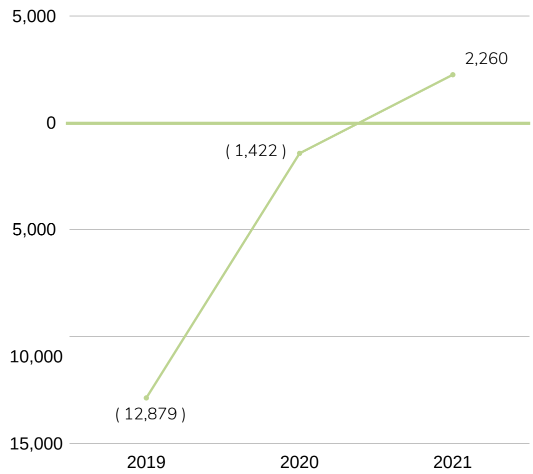
FINANCIAL HIGHLIGHTS

Results	2019 $'000	2020 $'000	2021 $'000
Revenue	44,965	31,372	21,149
(Losses)/ Profits before associates and tax (“Operating (Losses)/ Profits before tax”)	(12,879)	(1,422)	2,260
(Losses)/ Profits before tax	(12,879)	(1,422)	2,260
(Losses)/ Profits attributable to shareholders	(12,948)	(600)	2,317
Non-current assets	83,705	104,072	109,770
Non-current liabilities	8,813	21,649	27,342
Total equity / Net tangible assets (“NTA”)	32,282	45,243	56,417
Net assets per share (cents)	23.15	32.44	40.45
(Losses)/ Earnings per share (“EPS”) (cents)	(9.28)	(0.43)	1.66

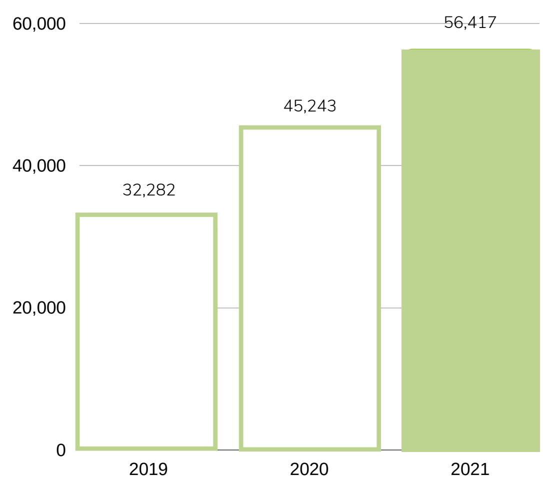
Revenue ($'000)



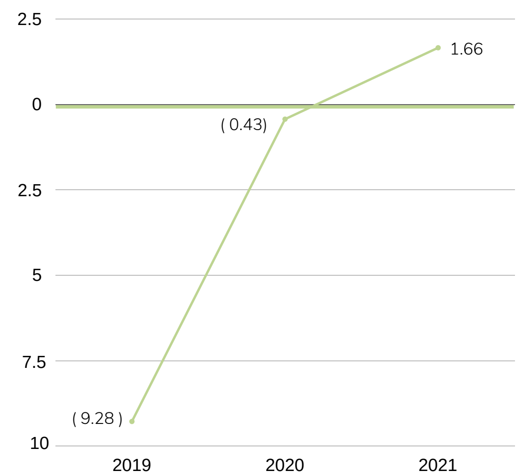
Operating (Losses)/ Profits before tax ($'000)



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 2021 (“FY2021”), 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 FY2021, 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 provides 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 work with Management for the performance of the Group. Directors have agreed to act in adherence to a code of conduct and ethics. Specifically, should any real or apparent conflict of interest arise in the performance of his duties, that particular Director is to disclose the interest and recuse himself from the decision making process after providing his views. The Directors also shape the culture and the strategic direction of the Group by adopting appropriate “tone-from-the-top” in meetings attended by key management personnel.

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 FY2021, the Directors attended courses organised by the Singapore Institute of Directors.

The Board decides on matters requiring its approval and which is communicated to the Management for further action. Some of the matters reserved for the Board include:

(a) review and approval of periodic financial results announcements and annual audited financial statements; and

(b) matters requiring announcements on the Singapore Exchange Securities Trading Limited ("SGX-ST"), such as:

  (i) the declaration of dividends and other returns to shareholders;

  (ii) corporate policies in key operational areas, including corporate or financial restructuring and share issuance, mergers and acquisitions, material acquisitions and disposals, approval of transactions involving interested persons; and

  (iii) appointment of new Directors.

The Board discharges its responsibilities either directly or indirectly through Board Committees such as the Nominating Committee, a Remuneration Committee and an Audit Committee. The effective functioning of such committees are reviewed by the Board and suggestions on best practices are discussed for adoption. Board committees make known their recommendations and opinions to the Board and 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 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. Ad-hoc Board meetings are also convened in addition to the scheduled meetings where required. 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 for review and confirmation to the individual directors on the respective Board Committees 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).

Name of Director	Board		Audit Committee	
	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
David Pang Kam Wei	4	4	4	4

Name of Director	Remuneration Committee		Nominating Committee	
	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
David Pang Kam Wei	–	–	1	1

The Company circulates the reports relating to operational and financial performance of the Group and Company prior to the Board meetings held quarterly. All Directors are provided with complete and adequate information prior to Board meetings and on an ongoing basis. These meeting papers are issued and circulated to the Board in sufficient time prior to the meeting to enable the Directors time for perusal, deliberation or to request for further information prior to the Board meeting. The Board also receives updates pertaining to financial highlights of the Group's performance on a quarterly basis at Board meetings. These financial highlights include commentaries, analyses and variances. Senior management is present at these update sessions to address any queries which the Board may have. Additional or supplemental information is also furnished where relevant. 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 works 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 provisions. The Company Secretary attends all Board and Board Committee meetings (except RC meetings). The appointment and removal of the Company Secretary are decisions taken by the Board as a whole. Where necessary, professional advice procured in accordance with the Group's procurement policies is made available to add value to deliberations and to assist the Directors in making decisions.

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 explanations 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.

A newly appointed Director will be given briefings on the business activities of the Group, its strategic directions, governance practices and duties and obligations as a Director. He will be given the opportunity to visit the Group's operational facilities to gain a better understanding of the Group's business operations. The appointment of a Director is formalised by the announcement of the appointment on SGXNet and through official correspondence from the Group. No new Director was appointed in 2021.

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)

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 experience 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 and Non-Executive Directors forming a majority 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 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.

While the Board has additional criteria for evaluating the independence of an Independent Director who has served for more than nine years from the date of first appointment, the Board has no Independent Director who has served beyond nine years from the date of appointment to the Board.

The Board comprises Directors who are of diverse professions. These include finance, legal, human resource, business or management experience and engineering. 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. In FY2021, the Board adopted a diversity policy and worked towards implementing the objectives of a diverse Board to enhance its performance.

The Board believes that there is a good balance of power and authority as all the Board Committees are chaired by Independent Directors. In FY2021, the non-executive Directors have met (without management present) on several occasions.

Key information regarding the Directors' academic and professional qualifications and other appointments is set out on pages 12 and 13 of the Annual Report.

No individual or small group of individuals dominate the Board's decision making process.

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 a 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 had established in writing the division of responsibilities between the Chairman and the CEO.

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. 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 and key management personnel, 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 meets 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 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 shareholders who hold more than 5% of its shares or its officers that could interfere, or be reasonably perceived to interfere with the exercise of the Director's independent judgement, which is to be 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 shareholders who hold more than 5% of its shares, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent judgement which is to be in the best interests of the Company and Group. During the year, the NC has reviewed (with each NC member who is an Independent Director recusing himself from determining his own independence) and determined that Mr Loh Chee Peng, Mr Ngoh York Chao Nicholas and Mr David Pang Kam Wei 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, law and human resource enables them to exercise objective judgement on corporate affairs independently.

Summary of activities in FY2021

- 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 Board renewal.
- Discussed information required to be reported under the Code or Listing Manual.

PARTICULARS OF DIRECTORS AS AT 30 JUNE 2021

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	30 October 2020	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	30 October 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.

Mr Douglas Foo Peow Yong and Mr Loh Chee Peng 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 Mr Douglas Foo Peow Yong and Mr Loh Chee Peng, recommended to the Board that Mr Douglas Foo Peow Yong and Mr Loh Chee Peng 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 and key management personnel, 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 renewal 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 was satisfied that Directors have demonstrated commitment to spend time for discussion at and outside scheduled Board Meetings, even during weekends or after office hours, as and when the need arises. The NC was 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 2021. 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 director continues to contribute effectively and demonstrate commitment to the appointed role.

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. The Board has not determined the maximum number of listed company board representation which any Director may hold. 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. The Board is of the view that non-executive Directors holding directorships in other companies, which are not in the Group, especially in listed companies, do not hinder them from carrying out their duties as Directors. These Directors would widen the experience of the Board and give it a broader perspective. As at the date of this report, none of the Directors holds directorships in other public listed companies.

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 decisions 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 in 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 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. Subject to the approval of members at the forthcoming AGM, the Board proposed to adopt the employee performance scheme to be known as "2021 Sakae Performance Share Scheme" under which awards of fully paid-up shares in the capital of the Company will be granted, free of charge, to eligible Directors and employees of the Company and its subsidiaries.

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 FY2021 as follows:

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

Remuneration band & name of top 5 key management personnel	Salary %	Bonus %	Incentive and other benefits %	Total %
Below $250,000				
Shu Kwan Chyuan	100	-	-	100
Andy Liu Hong Wei*	92	-	8	100
Tan Yee Cheng	100	-	-	100

**Resigned on 31 October 2020*

For competitive reasons, the Company is disclosing each individual Director's remuneration in bands of $250,000.

For FY2021, the Company identified two key management personnel (who are not Directors). 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 FY2021, 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 FY2021

- 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 recognizes 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 requires and discloses on the Company's annual report that it has received assurance from:

(a) the CEO and the Chief Financial Officer ("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; and

(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The AC has reviewed reports submitted by internal and external auditors relating to the effectiveness of the Group's internal controls including the adequacy and effectiveness of the Group's financial, human resources, operational, compliance and relevant communications as part of their audit for FY2021. No material findings were identified or noted.

Principle 10: Audit Committee ("AC")

As at 30 June 2021, the AC comprises Mr Loh Chee Peng, Mr Ngoh York Chao Nicholas and Mr David Pang Kam Wei. 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 AC receives updates on changes in accounting standards from external auditors. The AC shall continue to monitor the scope, cost effectiveness and result of the audit. The Board has accepted the recommendation of the AC to table a resolution for shareholder approval for the re-appointment of Messrs Baker Tilly TFW LLP as the Company's external auditors at the forthcoming AGM.

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 is therefore 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 Company as 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 the date of this report, there were no 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 FY2021

- Reviewing quarterly financial statements and announcements.
- Reviewing financial and operating performance of the Group.
- Reviewing 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 recommending 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 audit recommendations.
- 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 the presence of Management.

The Company has appointed Messrs Virtus Assure Pte Ltd as 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 Ltd, meets 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 recognises 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 AC, 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 the 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 an 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.

The AGM held on 30 October 2020 was conducted pursuant to COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Due to COVID-19 restriction orders, there was no physical attendance at the AGM and the AGM was conducted by electronic means. Shareholders watched the AGM proceeding through a live webcast or live audio stream by pre-registration. Shareholders could not vote at the AGM held by electronic means and have the appointed Chairman as proxy to vote on their behalf. As shareholders could not ask questions at the AGM conducted by electronic means, shareholders were given the opportunity to submit questions in advance of the AGM. The Company had on 29 October 2020 replied to the relevant and substantial questions submitted by shareholders in advance of the AGM and the said reply was released via SGXNET. In view of the ongoing COVID-19 pandemic, the forthcoming AGM will continue to be held by electronic means.

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 published minutes of the last AGM via SGXNET on 20 November 2020.

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. Subject to approval of members at the forthcoming AGM, the Directors have recommended a final tax exempt (one-tier) dividend of 1.20 cents per ordinary share for the financial year ended 30 June 2021.

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 on SGXNet 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 electronic Annual Report and financial results are disclosed in a timely manner through SGXNET within the mandatory period and the information is also available on the Company's website at www.sakaeholdings.com. The Company does not practice selective disclosure. Information on any new initiative is disseminated via SGXNET, press 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 responds 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.

For more information on the Company's approach to stakeholder engagement and materiality assessment, please refer to the Company's Sustainability Report 2021 which will be available on or before 30 November 2021.

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 2021.

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 to the members together with the audited consolidated financial statements of Sakae Holdings Ltd (the "Company") and its subsidiary corporations (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2021.

In the opinion of the directors:

(i) 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 49 to 133 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 30 June 2021 and of 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 in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors 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 6 July 2020)

Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as follows:

	Number of ordinary shares			
	Shareholdings registered in their own names		Shareholdings in which a director is deemed to have an interest	
	At 1.7.2020	At 30.6.2021	At 1.7.2020	At 30.6.2021
The Company				
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	–	–

There was no change in any of the abovementioned interests in the Company between the end of the financial year and 21 July 2021.

By virtue of Section 7 of the Singapore Companies Act, Douglas Foo Peow Yong is deemed to have an interest in the shares held by the Company in its subsidiary corporations.

Share options

No option to take up unissued shares of the Company or its subsidiary corporations was granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

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

Audit Committee

The members of the Audit Committee during the financial year and at the date of this report are:

Loh Chee Peng (Chairman)
Ngoh York Chao Nicholas
David Pang Kam Wei

The Audit Committee carried out its functions specified in Section 201B(5) of the Companies Act. Their functions are detailed in the Report on Corporate Governance.

The Audit Committee is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Douglas Foo Peow Yong Director	Foo Lilian Director

12 October 2021

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Sakae Holdings Ltd (the "Company") and its subsidiaries (the "Group") as set out on pages 49 to 133 which comprise the statements of financial position of the Group and of the Company as at 30 June 2021, 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 financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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)") 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 30 June 2021 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 financial year ended on that date.

Basis for Qualified Opinion

<u>Corresponding figures</u>

As described in the "*Other Matter*" section of our report, the financial statements for the financial year ended 30 June 2020 were audited by another independent auditor who expressed a qualified opinion on those financial statements.

As a result, our opinion on the current financial year's financial statements of the Group is modified because of the possible effects of the following matters related to the consolidated profit or loss of the previous financial year on the comparability of the current financial year's figures and the corresponding figures:

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

As disclosed in Notes 6 and 15 to the financial statements, the Group has an investment in GREIH and has recognised a fair value gain on equity investment at fair value through profit or loss amounted to $11,147,000 in the previous financial year's consolidated profit or loss. As the fair value of the investment as at 1 July 2019 has not been determined in accordance with SFRS(I) 9 Financial Instruments ("SFRS(I) 9"), the predecessor auditor's opinion on the financial statements for the financial year ended 30 June 2019 was modified accordingly. Since the opening balance as at 1 July 2019 affect the determination of the previous financial year's consolidated profit or loss, the predecessor auditor's opinion on the financial statements for the previous year ended 30 June 2020 was modified in respect of the fair value gain on equity investment at fair value through profit or loss included in "other operating income" amounted to $11,147,000.

(ii) Investment in Gryphon Capital Management Pte. Ltd. ("GCM")

As disclosed in Notes 8 and 15 to the financial statements, the Group has an investment in GCM and has recognised a fair value loss on equity investment at fair value through profit or loss amounting to $369,000 in the previous financial year's consolidated profit or loss. As the management could not determine the fair value of GCM as at 30 June 2019 and 2020 in accordance with SFRS(I) 9, the predecessor auditor's opinion on the financial statements for the financial year ended 30 June 2020 was modified accordingly.

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

During the financial year ended 30 June 2019, the Group has ceased consolidating of one of its subsidiaries, Cocosa Export, as the Group has assessed that it had lost control of Cocosa Export with effect from 31 March 2019. The predecessor auditor's opinion on the financial statements for the financial year ended 30 June 2019 was modified as the predecessor auditor 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 has indeed been lost, and the existence of the gross receivables due from Cocosa Export and the recoverability of those receivables net of the loss allowance; and (b) the existence and recoverability of the receivable due from the non-controlling shareholder of Cocosa Export.

During the previous financial year ended 30 June 2020, a liquidation suit was initiated against Cocosa Export by a bank. Subsequent to end of the previous financial year, Cocosa Export has been placed under liquidation in accordance with a Chilean court order in August 2020. 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 previous financial year's consolidated profit or loss, as disclosed in Note 8 to the financial statements.

Since the opening balances as at 1 July 2019 affect the determination of the previous financial year's consolidated profit or loss, the predecessor auditor's opinion on the financial statements for the previous year ended 30 June 2020 was modified as the predecessor auditor were unable to determine whether adjustments to the previous year's consolidated profit or loss and opening retained earnings might be necessary in respect of the (a) additional loss allowance recognised during the previous financial year ended 30 June 2020 and (b) point in time when control in Cocosa Export was lost.

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

Other Matter

The financial statements for the financial year ended 30 June 2020 were audited by another firm of independent auditors whose report dated 14 October 2020 expressed a qualified opinion on the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as detailed in Note 37 to the financial statements.

Other Information

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

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

In connection with our audit of the 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, 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 financial 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 for Qualified Opinion*, we have determined the matter described below to be the key audit matter to be communicated in our report.

Valuation of leasehold building

Description of key audit matter:

The carrying amount of the Group's and the Company's property, plant and equipment, as disclosed in Note 19 to the financial statements, amounted to $99,866,000 and $$97,495,000 respectively as at 30 June 2021. These represent 84% and 81% of the total assets of the Group and of the Company respectively. Included in property, plant and equipment of the Group and the Company is a leasehold building which is carried at revalued amount of $87,000,000 as at 30 June 2021. The revaluation gain of the leasehold building recognised in other comprehensive income during the financial year amounted to $8,840,000, net of deferred tax liabilities recognised of $1,810,000.

As disclosed in Notes 3(g), 4 and 19 to the financial statements, the leasehold building is revalued based on the valuation performed by independent professional valuer engaged by the management. In determining the valuation of the leasehold building, the valuer has used valuation techniques which involves assumptions and significant unobservable inputs, as set out in Note 19 to the financial statements.

Any significant changes in the key assumptions could result in a significant impact to the fair value of the leasehold building**.**

Our procedures to address the key audit matter:

Our audit procedures in relation of the valuation of the leasehold building included the following:

- obtained an understanding of management's processes for the selection of valuer, the determination of the scope of work of the valuer, and the review and acceptance of the external valuation report and tested the design and implementation of the Group's relevant key controls;
- considered the professional qualifications and competence of the valuer, and read the terms and scope of engagement of the valuer to determine whether there were any matters that might have affected their objectivity or limited the scope of their work;
- discussed with the valuer to obtain an understanding of their work performed, amongst others, the valuation methodology and the key unobservable inputs and assessed appropriateness of assumptions applied; and
- reviewed the adequacy of disclosures in 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the 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 period 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 described 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 and by those subsidiary corporations incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner of the audit resulting in this independent auditor's report is Khor Boon Hong.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

12 October 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2021

	Note	Group 2021 $'000	2020 $'000
Revenue	5	**21,149**	31,372
Cost of sales		**(7,233)**	(12,434)
Gross profit		**13,916**	18,938
Other operating income and gains	6	**9,426**	17,185
Administrative expenses		**(15,183)**	(22,782)
Other operating expenses		**(3,759)**	(7,188)
Impairment loss on trade and other receivables		**(274)**	(5,646)
Impairment loss on goodwill		**(718)**	–
Finance costs			
- Interest on borrowings		**(668)**	(1,346)
- Interest on leases		**(480)**	(583)
Profit/(loss) before tax		**2,260**	(1,422)
Tax credit	7	**57**	822
Profit/(loss) for the financial year	8	**2,317**	(600)
Profit/(loss) attributable to:			
Equity holders of the Company		**2,317**	(600)
Non-controlling interests		**–**	–
		2,317	(600)
Earnings per share *(expressed in cents per share)*			
Basic and diluted	9	**1.66**	(0.43)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2021

	Group	
	2021	2020
	$'000	$'000
Profit/(loss) for the financial year	**2,317**	(600)
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:		
Revaluation of property, plant and equipment, net of tax	**8,840**	13,588
Items that are or may be reclassified subsequently to profit or loss:		
Currency translation differences arising from consolidation	**17**	(4)
Other comprehensive income for the financial year, net of tax	**8,857**	13,584
Total comprehensive income for the financial year	**11,174**	12,984
Total comprehensive income attributable to:		
Equity holders of the Company	**11,174**	12,984
Non-controlling interests	**–**	–
	11,174	12,984

The accompanying notes form an integral part of these financial statements.

		Group		Company	
		2021	2020	**2021**	2020
	Note	**$'000**	$'000	**$'000**	$'000
Current assets					
Cash and bank balances	10	**3,042**	7,142	**841**	4,765
Trade receivables	11	**540**	1,349	**114**	606
Other receivables and prepayments	12	**1,494**	1,977	**229**	417
Inventories	13	**381**	615	**11**	30
Convertible loan note receivable	14	**–**	–	**–**	–
Equity investments at fair value through profit or loss	15	**5**	53	**–**	–
Non-current assets classified as held for sale	16	**4,022**	6,425	**–**	–
Income tax recoverable		**236**	225	**–**	–
Total current assets		**9,720**	17,786	**1,195**	5,818
Non-current assets					
Deposits	12	**64**	457	**–**	–
Subsidiaries	17	**–**	–	**10**	10
Due from subsidiaries	17	**–**	–	**12,000**	12,403
Joint venture	18	**–**	–	**–**	–
Equity investments at fair value through profit or loss	15	**9,840**	9,888	**9,840**	9,888
Property, plant and equipment	19	**99,866**	93,011	**97,495**	88,862
Investment properties	20	**–**	–	**–**	–
Intangible asset	21	**–**	–	**–**	–
Goodwill	22	**–**	716	**–**	–
Total non-current assets		**109,770**	104,072	**119,345**	111,163
Total assets		**119,490**	121,858	**120,540**	116,981
Current liabilities					
Bank loans	23	**28,823**	44,287	**28,453**	43,667
Lease liabilities	24	**1,651**	3,033	**360**	381
Trade payables	25	**1,913**	3,328	**613**	879
Other payables and accruals	26	**3,005**	3,874	**1,144**	1,941
Provisions	27	**338**	420	**50**	84
Due to subsidiaries	17	**–**	–	**16,247**	14,903
Income tax payable		**1**	24	**–**	–
Total current liabilities		**35,731**	54,966	**46,867**	61,855

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
At 30 June 2021

		Group		Company	
		2021	2020	**2021**	2020
	Note	**$'000**	$'000	**$'000**	$'000
Non-current liabilities					
Bank loans	23	**4,271**	–	**4,271**	–
Lease liabilities	24	**10,519**	10,852	**9,758**	9,637
Deferred tax liabilities	28	**12,552**	10,797	**12,552**	10,974
Total non-current liabilities		**27,342**	21,649	**26,581**	20,611
Total liabilities		**63,073**	76,615	**73,448**	82,466
Net assets		**56,417**	45,243	**47,092**	34,515
Equity					
Share capital	29	**10,736**	10,736	**10,736**	10,736
Treasury shares	30	**(892)**	(892)	**(892)**	(892)
Currency translation reserve		**(705)**	(722)	**–**	–
Revaluation reserve	31	**69,008**	60,168	**68,069**	59,229
Accumulated losses		**(21,730)**	(24,047)	**(30,821)**	(34,558)
Equity attributable to equity holders of the Company, total		**56,417**	45,243	**47,092**	34,515
Non-controlling interests		**–**	–	**–**	–
Total equity		**56,417**	45,243	**47,092**	34,515

The accompanying notes form an integral part of these financial statements.

	Attributable to equity holders of the Company							
	Share capital $'000	Treasury shares $'000	Currency translation reserve $'000	Revaluation reserve $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Group								
Balance as at 1 July 2019	10,736	(892)	(718)	46,580	(23,447)	32,259	23	32,282
Total comprehensive income for the financial year								
Loss for the financial 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	–	–	–	–	–	–	(23)	(23)
Balance as at 30 June 2020	10,736	(892)	(722)	60,168	(24,047)	45,243	–	45,243
Total comprehensive income for the financial year								
Profit for the financial year	–	–	–	–	2,317	2,317	–	2,317
Other comprehensive income	–	–	17	8,840	–	8,857	–	8,857
Total	–	–	17	8,840	2,317	11,174	–	11,174
Balance as at 30 June 2021	**10,736**	**(892)**	**(705)**	**69,008**	**(21,730)**	**56,417**	**–**	**56,417**

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 30 June 2021

	Share capital $'000	Treasury shares $'000	Revaluation reserve $'000	Accumulated losses $'000	Total $'000
Company					
Balance as at 1 July 2019	10,736	(892)	45,696	(33,851)	21,689
Total comprehensive income for the financial year					
Loss for the financial year	–	–	–	(707)	(707)
Other comprehensive income	–	–	13,533	–	13,533
Total	–	–	13,533	(707)	12,826
Balance as at 30 June 2020	10,736	(892)	59,229	(34,558)	34,515
Total comprehensive income for the financial year					
Profit for the financial year	–	–	–	3,737	3,737
Other comprehensive income	–	–	8,840	–	8,840
Total	–	–	8,840	3,737	12,577
Balance as at 30 June 2021	**10,736**	**(892)**	**68,069**	**(30,821)**	**47,092**

The accompanying notes form an integral part of these financial statements.

	Group	
	2021	2020
	$'000	$'000
Cash flows from operating activities		
Profit/(loss) before tax	**2,260**	(1,422)
Adjustments for:		
Depreciation of property, plant and equipment	**2,408**	2,193
Depreciation of right-of-use assets	**2,936**	4,625
Depreciation of investment property	**–**	25
Loss on disposal of property, plant and equipment	**148**	329
Gain on disposal of non-current assets classified as held for sale	**(438)**	–
Rental rebate on leases	**(32)**	–
Rental concession	**(914)**	–
Property, plant and equipment written off	**33**	55
Impairment loss on property, plant and equipment written off	**(235)**	–
Impairment loss on property, plant and equipment	**125**	996
Impairment loss on other receivables	**–**	5,609
Impairment loss on trade receivables	**274**	37
Impairment loss on joint venture	**–**	350
Impairment loss on goodwill	**718**	–
Gain on derecognition of subsidiary	**–**	(664)
Write-back of amounts due to related and outside parties	**(44)**	(42)
Write-back of other payables	**–**	(167)
Dividend income from equity investments	**(4)**	(9)
Fair value gain on equity investments in FVTPL, net	**(2,668)**	(10,778)
Provision of reinstatement costs	**–**	44
Unrealised foreign currency exchange (gain)/loss	**(47)**	6
Interest expense	**1,148**	1,929
Interest income	**(3)**	(24)
Operating cash flows before working capital changes	**5,665**	3,092
Trade receivables	**535**	369
Other receivables and prepayments	**920**	1,309
Inventories	**234**	308
Trade payables	**(1,415)**	(93)
Other payables and accruals	**(897)**	1,489
Cash from operations	**5,042**	6,474
Interest paid	**(1,148)**	(1,929)
Interest received	**3**	24
Income tax and withholding taxes (paid)/refunded, net	**(32)**	898
Net cash from operating activities	**3,865**	5,467

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2021

	Note	Group 2021 $'000	Group 2020 $'000
Cash flows from investing activities			
Purchase of property, plant and equipment		**(263)**	(588)
Receipts of partial liquidation proceeds		**2,716**	11,358
Proceeds from disposal of property, plant and equipment		**38**	–
Proceeds from disposal of non-current assets classified as held for sale		**2,895**	–
Dividend income from equity investments		**4**	9
Proceeds from disposal of equity investments at FVTPL		**88**	288
Purchase of equity investments at FVTPL		**(30)**	–
Derecognition of subsidiary		**–**	(35)
Net cash generated from investing activities		**5,448**	11,032
Cash flows from financing activities			
Repayment of leases		**(2,233)**	(4,808)
Proceeds from bank loans		**5,000**	–
Repayment of bank loans		**(15,943)**	(5,263)
Net cash used in financing activities		**(13,176)**	(10,071)
Net (decrease)/increase in cash and cash equivalents		**(3,863)**	6,428
Cash and cash equivalents at beginning of financial year		**6,522**	98
Effects of exchange rate changes on cash and cash equivalents		**13**	(4)
Cash and cash equivalents at end of financial year	10	**2,672**	6,522

The accompanying notes form an integral part of these financial statements.

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

1 Corporate information

The Company (Co. Reg. No. 199604816E) is incorporated and domiciled in Singapore and is listed on the Main Board of Singapore Exchange Securities Trading Limited ("SGX-ST"). The address of its registered office and principal place of business is at 28 Tai Seng Street, Singapore 534106.

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

The principal activities of the subsidiaries and joint venture are disclosed in Notes 17 and 18 respectively.

2 Significant matter

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 financial year ended 30 June 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 21 September 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 30 June 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 financial year ended 30 June 2018.

During the current financial 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 financial year ended 30 June 2018, management has assessed that there will be no impact to the financial statements for the financial year ended 30 June 2021 and 30 June 2020 arising from this matter.

3 Summary of significant accounting policies

a) Basis of preparation

The financial statements are presented in Singapore Dollar ("$"), which is the Company's functional currency and all financial information presented in Singapore Dollars are rounded to the nearest thousand ($'000) except when otherwise indicated. The financial statements have been prepared in accordance with the provisions of the Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

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.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 4.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year. In addition, the Group has adopted the *Amendment to SFRS(I)16 COVID-19 -Related Rent Concessions*. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company except the following:

During the financial year, the Group has elected to adopt the *Amendment to SFRS(I)16: COVID-19 - Related Rent Concessions* which provided practical relief for lessees in accounting for rent concessions. Under the practical expedient, the lessees are not required to assess whether a rent concession is a lease modification and instead are permitted to account for them as if they were not lease modifications, if all of the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
(c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all leases. As a result of applying the practical expedient, rent concessions of $914,000 was recognised as other income in the consolidated profit or loss during the financial year. The amendment has no impact on retained earnings at 1 July 2020.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 30 June 2021 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

b) 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.

Sales to customers are made with a credit term of 30 days.

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.

c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

The financial statements of the parent and its subsidiaries used in the preparation of the consolidated financial statements are prepared as of the same reporting date. When the reporting dates of the parent and a subsidiary are different, the subsidiary prepares, for consolidation purposes, additional financial statements as of the same date as the financial statements of the parent unless it is impracticable to do so.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 3(f). In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Contingent consideration transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration (other than measurement period adjustment) are recognised in profit or loss.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis prescribed by SFRS(I) appropriate for the specific circumstances.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and any corresponding gain or loss, if any, is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (ie transactions with owners in their capacity as owners). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Company.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

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

e) Joint ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investments in joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

Distributions received from joint ventures are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Where a group entity transacts with a joint venture of the Group, unrealised gains are eliminated to the extent of the Group's interest in the relevant joint venture. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred.

In the Company's financial statements, investments in joint ventures are carried at cost less accumulated impairment loss, if any. On disposal of investment in joint ventures, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

f) Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

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

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 the carrying amount of the unit, 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 subsequent periods.

On disposal of a subsidiary, associated company or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of associate and joint venture is described in Note 3(e).

g) Property, plant and equipment

Land and buildings are initially recorded at cost. Freehold land are subsequently stated at revalued amount less accumulated impairment losses. Building and leasehold land are subsequently carried at revalued amounts less accumulated depreciation and accumulated impairment losses. Their fair values are determined by an independent professional valuer every financial year and whenever their carrying amounts are likely to differ materially from their fair values.

Other property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset. Any increase in the carrying amount arising from revaluation is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognised as an expense. In these circumstances the increase is recognised as income to the extent of the previous write down. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense unless it reverses a previous surplus relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset.

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

Depreciation

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 financial 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.

h) 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.

i) Impairment of non-financial assets excluding goodwill

At each reporting date, the Group assesses the carrying amounts of its non-financial 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 of disposal 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.

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.

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 increased 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 previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

j) 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.

k) Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

The assets are not depreciated or amortised while they are classified as held for sale.

l) 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. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

m) Leases

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 within plant, property and equipment 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.

The Group as lessor

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.

n) Income taxes

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current financial year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous financial years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the financial year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

o) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

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

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss (“FVTPL”).

The classification is based on the entity’s business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

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

Subsequent measurement

Debt instruments

Debt instruments include cash and cash equivalents and trade and other receivables (excluding prepayments, advance payment to suppliers and tax recoverable). The subsequent measurement categories, depending on the Group's business model for managing the asset and cash flow characteristics of the asset are as follows:

Amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other operating income".

On disposal of an equity investment, the difference between the carrying amount and sales proceed amount would be recognised in profit or loss. Dividends from equity investments are recognised in profit or loss and presented in "other operating income".

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset 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 12-month ECL at the current reporting date.

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

Offset

Financial assets and liabilities are offset and the net amount presented on the statement of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

p) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of changes in value and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and excludes pledged deposits.

q) Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than fair value through profit or loss, directly attributable transaction costs.

Subsequent to initial recognition, financial liabilities not at fair value through profit or loss and other than financial guarantees are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. A financial liability is derecognised when the obligation under the liability is extinguished.

r) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

s) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

t) Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statements of financial position of the Group and the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

u) Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in the profit or loss using the effective interest method.

v) Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

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.

w) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates ('the functional currency'). The financial statements of the Group and the Company are presented in Singapore Dollar, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (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 a separate component of equity under the header Currency Translation Reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

x) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the grant is presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset and is recognised in profit or loss over the life of the depreciable asset as a reduced depreciation expense.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

y) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, 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.

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:

Going concern assumption

As at 30 June 2021, the Group and Company have net current liabilities of $26,011,000 (2020: $37,180,000) and $45,672,000 (2020: $56,037,000) respectively. The Group and the Company have total bank borrowings of $33,094,000 (2020: $44,287,000) and $32,724,000 (2020: $43,667,000) as at 30 June 2021 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 30 June 2021, the Group has met the financial covenants as stipulated by the bank.

The Group has adopted short term bank borrowings as part of its cash management, due to its flexibility and low interest rates. Current liabilities including short term bank borrowings, are fully secured against the Group's leasehold building in Singapore, last valued at $87,000,000 as at 30 June 2021. Accordingly, the Group will be able to continue to roll over its short-term revolving bank borrowings and such credit facilities from the Group's lenders will continue to be available.

Based on the Group's cash flow forecast up to September 2022 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 2022 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.

(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 2022. At the end of the reporting period, the Group and the Company have short-term revolving bank loans of $27.1 million (2020: $42.3 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 2021 for 1 month. As at 30 June 2021, the Group also has committed unutilised credit facilities of $20.4 million (2020: $5.2 million);

(c) The Group is expected to receive $3,673,000 for its proposed disposal of certain properties in Malaysia and the transaction is expected to be completed in the next few months.

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.

Valuation of leasehold building

As described in Note 19, the Group's leasehold building is 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 valuation techniques 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 to exercise the option to extend the lease for another 30 years beyond the original lease term of 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. The revaluation gain of the leasehold building recognised in other comprehensive income during the financial year amounted to $8,840,000 (2020: $13,588,000), net of deferred tax liabilities recognised of $1,810,000 (2020: $2,739,000). As at 30 June 2021, the carrying amount of the building was $87.0 million (2020: $78.0 million).

The fair value of the Group's leasehold building is disclosed in Note 19.

Fair value measurements and valuation process

The Group's assets and liabilities as disclosed in Notes 15, 19 and 34(b) 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 15 and 19 respectively.

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 11 and 12 respectively.

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 has assessed 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 19.

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(g), 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 19.

5 Revenue

	Group	
	2021	2020
	$'000	$'000
Types of goods and services		
Food and beverage sales	**19,228**	27,867
Rendering of services	**1,921**	3,505
Total	**21,149**	31,372
Timing of revenue recognition		
At a point in time	**21,149**	31,372

6 Other operating income and gains

	Group	
	2021	2020
	$'000	$'000
Interest income	**3**	24
Rental income	**2,805**	3,138
Rental concession	**914**	626
Rental rebate on leases	**32**	–
Government grants income*	**1,263**	1,303
Foreign currency exchange gain	**74**	3
Write back of amount due to outside parties	**3**	15
Write back of amount due to related parties	**41**	27
Gain on derecognition of a subsidiary	**–**	664
Gain on disposal of assets classified as held for sale	**438**	–
Fair value gains on equity investments at fair value through profit or loss	**2,668**	11,147
Dividend income on equity investments at fair value through profit or loss	**4**	9
Proceeds from claim settlement	**823**	–
Others	**358**	229
Total	**9,426**	17,185

* Included in government grant income is an amount of $730,000 (2020: $430,000) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). Under the JSS, the Singapore Government co-funded gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees during the period of economic uncertainty. In determining the recognition of the JSS grant income, management has evaluated and concluded that the period of economic uncertainty commenced in April 2020 when the COVID-19 pandemic started affecting the Group's operations.

7 Tax credit

Tax credit attributable to profit/(loss) is made up of:

	Group	
	2021	2020
	$'000	$'000
Current income tax	**3**	(58)
Deferred tax (Note 28)	**(60)**	(764)
	(57)	(822)

The income tax credit on the results of the financial year differs from the amount of income tax determined by applying the Singapore standard rate of income tax due to the following factors:

	Group	
	2021	2020
	$'000	$'000
Profit/(loss) before tax	**2,260**	(1,422)
Tax calculated at a tax rate of 17% (2020: 17%)	**384**	(242)
Income not subject to tax	**(1,348)**	(1,778)
Expenses not deductible for tax purposes	**1,237**	907
Utilisation of tax losses not recognised as deferred tax asset previously	**(161)**	–
Tax rebates and incentives	**(18)**	(208)
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	**(100)**	(289)
Effect of unused tax losses not recognised as deferred tax assets	**(48)**	802
Others	**(3)**	(14)
	(57)	(822)

Unrecognised tax losses, capital allowances and other temporary differences

As at 30 June 2021, the Group has tax losses of approximately $10,848,000 (2020: $14,437,000) 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.

8 Profit/(loss) for the financial year

	Group	
	2021	2020
	$'000	$'000
Profit for the financial year is arrived at after charging/(crediting):		
Directors' remuneration	**975**	1,021
Remuneration paid to immediate family members of the Chief Executive Officer	**161**	168
Directors' fees	**85**	85
Audit fees:		
- Paid/payable to auditors of the Company	**104**	270
- Paid/payable to other auditors	**60**	62
Non-audit fees:		
- Paid/payable to auditors of the Company	**–**	–
- Paid/payable to other auditors	**35**	358
Employee benefits expense (including directors' remuneration)	**8,439**	12,689
Defined contribution plan (included in employee benefits expense)	**609**	944
Cost of inventories recognised as expense	**7,233**	11,964
Rental expenses (as included in "other operating expenses")	**847**	1,972
Impairment loss on trade receivables	**274**	37
Impairment loss on other receivables	**–**	5,609
Write-back of other payables	**–**	(167)
Provision for reinstatement costs	**–**	44
Depreciation of property, plant and equipment	**2,408**	2,193
Depreciation of right-of-use-assets	**2,936**	4,625
Depreciation of investment properties	**–**	25
Write-off of property, plant and equipment	**33**	55
(Reversal of impairment)/Impairment loss on property, plant and equipment	**(119)**	996
Impairment loss on right-of-use assets	**9**	–
Impairment loss on joint venture	**–**	350
Impairment loss on goodwill	**718**	–
Loss on disposal of property, plant and equipment, net	**148**	329
Fair value loss on equity investment at FVTPL	**–**	369

9 Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group	
	2021	2020
	$'000	$'000
Profit/(loss) attributable to equity holders of the Company ($'000)	**2,317**	(600)
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	**139,472**	139,472
Basic and diluted earnings per share (cents per share)	**1.66**	(0.43)

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

10 Cash and cash equivalents

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Cash at bank	**3,027**	7,124	**838**	4,763
Cash on hand	**15**	18	**3**	2
Cash and bank balances	**3,042**	7,142	**841**	4,765
Less: bank overdrafts	**(370)**	(620)	**–**	–
Cash and cash equivalents in consolidated statement of cash flow	**2,672**	6,522	**841**	4,765

11 Trade receivables

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Outside parties	**861**	1,412	**342**	589
Less: allowance for impairment loss	**(332)**	(99)	**(239)**	(19)
	529	1,313	**103**	570
Related parties	**77**	102	**77**	102
Less: allowance for impairment loss	**(66)**	(66)	**(66)**	(66)
	11	36	**11**	36
	540	1,349	**114**	606

Movements in allowance for impairment loss on trade receivables are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
At 1 July	**165**	1,027	**85**	975
Addition during the financial year – simplified approach	**274**	37	**220**	–
Allowance written off during the financial year	**(41)**	(899)	**–**	(890)
	398	165	**305**	85

12 Other receivables and prepayments

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Other receivables	**7,588**	7,507	**6,098**	6,094
Less: allowance for impairment loss	**(7,405)**	(7,471)	**(6,078)**	(6,078)
	183	36	**20**	16
Amount due from related party	**1,337**	1,337	**1,337**	1,337
Less: allowance for impairment loss	**(1,337)**	(1,337)	**(1,337)**	(1,337)
Deposits	**1,278**	1,657	**209**	401
Prepayments	**33**	279	**–**	–
Amount due from shareholder	**–**	5	**–**	–
Total Current	**1,494**	1,977	**229**	417
Deposits - Non-current	**64**	457	**–**	–
Total	**1,558**	2,434	**229**	417

Movements in allowance for impairment loss on other receivables are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
At beginning of the financial year	**8,808**	3,199	**7,415**	3,199
Addition during the financial year				
- lifetime ECL	**–**	5,609	**–**	4,216
Exchange differences	**(66)**	–	**–**	–
At the end of the financial year	**8,742**	8,808	**7,415**	7,415

Related party refers to non-controlling interests of a subsidiary.

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.

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.

13 Inventories

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Inventories	**6,076**	6,310	**11**	30
Less: allowance for inventory obsolescence	**(5,695)**	(5,695)	**–**	–
	381	615	**11**	30
Commodities	**5,695**	5,695	**–**	–
Less: allowance for inventory obsolescence	**(5,695)**	(5,695)	**–**	–
Beverages and food supplies	**293**	518	**8**	21
Non-food supplies	**60**	66	**3**	9
Merchandise	**28**	31	**–**	–
	381	615	**11**	30

Based on management's assessment, an allowance amount has been determined by the Group based on the estimates made. As of June 30, 2021, the total allowance for inventory obsolescence amounted to $5,695,000 (2020: $5,695,000).

14 Convertible loan note receivable

	Group and Company	
	2021	2020
	$'000	$'000
Convertible loan note	**1,017**	1,017
Less: allowance for impairment loss	**(1,017)**	(1,017)
	–	–

The unsecured convertible loan note which bore interest of 6% per annum, payable quarterly, was subscribed on 25 September 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. 24 September 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 20 May 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 20 May 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 30 June 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 27 April 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.

15 Equity investments at fair value through profit or loss

Presented as current assets:

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Quoted equity shares, at fair value	**5**	53	**–**	–

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.

Presented as non-current assets:

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Unquoted equity shares, at fair value	**9,840**	9,888	**9,840**	9,888

Investments in unquoted equity shares relate to the following:

	Proportion of ownership interest %	Country of incorporation
Under liquidation:		
Griffin Real Estate Investment 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 30 June 2018. As of 1 July 2018, the Group reclassified the available-for-sale investments to equity investments at fair value through profit or loss following its adoption of SFRS(I) 9 Financial Instruments.

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

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

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Balance at the beginning of the financial year	**9,888**	10,468	**9,888**	6,792
Receipts of partial liquidation proceeds	**(2,716)**	(11,358)	**(2,716)**	(11,358)
Fair value gains for the financial year (Note 6)	**2,668**	11,147	**2,668**	14,823
Fair value losses for the financial year (Note 8)	**–**	(369)	**–**	(369)
Balance at the end of the financial year	**9,840**	9,888	**9,840**	9,888

During the current financial year, the Group received partial returns of capital from the liquidator of GREIH of $2,716,000 (2020: $8,148,000 and $3,210,000) in December 2020 (2020: September 2019 and May 2020).

16 Non-current assets classified as held for sale

	Group	
	2021	2020
	$'000	$'000
<u>Properties held for sale</u>		
Balance at the beginning of the financial year	**6,425**	–
Reclassified from property, plant and equipment	**–**	3,640
Reclassified from investment properties	**–**	2,785
Disposal	**(2,457)**	–
Exchange differences	**54**	–
Balance at the end of the financial year	**4,022**	6,425

Following the approval of the disposal mandate by shareholders on 20 April 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 previous financial year and presented separately in the consolidated statement of financial position.

Details of the non-current assets classified as held for sale as at 30 June 2021 are as follows:

Name of property	Description	Tenure	Existing use	Strata gross floor area	Group's interest in property 2021	Group's interest in property 2020
No. 3 Jalan Udang Harimau 2 Medan Niaga Kepong 51200 Kuala Lumpur Malaysia – "Property 1"	2½ storey commercial boutique bungalow	Freehold	Property rental	899 sqm	0%	100%
No. B4 Garden Shoppe @ One City Jalan USJ 25/1A 47650 Subang Jaya Selangor Darul Ehsan Malaysia – "Property 2"	An intermediate four-storey shop-office building	Freehold	Property rental	163.5 sqm	0%	100%
Surian Residences Condominium Jalan PJU 7/15 Mutiara Damansara 47810 Petaling Jaya Selangor Darul Ehsan Malaysia – "Property 3"	One condominium unit (with 2 carparks)	Freehold	Property rental	194 sqm	100%	100%
No. 7 Jalan Udang Harimau 2 Medan Niaga Kepong 51200 Kuala Lumpur Malaysia – "Property 4"	2½ storey commercial boutique bungalow	Freehold	Office premises	1,604 sqm	100%	100%

Property 1 and 2 have been sold off during the year and a gain of $438,000 was recognised in the consolidated profit or loss.

The Group's management and directors have reassessed and are satisfied that the Property 3 and Property 4 continue to meet the criteria to be classified as held for sale in accordance with *SFRS(1) 5 Non-current assets held for sale and discontinued operations*.

For Property 3, it is being actively marketed and at a price that is reasonable in relations to its fair value since the date of reclassification to non-current asset held for sale in financial year 2020. The sale has not been completed as at the end of the reporting period.

For Property 4, there is a firm purchase commitment for the property as at 30 June 2021. Subsequent to year end on 22 September 2021, the Group has entered into a sale and purchase agreement with Seafood Island Malaysia Sdn. Bhd. for Property 4 for a total cash consideration of approximately $3,673,000 (Note 38).

17 Subsidiaries

	Company	
	2021	2020
	$'000	$'000
Unquoted equity shares, at cost	**364**	364
Less: allowance for impairment loss	**(354)**	(354)
	10	10
Due from subsidiaries	**35,477**	37,511
Less: allowance for impairment loss	**(23,477)**	(25,108)
	12,000	12,403
Due to subsidiaries	**16,247**	14,903

Amounts due from subsidiaries are interest-free, have no fixed repayment terms and they are not expected to be repaid within the next 12 months. The receivables are carried at cost as the timing of the future cash flows cannot be estimated reliably and as such, it is not practical to determine the fair values of the receivables with sufficient reliability.

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

	Company	
	2021	2020
	$'000	$'000
Balance at the beginning of the financial year	**25,108**	18,407
Impairment loss recognised in profit and loss – Lifetime ECL	**–**	7,179
Reversal of provision of impairment	**–**	(478)
Allowance for impairment written off	**(1,631)**	–
Balance at the end of the financial year	**23,477**	25,108

The amount of $1,631,000 (2020: $nil) was written off during the financial year as these pertains to amounts owing from indirect subsidiaries which were struck off during the financial year.

Details of the Group's significant subsidiaries as at June 30, 2021, and 2020 are as follows:

Name of subsidiary (Country of incorporation)	Principal activities	Group's effective equity interest held 2021 %	2020 %
Held by the Company			
Apex-Pal Investment Pte. Ltd. * (Singapore)	Investment holding	**100**	100
Sakae Corporate Advisory Pte. Ltd. * (Singapore)	Provision of corporate advisory services	**100**	100
Held by Apex-Pal Investment Pte. Ltd.			
Alliance Support Services Pte. Ltd. * (Singapore)	Provision of cleaning services	**100**	100
Apex-Pal Malaysia Sdn. Bhd. ** (Malaysia)	Operation of restaurants, kiosks and cafes	**100**	100
Apex-Pal F&B (Beijing) Ltd *** (People's Republic of China)	Dormant	**100**	100
Apex-Pal (Chengdu) Co. Ltd. *** (People's Republic of China)	Operation of restaurants, kiosks and cafes	**100**	100
Nouvelle Events Sdn. Bhd. ** (Malaysia)	Investment property holding	**100**	100

Name of subsidiary (Country of incorporation)	Principal activities	Group's effective equity interest held 2021 %	2020 %
Swift Equity Sdn. Bhd. ** (Malaysia)	Investment property holding	**100**	100
Oishi Sushi Pte. Ltd. @ (Singapore)	Operation of restaurants, kiosks and cafes	–	100
Sakae Kyo Pte. Ltd. * (Singapore)	Operation of restaurants, kiosks and cafes	**100**	100
Sakae Sushi (Scape) Pte. Ltd. @ (Singapore)	Operation of restaurants, kiosks and cafes	–	100
Sakae Sushi (J8) Pte. Ltd. * (Singapore)	Operation of restaurants, kiosks and cafes	**100**	100
Yummy Venture Pte. Ltd. @ (Singapore)	Operation of restaurants, kiosks and cafes	–	100
Hei Restaurants Chain Pte. Ltd. * (Singapore)	Operation of restaurants, kiosks and cafes	**100**	100
Sakae Global Resources Pte. Ltd. * (Singapore)	General wholesale trading	**100**	100

Name of subsidiary (Country of incorporation)	Principal activities	Group's effective equity interest held 2021 %	2020 %
Nouvelle Events Holdings Pte. Ltd. * (Singapore)	Providing cold storage warehousing and logistics services	**100**	100
Held by Sakae Global Resources Pte. Ltd.			
Cocosa Holdings Pte. Ltd. * (Singapore)	Investment holding	**51**	51
Cocosa Asia Pte. Ltd. * (Singapore)	Trading in canned and frozen seafood products	**51**	51
Held by Sakae Corporate Advisory Pte. Ltd.			
Sakae Fintech Pte. Ltd. * (Singapore)	Provision of corporate advisory services, dormant	**100**	100
Sakae Capital Pte. Ltd. * (Singapore)	Sale of commodity goods, dormant	**100**	100

* Audited by Baker Tilly TFW LLP
** Audited by Baker Tilly in Malaysia, independent member firm of Baker Tilly International
*** Not required to be audited
@ Struck off during the financial year

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

18 Joint venture

	Group	
	2021	2020
	$'000	$'000
Cost of investment in joint venture	**350**	350
Less: allowance for impairment loss	**(350)**	(350)
Net	**–**	–

Details of the Group's joint ventures as at June 30, 2021, and 2020 are as follows:

Name of joint venture (Country of incorporation)	Principal activities	Group's effective equity interest held 2021 %	2020 %
Held by the Company			
Novitee Pte. Ltd. (Singapore)	Provision of software consultancy and development services	**40**	40
Held by Novitee Pte. Ltd.			
Balanced Consultancy Pte. Ltd. (Singapore)	Provision of software consultancy and development services	**40**	40
Jerisys Pte. Ltd. (Singapore)	Provision of software consultancy and development services	**40**	40

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 the previous financial year, the Group has made an impairment charge equivalent to the full carrying amount of its cost of investments in the Joint Venture due to the persistent losses made by the Joint Venture.

19 Property, plant and equipment

Group	Freehold land $'000	Building on freehold land $'000	Leasehold building $'000	Leasehold land $'000	Outlet Premises $'000	Restaurant equipment $'000	Renovation $'000	Furniture, and fittings $'000	Computers $'000	Motor vehicles $'000	Office equipment $'000	Construction in-progress $'000	Total $'000
Cost or valuation													
At 1.7.2019	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	–	–	–	8,774	9,972	–	–	–	–	–	–	–	18,746
Reclassifications	–	–	–	–	239	80	(18)	237	–	–	–	(538)	–
Reclassification to non-current assets classified as held for sale	(2,505)	(1,135)	–	–	–	–	–	–	–	–	–	–	(3,640)
Additions	–	–	–	–	–	26	97	4	25	–	1	435	588
Disposals	–	–	–	–	–	(1,800)	(933)	(827)	(310)	–	–	–	(3,870)
Written-off	–	–	–	–	–	(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 30.6.2020	–	–	78,000	8,774	10,179	8,821	6,806	4,068	2,496	1,574	230	–	120,948
Remeasurement of lease liability	–	–	–	517	–	–	–	–	–	–	–	–	517
Modification of lease	–	–	–	–	(2,181)	–	–	–	–	–	–	–	(2,181)
Additions	–	–	–	–	983	63	181	8	11	–	–	–	1,246
Disposals	–	–	–	–	–	(175)	(100)	(128)	(34)	–	–	–	(437)
Written-off	–	–	–	–	(1,213)	(806)	(519)	(651)	(242)	–	(3)	–	(3,434)
Eliminated on revaluation	–	–	(1,650)	–	–	–	–	–	–	–	–	–	(1,650)
Revaluation increase	–	–	10,650	–	–	–	–	–	–	–	–	–	10,650
Exchange differences	–	–	–	–	(19)	(12)	38	5	(9)	–	(2)	–	1
At 30.6.2021	–	–	87,000	9,291	7,749	7,891	6,406	3,302	2,222	1,574	225	–	125,660

Group	Freehold land $'000	Building on freehold land $'000	Leasehold building $'000	Leasehold land $'000	Outlet Premises $'000	Restaurant equipment $'000	Renovation $'000	Furniture, and fittings $'000	Computers $'000	Motor vehicles $'000	Office equipment $'000	Construction in-progress $'000	Total $'000
Comprising													
At 30.6.2021													
At cost	–	–	–	9,291	7,749	7,891	6,406	3,302	2,222	1,574	225	–	38,660
At valuation	–	–	87,000	–	–	–	–	–	–	–	–	–	87,000
At 30.6.2021	–	–	87,000	9,291	7,749	7,891	6,406	3,302	2,222	1,574	225	–	125,660
At 30.6.2020													
At cost	–	–	–	8,774	10,179	8,821	6,806	4,068	2,496	1,574	230	–	42,948
At valuation	–	–	78,000	–	–	–	–	–	–	–	–	–	78,000
At 30.6.2020	–	–	78,000	8,774	10,179	8,821	6,806	4,068	2,496	1,574	230	–	120,948
Accumulated depreciation													
At 1.7.2019	–	–	–	–	–	10,207	6,894	4,276	3,153	1,452	226	–	26,208
Depreciation	–	27	1,305	182	4,443	339	285	139	42	56	–	–	6,818
Disposals	–	–	–	–	–	(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 30.6.2020	–	–	–	182	4,430	8,332	5,881	3,521	2,426	1,510	226	–	26,508
Depreciation	–	–	1,650	185	2,751	178	388	92	53	46	1	–	5,344
Disposals	–	–	–	–	–	(111)	(42)	(61)	(34)	–	–	–	(248)
Modification of lease	–	–	–	–	(1,898)	–	–	–	–	–	–	–	(1,898)
Write-offs	–	–	–	–	(1,054)	(785)	(513)	(641)	(242)	–	(3)	–	(3,238)
Eliminated on revaluation	–	–	(1,650)	–	–	–	–	–	–	–	–	–	(1,650)
Exchange differences	–	–	–	–	(14)	(11)	25	(1)	(9)	–	(1)	–	(11)
At 30.6.2021	–	–	–	367	4,215	7,603	5,739	2,910	2,194	1,556	223	–	24,807

Group	Freehold land $'000	Building on freehold land $'000	Leasehold building $'000	Leasehold land $'000	Outlet Premises $'000	Restaurant equipment $'000	Renovation $'000	Furniture, and fittings $'000	Computers $'000	Motor vehicles $'000	Office equipment $'000	Construction in-progress $'000	Total $'000
Accumulated impairment													
At 1.7.2019	–	–	–	–	–	6	303	177	–	–	–	–	486
Impairment loss during the financial year	–	–	–	–	670	126	113	87	–	–	–	–	996
Write-offs	–	–	–	–	–	(2)	(47)	(1)	–	–	–	–	(50)
Exchange differences	–	–	–	–	–	(1)	(1)	(1)	–	–	–	–	(3)
At 30.6.2020	–	–	–	–	670	129	368	262	–	–	–	–	1,429
Impairment loss during the financial year	–	–	–	–	9	37	42	37	–	–	–	–	125
Modification of lease	–	–	–	–	(192)	–	–	–	–	–	–	–	(192)
Write-offs	–	–	–	–	(159)	(86)	(68)	(81)	–	–	–	–	(394)
Exchange differences	–	–	–	–	(1)	(1)	12	9	–	–	–	–	19
At 30.6.2021	–	–	–	–	327	79	354	227	–	–	–	–	987
Carrying amount													
At 30.6.2021	–	–	87,000	8,924	3,207	209	313	165	28	18	2	–	99,866
At 30.6.2020	–	–	78,000	8,592	5,079	360	557	285	70	64	4	–	93,011

Company	Leasehold building $'000	Leasehold land $'000	Outlet premises $'000	Restaurant equipment $'000	Renovation $'000	Furniture, and fittings $'000	Computers $'000	Motor vehicles $'000	Office equipment $'000	Total $'000
Cost or valuation										
At 1.7.2019	63,000	–	–	5,288	3,258	1,641	1,788	1,532	166	76,673
Adoption of SFRS(I) 16	–	8,774	2,549	–	–	–	–	–	–	11,323
Additions	–	–	–	–	–	–	3	–	–	3
Disposals	–	–	–	(45)	(151)	(58)	(44)	–	–	(298)
Written-off	–	–	–	(708)	(412)	(100)	(492)	–	–	(1,712)
Eliminated on revaluation	(1,305)	–	–	–	–	–	–	–	–	(1,305)
Revaluation increase	16,305	–	–	–	–	–	–	–	–	16,305
At 30.6.2020	78,000	8,774	2,549	4,535	2,695	1,483	1,255	1,532	166	100,989
Additions	–	517	–	–	–	–	5	–	–	522
Disposals	–	–	(424)	(113)	(409)	–	(19)	(2)	–	(967)
Eliminated on revaluation	(1,650)	–	–	–	–	–	–	–	–	(1,650)
Revaluation increase	10,650	–	–	–	–	–	–	–	–	10,650
At 30.6.2021	87,000	9,291	2,125	4,422	2,286	1,483	1,241	1,530	166	109,544
Comprising										
At 30.6.2021										
At cost	–	9,291	2,125	4,422	2,286	1,483	1,241	1,530	166	22,544
At valuation	87,000	–	–	–	–	–	–	–	–	87,000
At 30.6.2021	87,000	9,291	2,125	4,422	2,286	1,483	1,241	1,530	166	109,544
At 30.6.2020										
At cost	–	8,774	2,549	4,535	2,695	1,483	1,255	1,532	166	22,989
At valuation	78,000	–	–	–	–	–	–	–	–	78,000
At 30.6.2020	78,000	8,774	2,549	4,535	2,695	1,483	1,255	1,532	166	100,989

Company	Leasehold building $'000	Leasehold land $'000	Outlet premises $'000	Restaurant equipment $'000	Renovation $'000	Furniture, and fittings $'000	Computers $'000	Motor vehicles $'000	Office equipment $'000	Total $'000
Accumulated depreciation										
At 1.7.2019	–	–	–	5,031	2,801	1,637	1,719	1,409	166	12,763
Depreciation	1,305	182	688	131	191	4	24	59	–	2,584
Disposals	–	–	–	(45)	(152)	(60)	(43)	–	–	(300)
Written-off	–	–	–	(665)	(363)	(99)	(492)	–	–	(1,619)
Eliminated on revaluation	(1,305)	–	–	–	–	–	–	–	–	(1,305)
At 30.6.2020	–	182	688	4,452	2,477	1,482	1,208	1,468	166	12,123
Depreciation	1,650	185	378	57	105	1	48	46	–	2,470
Disposals	–	–	(424)	(104)	(351)	(1)	(18)	–	–	(898)
Eliminated on revaluation	(1,650)	–	–	–	–	–	–	–	–	(1,650)
At 30.6.2021	–	367	642	4,405	2,231	1,482	1,238	1,514	166	12,045
Accumulated impairment										
At 1.7.2019	–	–	–	6	47	1	–	–	–	54
Impairment loss during the financial year	–	–	–	(2)	(47)	(1)	–	–	–	(50)
At 30.6.2020	–	–	–	4	–	–	–	–	–	4
Impairment loss during the financial year	–	–	–	–	–	–	–	–	–	–
At 30.6.2021	–	–	–	4	–	–	–	–	–	4
Carrying amount										
At 30.6.2021	87,000	8,924	1,483	13	55	1	3	16	–	97,495
At 30.6.2020	78,000	8,592	1,861	79	218	1	47	64	–	88,862

(i) Included in property, plant and equipment are right-of-use assets of $12,131,000 (2020: $13,671,000) (Note 24).

(ii) Non-cash transactions

	Group	
	2021	2020
	$'000	$'000
Aggregate cost of property, plant and equipment acquired	1,246	588
Less: acquired under lease arrangement (Note 23)	(983)	–
Net cash outflow for purchase of property, plant and equipment	263	588

(iii) The Group has pledged the leasehold building with carrying amount of $87.0 million (2020: $78.0 million) to secure the bank loans as disclosed in Note 23.

(iv) The leasehold building was stated at valuation based on the market valuation as at 30 June 2021 as determined by RHT Chestertons Valuation and Advisory Pte Ltd (2020: 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 financial year. The net revaluation surplus, after related deferred tax provision, amounted to $8,840,000 (2020: $13,533,000) 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 $9.3 million (2020: $9.9 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% (2020: 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.

(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 impairment loss of $125,000 in the current period (2020: $996,000) recognised in profit or loss due to loss-making outlets. The recoverable amount of the property, plant and equipment are determined from value-in-use calculations. The key assumptions for the value-in-use calculation are growth rates and discount rates during the period. Management estimates discount rate using pre-tax rate of 13.8% that reflect current market assessment of time value of money and risk specific to the cash generating unit. The growth rates are based past performances and management's assessment of future trends and developments in the market. Based on the value-in-use calculations an impairment amount of $125,000 was recognised in the current financial year.

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 leasehold building and information about the fair value hierarchy are as follows:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group and Company				
2021				
Leasehold building	–	–	87,000	87,000
2020				
Leasehold building	–	–	78,000	78,000

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

Description	Fair Value		Valuation technique	Significant unobservable input	Range	
	2021 $'000	2020 $'000			2021 $'000	2020 $'000
Singapore						
Leasehold Building	87,000	78,000	Comparable sales method	Price per square metre *	$4,463	$3,991

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

<u>Valuation process applied by the Group</u>

The fair values of property, plant and equipment – leasehold building are determined by external, independent property valuers, having appropriate professional qualifications and experience in the category of property being valued at the end of every financial year. For valuation performed by external valuers, management considers the appropriateness of the valuation technique and assumptions applied by the external valuers. The valuation reports and changes in fair value measurements are analysed and reported to the Group's Chief Financial Officer regularly. Significant valuation issues are reported to the Audit Committee.

20 Investment properties

	Freehold land $'000	Building on freehold land $'000	Freehold properties $'000	Total $'000
Group				
Cost:				
At 30 June 2019	1,088	489	1,373	2,950
Reclassification to non-current assets classified as held for sale (Note 16)	(1,088)	(489)	(1,373)	(2,950)
At 30 June 2020	–	–	–	–
Accumulated depreciation:				
At 30 June 2019	–	56	84	140
Depreciation	–	10	15	25
Reclassification to non-current assets classified as held for sale (Note 16)	–	(66)	(99)	(165)
At 30 June 2020	–	–	–	–
Carrying amount:				
At 30 June 2020	–	–	–	–

In the previous financial year, the investment properties have been reclassified to non-current assets classified as held for sale (Note 16)

21 Intangible assets

	Development cost $'000
Group	
Cost:	
At 01 July 2019, 30 June 2020 and 30 June 2021	322
Accumulated amortisation:	
At 01 July 2019, 30 June 2020 and 30 June 2021	–
Accumulated impairment:	
At 01 July 2019, 30 June 2020 and 30 June 2021	322
Net carrying amount:	
At 30 June 2020 and 30 June 2021	–

22 Goodwill

	Group	
	2021 **$'000**	2020 $'000
At the beginning of the financial year	**716**	720
Impairment loss during the financial year	**(718)**	–
Exchange differences	**2**	(4)
At the end of the financial year	**–**	716

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	
	2021 **$'000**	2020 $'000
Apex-Pal (Malaysia) Sdn Bhd	**–**	716

Impairment test for 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 15% (2020: 13%) 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.

Full impairment on the goodwill of $718,000 (2020: $nil) has been recognised in the current financial year as the CGU has been making persistent losses for the past years.

23 Bank loans

	Group		**Company**	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Loan A (1) (Secured)	**614**	1,377	**614**	1,377
Loan A (2) (Secured)	**27,110**	42,290	**27,110**	42,290
Loan B	**5,000**	–	**5,000**	–
Bank overdrafts	**370**	620	**–**	–
Total borrowings	**33,094**	44,287	**32,724**	43,667
Presented on the statements of financial position:				
Non-current	**4,271**	–	**4,271**	–
Current	**28,823**	44,287	**28,453**	43,667
	33,094	44,287	**32,724**	43,667

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 19(iii)). The bank loan carries variable interest at rates ranging between 1.51% and 1.54% (2020: 1.51% 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 $614,000 (2020: $1,377,000) 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 $27,110,000 (2020: $42,290,000) bear fixed interests at rates ranging from 1.61% to 1.71% (2020: 1.61% to 2.26%) per annum and are renewable upon maturity for one to three months (2020: one to three months).

The Group has pledged the leasehold building (Note 19(iii)) with carrying amount of $87 million (2020: $78 million) to secure the bank loans A (1) and A (2).

Loan B A 5-year Temporary Bridging Loan under Enterprise Financing Scheme is unsecured with fixed interest rate at 2.15% per annum.

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

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Borrowings	**Lease liabilities (Note 24)**	**Total**
	$'000	**$'000**	**$'000**
Balance at 1 July 2020	44,287	13,885	58,172
Changes from financing cash flows:			
- Drawdown	5,000	–	5,000
- Repayment	–	(2,233)	(2,233)
- Net repayment of short-term borrowings	(15,943)	–	(15,943)
- Interest paid	(668)	(480)	(1,148)
Non-cash changes:			
- Interest expense	668	480	1,148
- Bank overdraft	(250)	–	(250)
- Rent concession and rebate	–	(946)	(946)
- New leases	–	983	983
- Lease modification	–	(91)	(91)
- Remeasurement of lease liability	–	517	517
- Exchange differences	–	55	55
Balance at 30 June 2021	**33,094**	**12,170**	**45,264**

	Borrowings	Lease liabilities (Note 24)	Total
	$'000	$'000	$'000
Balance at 1 July 2019	50,001	–	50,001
Adoption of SFRS(I) 16	–	18,746	18,746
Balance at 1 July 2019, restated	50,001	18,746	68,747
Changes from financing cash flows:			
- Repayment	–	(4,808)	(4,808)
- Net repayment of short-term borrowings	(5,263)	–	(5,263)
- Interest paid	(1,346)	(583)	(1,929)
Non-cash changes:			
- Interest expense	1,346	583	1,929
- Bank overdraft	(451)	–	(451)
- Exchange differences	–	(53)	(53)
Balance at 30 June 2020	44,287	13,885	58,172

24 Leases

(a) The Group as a lessee

Nature of the Group's leasing activities

The Group's leasing activities comprise the following:

i) The Group leases various outlets from non-related parties. The leases have a tenure of 3 to 5 years.

ii) The Group also makes annual lease payments for a leasehold land. The leasehold land has an original lease term of 30 years with an option to extend the lease for another 30 years. The annual lease payment is subject to revision based on the prevailing rates from the lessor.

iii) In addition, the Group leases certain office equipment and these leases are either short-term or low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The maturity analysis of the lease liabilities is disclosed in Note 33(b).

Information about leases for which the Group is a lessee is presented below:

Carrying amount of right-of-use assets

	Group	
	2021	2020
	$'000	$'000
Classified within property, plant and equipment		
Leasehold land	**8,924**	8,592
Outlet premises	**3,207**	5,079
	12,131	13,671
Additions to right-of-use assets	**983**	18,746

Amounts recognised in profit or loss

	2021	2020
	$'000	$'000
Depreciation charge for the financial year		
Leasehold land	**185**	182
Outlet premises	**2,751**	4,443
	2,936	4,625

	Group	
	2021	2020
	$'000	$'000
Lease expense not included in the measurement of lease liabilities		
Lease expense - low value assets leases	**17**	16
Variable lease payments which do not depend on an index or rate	**154**	60
Rent concessions from lessors (Note 3(a))	**(914)**	(626)
Interest expense on lease liabilities	**480**	583

During the financial year, total cash flow for leases amounted to $3,560,000 (2020: $7,363,000).

Lease liabilities are analysed as follows:

	Group	
	2021	2020
	$'000	$'000
Current	**1,651**	3,033
Non-current	**10,519**	10,852
	12,170	13,885

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

25 Trade payables

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Outside parties	**1,577**	2,736	**536**	779
GST	**146**	270	**61**	26
Deferred revenue	**190**	322	**16**	74
	1,913	3,328	**613**	879

The average credit period on purchases of goods is 30 days (2020: 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.

26 Other payables and accruals

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Accrued operating expenses	**762**	1,444	**218**	893
Accrual for directors' fees				
- directors of the Company	**85**	85	**85**	85
Other payables	**2,158**	2,345	**841**	963
	3,005	3,874	**1,144**	1,941

Included in other payables are amount due to director of $nil (2020: $285,000) which are unsecured, interest-free and repayable on demand.

27 Provisions

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Provision for reinstatement costs	**338**	420	**50**	84

Movements in provision for reinstatement costs are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Balance at the beginning of the financial year	**420**	472	**84**	131
Utilisation of provision during the financial year	**(89)**	(96)	**–**	(36)
Addition during the financial year	**41**	55	**–**	–
Reversal during the financial year	**(34)**	(11)	**(34)**	(11)
Balance at the end of the financial year	**338**	420	**50**	84

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

28 Deferred tax

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 the deferred income taxes relate to the same fiscal authority.

The movements in the deferred tax account are as follows:

	Revaluation reserve $'000	Accelerated tax depreciation $'000	Others $'000	Total $'000
Group				
At 1 July 2019	9,089	192	(468)	8,813
Charge to other comprehensive income	2,739	–	–	2,739
(Credit)/Charge to profit and loss (Note 7)	(869)	(185)	290	(764)
Exchange differences	6	2	1	9
At 30 June 2020	10,965	9	(177)	10,797
Charge to other comprehensive income	1,810	–	–	1,810
(Credit) /Charge to profit and loss (Note 7)	(232)	–	172	(60)
Exchange differences	–	–	5	5
At 30 June 2021	12,543	9	–	12,552

	Revaluation reserve $'000	Accelerated tax depreciation $'000	Total $'000
Company			
At 1 July 2019	8,367	9	8,376
Charge to other comprehensive income	2,772	–	2,772
Credit to profit and loss	(174)	–	(174)
At 30 June 2020	10,965	9	10,974
Charge to other comprehensive income	1,810	–	1,810
Credit to profit and loss	(232)	–	(232)
At 30 June 2021	12,543	9	12,552

29 Share capital

	Group and Company			
	2021		2020	
	Number of issued shares '000	**Total $'000**	Number of issued shares '000	Total $'000
<u>Issued and fully paid up</u>				
At the beginning and end of the financial year	**142,000**	**10,736**	142,000	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 (2020: 139,472,000).

30 Treasury shares

	Group and Company			
	2021		2020	
	Number of ordinary shares '000	**Total $'000**	Number of ordinary shares '000	Total $'000
At the beginning and end of the financial year	**2,528**	**892**	2,528	892

The Company acquired 2,528,000 of its own shares through purchases on the Singapore Exchange Securities Trading Limited in 31 December 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.

31 Revaluation reserve

The property revaluation reserve arises on the revaluation of the non-current asset held for sale (previously classified as freehold land and building on freehold land), and the revaluation of leasehold building disclosed in Note 19(iii).

32 Related party transactions

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

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

	Group	
	2021	2020
	$'000	$'000
Rental income	**439**	458

Compensation of directors and key management personnel

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

	Group	
	2021	2020
	$'000	$'000
Short-term benefits	**1,299**	1,642
Post-employment benefits	**64**	87
Directors' fee	**85**	85
Total	**1,448**	1,814

33 Financial instruments

Categories of financial instruments

Financial instruments at the end of the reporting period are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Financial assets				
At cost	**–**	–	**12,000**	12,403
At amortised cost	**5,106**	10,646	**1,184**	5,788
At fair value through profit or loss	**9,845**	9,941	**9,840**	9,888
	14,951	20,587	**23,024**	28,079
Financial liabilities				
At amortised cost	**49,845**	64,782	**60,769**	71,308

Financial risk management

The Group's activities expose it to market risk (including foreign exchange risk, interest rate risk and commodity price risk), liquidity risk and credit risk. The Group's overall financial risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors provides written principles for overall financial risk management and written policies covering the specific areas above. Such written policies are reviewed periodically by the Board of Directors.

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

a) **Market risk**

Foreign exchange risk

Foreign currency risk arises on certain sales and purchases transactions that are denominated in currencies other than the respective functional currencies of entities in the Group. The currencies that give rise to this risk are primarily United States Dollar.

The Group's foreign currency exposure is as follows:

	Assets		Liabilities	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
United States Dollar	**390**	111	**–**	–

Sensitivity analysis of the Group's and Company's foreign exchange risk exposure is not presented as a reasonably possible change of 10% in the foreign currencies exchange rates against the Group's and Company's functional currency, with all other variables held constant will have no significant impact on the Group's and Company's net profit or loss.

Interest rate risk

The Group's and Company's exposure to the risk of changes in interest rates arise mainly from the Group's borrowings. Borrowings at variable rates expose the Group and the Company to cash flow interest rate risk (ie. the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates).

Sensitivity analysis of the Group's and Company's interest rate risk exposures are not presented as the impact of an increase/decrease of 50 basis points in interest rates are not expected to be significant.

b) **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments and having an adequate amount of committed credit facilities (Note 23).

The table below summarises the maturity profile of the Group's and Company's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less $'000	1 to 5 year $'000	More than 5 years $'000	Total $'000
Group				
2021				
Trade and other payables	**4,581**	**–**	**–**	**4,581**
Borrowings	**28,965**	**4,432**	**–**	**33,397**
Lease liabilities	**2,176**	**3,443**	**20,287**	**25,906**
	35,722	**7,875**	**20,287**	**63,884**
2020				
Trade and other payables	6,610	–	–	6,610
Borrowings	44,485	–	–	44,485
Lease liabilities	3,561	4,133	19,657	27,351
	54,656	4,133	19,657	78,446
Company				
2021				
Trade and other payables	**1,680**	**–**	**–**	**1,680**
Due to subsidiaries	**16,247**	**–**	**–**	**16,247**
Borrowings	**28,595**	**4,432**	**–**	**33,027**
Lease liabilities	**816**	**2,669**	**20,287**	**23,772**
Corporate guarantees	**267**	**–**	**–**	**267**
	47,605	**7,101**	**20,287**	**74,993**
2020				
Trade and other payables	2,720	–	–	2,720
Due to subsidiaries	14,903	–	–	14,903
Borrowings	43,864	–	–	43,864
Lease liabilities	823	2,891	19,657	23,371
	62,310	2,891	19,657	84,858

c) Credit risk

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 Company has no significant credit risk except for the amounts due from subsidiaries as disclosed in Note 17. The Group and the Company 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 financial 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 maximum exposure to credit risk of the Group and the Company is the carrying amount of each class of financial instruments presented on the statement of financial position and the amount of $267,000 relating to corporate guarantees given by the Company to banks for the outlets' rental deposits of its subsidiaries.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses (ECL):

Description of evaluation of financial assets	**Basis for recognition and measurement of ECL**
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Debts that are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Debts that are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset 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, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information 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/key financial performance ratios of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt 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.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and 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.

Definition of default

The Group considers the following as constituting an event of default 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 debtor 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 such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Other financial assets at amortised cost

The table below details the credit quality of the Group and Company's financial assets:

	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group				
2021				
Trade receivables	Lifetime ECL (simplified approach)	**938**	**(398)**	**540**
Other receivables	12-month ECL	**1,342**	**–**	**1,342**
	Lifetime ECL	**8,924**	**(8,742)**	**182**
2020				
Trade receivables	Lifetime ECL (simplified approach)	1,514	(165)	1,349
Other receivables	12-month ECL	2,119	–	2,119
	Lifetime ECL	8,844	(8,808)	36

	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Company				
2021				
Trade receivables	Lifetime ECL (simplified approach)	**419**	**(305)**	**114**
Other receivables	12-month ECL	**209**	**–**	**209**
	Lifetime ECL	**7,435**	**(7,415)**	**20**
Amounts due from subsidiaries	Lifetime ECL	**35,477**	**(23,477)**	**12,000**
2020				
Trade receivables	Lifetime ECL (simplified approach)	691	(85)	606
Other receivables	12-month ECL	401	–	401
	Lifetime ECL	7,431	(7,415)	16
Amounts due from subsidiaries	Lifetime ECL	37,511	(25,108)	12,403

34 Fair value of assets and liabilities

a) Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
iii) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

b) Fair value measurements of assets and liabilities that are measured at fair value

The following table presents the level of fair value hierarchy for each class of assets and liabilities measured at fair value, other than plant, property and equipment which is disclosed in Note 19, on the statements of financial position at the end of the reporting period:

	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Group				
2021				
Recurring fair value measurements				
Financial assets				
Financial assets, at fair value through profit or loss				
- quoted equity shares	**5**	**–**	**–**	**5**
- unquoted equity shares	**–**	**–**	**9,840**	**9,840**
2020				
Recurring fair value measurements				
Financial assets				
Financial assets, at fair value through profit or loss				
- quoted equity shares	53	–	–	53
- unquoted equity shares	–	–	9,888	9,888

The fair value of the quoted equity shares is based on quoted market prices at the end of the reporting period. The basis of fair value measurement for unquoted equity shares is disclosed in Note 15.

35 Segment information

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

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

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

Segment revenues and results

	Revenue		**Net profit/(loss)**	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Sakae Sushi	**10,341**	19,846	**3,785**	(756)
Other products and services	**13,732**	14,572	**354**	386
Less: Inter-segment revenue	**(2,924)**	(3,046)	**–**	–
Total	**21,149**	31,372	**4,139**	(370)
Central administration costs and directors' salaries			**(10,157)**	(15,939)
Other operating income			**6,758**	5,374
Fair value gains on equity investments at fair value through profit or loss			**2,668**	11,147
Fair value loss on equity investments through profit or loss			**–**	(369)
Gain on derecognition of subsidiary			**–**	664
Finance costs			**(1,148)**	(1,929)
Profit/(loss) before income tax			**2,260**	(1,422)
Income tax credit			**57**	822
Profit/(loss) for the financial year			**2,317**	(600)

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		Segment Liabilities	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Sakae Sushi	**18,876**	29,500	**13,639**	25,214
Other products and services	**3,769**	4,417	**49,434**	51,401
Unallocated corporate items	**96,845**	87,941	**–**	–
Total	**119,490**	121,858	**63,073**	76,615

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	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Sakae Sushi	**2,261**	5,042	**605**	588
Other products and services	**1,433**	471	**641**	–
Unallocated corporate items	**1,650**	1,305	**–**	–
Total	**5,344**	6,818	**1,246**	588

	Impairment loss	
	2021	2020
	$'000	$'000
Sakae Sushi	**275**	6,608
Other products and services	**842**	384
Unallocated corporate items	**–**	–
Total	**1,117**	6,992

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	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Singapore	**17,725**	21,453	**98,683**	90,417
Malaysia	**3,424**	9,919	**1,183**	3,310
	21,149	31,372	**99,866**	93,727

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

36 Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The capital structure of the Group mainly consists of equity and borrowings and the Group's overall strategy remains unchanged from 2020.

37 Basis for qualified opinion on the financial statements for the financial year ended 30 June 2020

The independent auditor's report dated 14 October 2020 contained a qualified opinion on the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2020. The extract of the basis for qualified opinion, which should be read in conjunction with the Group's 2020 Annual Report as all figures and note references are in respect of the financial statements for the financial year ended 30 June 2020 ("FY 2020 financial statements"), are as follows:

(a) The auditor's report on the financial statements for the prior financial year ended 30 June 2019 was qualified due to various matters and management has taken steps to address some of those matters during the financial year ended 30 June 2020, as disclosed in Note 2 to the financial statements. As a result, the predecessor auditor's opinion on the FY 2020's financial statements is modified 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 FY 2020'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 30 June 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 1 July 2018 and 30 June 2019 have not been determined as required by SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9"), the predecessor auditor's opinion on the financial statements for the prior financial year ended 30 June 2019 was modified accordingly.

Management has assessed and determined that the fair value of GREIH at 30 June 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 30 June 2020, the Group has recognised a fair value gain under "other operating income" amounting to $11,147,000 in GREIH in the FY 2020's consolidated profit or loss. Since opening balances affect the determination of the FY 2020's consolidated profit or loss, the predecessor auditor was unable to determine whether adjustments to the FY 2020's consolidated profit or loss and opening retained earnings might be necessary in respect of the fair value gain recognised during FY 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 30 June 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 31 March 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 financial year ended 30 June 2019. As at 30 June 2019, the Group also had a receivable due from a company owned by the noncontrolling shareholder of Cocosa Export, amounting to $1,337,000. As the predecessor auditor was 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, the predecessor auditor's opinion on the financial statements for the prior financial year ended 30 June 2019 was modified accordingly.

During FY 2020, 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 the predecessor auditor's report, the independent review report has not been finalised. A liquidation suit against Cocosa Export was also initiated during FY 2020 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 FY 2020's consolidated profit or loss.

Since opening balances affect the determination of the FY 2020's consolidated profit or loss, the predecessor auditors were unable to determine whether adjustments to the FY 2020's consolidated profit or loss and opening retained earnings might be necessary in respect of the (a) additional loss allowance recognised during FY 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 30 June 2019, which is accounted for as equity investments at fair value through profit or loss. As the fair values of the investment as at 1 July 2018 and 30 June 2019 have not been determined as required by SFRS(I) 9, the predecessor auditor's opinion on the financial statements for the prior financial year ended 30 June 2019 was modified accordingly.

During FY 2020, management has written off the investment in GCM and recognised a fair value loss of $369,000 under "other operating expenses" in the FY 2020's consolidated profit or loss. As management could not determine the fair value of GCM as at 30 June 2019 and 2020 in accordance with SFRS(I) 9, the predecessor auditor was unable to determine the appropriateness of the write-off of the investment by management and/or the effect on the FY 2020'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 30 June 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 the predecessor auditor 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 30 June 2018.

As the investigation is still ongoing as at the date of this report, the predecessor auditor was unable to determine whether any adjustments in the accompanying financial statements may be necessary. The predecessor auditor's opinion on the financial statements for the prior financial year ended 30 June 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 financial year ended 30 June 2019, including adjustments arising from the reconciliation of intragroup balances as disclosed in Note 2(iv). As the predecessor auditor was not provided with sufficient supporting documents for some of these adjustments, the predecessor auditor was unable to determine whether the adjustments relate to the prior financial year ended 30 June 2019 and/or before.

38 Subsequent events

a) On 20 August 2021, one of the Group's subsidiaries, Apex-Pal Investment Pte. Ltd. disposes of its 40% shareholdings (66,667 ordinary shares) in Novitee Pte Ltd to Glife Technologies Pte Ltd for total consideration of S$400,000. Accordingly, a gain on disposal of $400,000 is expected to be recognised in the financial year ending 30 June 2022.

b) On 22 September 2021, the Group announced that its subsidiary, Apex-Pal Malaysia Sdn. Bhd. entered into a sale and purchase agreement with Seafood Island Malaysia Sdn. Bhd. for the disposal of freehold land and building for a total cash consideration of RM11,500,000 (equivalent to approximately $3,673,000) ("proposed disposal"). The proposed disposal is expected to be completed in Year 2022.

39 Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's significant operations are in Singapore and Malaysia, all of which have been affected by the spread of COVID-19 in the financial year ended 30 June 2021.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 30 June 2022.

40 Authorisation of financial statements

The consolidated financial statements of the Group and the statements of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors dated 12 October 2021.

STATISTIC OF SHAREHOLDINGS
As at September 30, 2021

SHAREHOLDERS' INFORMATION AS AT 30 SEPTEMBER 2021

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	614	64.09	92,160	0.07
1,001 - 10,000	155	16.18	741,520	0.53
10,001 - 1,000,000	175	18.27	17,372,562	12.45
1,000,001 AND ABOVE	9	0.94	121,265,640	86.95
TOTAL	**958**	**100.00**	**139,472,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	RAFFLES NOMINEES (PTE.) LIMITED	60,255,300	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	1,952,100	1.40
8	JOSEPH QUEK	1,561,600	1.12
9	TAN KEK LEA (CHEN JILI)	1,084,000	0.78
10	FOO KIA HEE	770,100	0.55
11	GOH FUQIANG KENNETH	770,000	0.55
12	LIN YONG SHENG DESMOND	756,700	0.54
13	CITIBANK NOMINEES SINGAPORE PTE LTD	722,000	0.52
14	TAN YIM HENG	707,500	0.51
15	DBS NOMINEES (PRIVATE) LIMITED	675,200	0.48
16	MAYBANK KIM ENG SECURITIES PTE. LTD.	649,651	0.47
17	ALEXANDER THOMAS ZBORAY	596,000	0.43
18	LUCIANA JASMAN	562,000	0.40
19	PEK ENG LEONG	492,100	0.35
20	TOH SOON HUAT	475,000	0.34
	TOTAL	**128,441,891**	**92.09**

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 30 September 2021.

	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 2021.

FREE FLOAT

As at 30 September 2021, approximately 20.15% 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 2021, 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 by electronic means on Friday, 29 October 2021 at 3.00 p.m. for the following purposes:

Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 30 June 2021 together with the Auditor's Report thereon.

   (Resolution 1)

2. To re-elect Mr Douglas Foo Peow Yong retiring by rotation pursuant to Article 91 of the Company's Constitution and who, being eligible, offered himself for re-election.

   (See Explanatory Note (i)) **(Resolution 2)**

3. To re-elect Mr Loh Chee Peng retiring by rotation pursuant to Article 91 of the Company's Constitution and who, being eligible, offered himself for re-election.

   (See Explanatory Note (ii)) **(Resolution 3)**

   Mr Loh Chee Peng will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and member of the Remuneration 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 a final tax exempt (one-tier) dividend of 1.20 cents per ordinary share for the financial year ended 30 June 2021.

   (Resolution 4)

5. To approve the payment of Directors' fees of S$85,000 (FY2020: S$85,000) for the financial year ended 30 June 2021.

   (Resolution 5)

6. To re-appoint Messrs Baker Tilly TFW LLP as the Company's Auditor and to authorise the Directors to fix their remuneration.

   (Resolution 6)

7. 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:

8. 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 (iii)) **(Resolution 7)**

9. Proposed adoption of the 2021 Sakae Performance Share Scheme

"That:

(a) the employee performance share scheme to be known as "2021 Sakae Performance Share Scheme" ("**2021 PSS**") particulars of which are set out in the Appendix, under which awards ("**Awards**") of fully paid-up shares in the capital of the Company ("**Shares**") will be granted, free of charge, to Directors and Employees of the Company and its Subsidiaries be and is hereby approved;

(b) the Directors of the Company be and are hereby authorised:

(i) to establish and administer the 2021 PSS; and

(ii) to modify and/or alter the 2021 PSS at any time and from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the 2021 PSS, and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the 2021 PSS."

(See Explanatory Note (iv)) **(Resolution 8)**

10. Authority to grant Awards and to allot and issue Shares under the 2021 Sakae Performance Share Scheme

"That the Directors of the Company be and are hereby authorised:

(a) to grant Awards in accordance with the provisions of the 2021 PSS;

(b) pursuant to Section 161 of the Companies Act, to allot and issue from time to time such number of new Shares in the share capital of the Company as may be required to be issued pursuant to the vesting of awards under the 2021 PSS, provided always that the aggregate number of additional new Shares to be allotted and issued pursuant to the 2021 PSS (and any other share scheme(s) to be implemented by the Company (if any)) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time, and that such authority shall, unless revoked by the Company in a general meeting, continue in force until 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;

(c) subject to the same being allowed by law, to apply any share purchased or acquired under any share purchase mandate and to deliver such existing shares (including any shares held as treasury shares) towards the satisfaction of the Awards granted under the 2021 PSS; and

(d) to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this resolution."

(See Explanatory Note (v)) **(Resolution 9)**

11. Proposed participation of Mr Douglas Foo Peow Yong, a Controlling Shareholder, in the 2021 PSS

"That, subject to and contingent upon the passing of Resolution 8 and Resolution 9, the participation of Mr Douglas Foo Peow Yong, who is a Controlling Shareholder of the Company, in the 2021 PSS, be and is hereby approved."
(See Explanatory Note (vi)) **(Resolution 10)**

12. Proposed participation of Ms Foo Lilian, an Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder, in the 2021 PSS

"That, subject to and contingent upon the passing of Resolution 8 and Resolution 9, the participation of Ms Foo Lilian, who is an Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder of the Company, in the 2021 PSS, be and is hereby approved."
(See Explanatory Note (vii)) **(Resolution 11)**

13. Proposed participation of Mr Foo Kia Hee, an Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder, in the 2021 PSS

"That, subject to and contingent upon the passing of Resolution 8 and Resolution 9, the participation of Mr Foo Kia Hee, who is an Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder of the Company, in the 2021 PSS, be and is hereby approved."
(See Explanatory Note (viii)) **(Resolution 12)**

14. Proposed participation of Ms Foo Lena, an Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder, in the 2021 PSS

"That, subject to and contingent upon the passing of Resolution 8 and Resolution 9, the participation of Ms Foo Lena, who is an Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder of the Company, in the 2021 PSS, be and is hereby approved."
(See Explanatory Note (ix)) **(Resolution 13)**

15. Proposed renewal of the Share Buy-Back Mandate

"That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore, approval be and is hereby given for the renewal of the Share Buy-Back Mandate (as hereinafter defined) the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**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) market purchase(s) on the SGX-ST ("**Market Purchase**"); and/or

  (ii) off-market purchase(s) if effected otherwise than on the SGX-ST (or any other securities exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**")) 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 ("**Off-Market Purchase**"),

  and otherwise in accordance with all other laws and regulations and rules of the SGX-ST (or Other Exchange) as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back 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 Buy-Back 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 Annual General Meeting 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 Buy-Back Mandate are carried out to the full extent mandated;

  (iii) the date on which the authority conferred by the Share Buy-Back 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, 120% of the Average Closing Price of the Shares;

where:

"**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 such Other Exchange, 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 Listing Rules, for any corporate action that occurs after the relevant five (5) Market Day period; and "**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

(d) the Directors of the Company be and are hereby authorised to deal with the Shares purchased or acquired by the Company pursuant to the Share Buy-Back Mandate in any manner as they think fit, which is permissible under the Companies Act, the Listing Manual of the SGX-ST and the Share Buy-Back Mandate;

(e) 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/or authorised by this Resolution".

(See Explanatory Note (x)) **(Resolution 14)**

By Order of the Board

Chan Lai Yin
Company Secretary

Singapore, 14 October 2021

Explanatory Notes:

(i) Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the detailed information of Mr Douglas Foo Peow Yong 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 Loh Chee Peng who is seeking re-election at the Annual General Meeting can be found under "Supplemental Information on Directors seeking re-election".

(iii) Ordinary Resolution 7 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.

(iv) Ordinary Resolution 8 is to approve the adoption of the 2021 Sakae Performance Share Scheme ("**2021 PSS**"). Independent shareholders' approval is required for the new 2021 PSS pursuant to Rule 843(3)(a) of the Listing Manual of the SGX-ST. The rationale for the proposed adoption of the 2021 PSS and summary of the principal terms of the 2021 PSS are set out in the Appendix, and the rules of the 2021 PSS is attached as a schedule to the Appendix.

(v) Ordinary Resolution 9, if passed, will empower the Directors of the Company to offer and grant Awards under the 2021 PSS, and to allot and issue new Shares pursuant to the 2021 PSS, provided that the aggregate number of new Shares to be allotted and issued pursuant to the 2021 PSS and other share schemes to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless 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.

(vi) Resolution 10 is to approve the participation by Mr Douglas Foo Peow Yong (a Controlling Shareholder of the Company) in the 2021 PSS. Independent shareholders' approval is required for participation in the 2021 PSS by Controlling Shareholders and their Associates, pursuant to Rule 853 of the Listing Manual of the SGX-ST. The rationale for the participation by Mr Douglas Foo Peow Yong in the 2021 PSS and further details are set out in the Appendix.

(vii) Resolution 11 is to approve the participation by Ms Foo Lilian (an Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder of the Company) in the 2021 PSS. Independent shareholders' approval is required for participation in the 2021 PSS by Controlling Shareholders and their Associates, pursuant to Rule 853 of the Listing Manual of the SGX-ST. The rationale for the participation by Ms Foo Lilian in the 2021 PSS and further details are set out in the Appendix.

(viii) Resolution 12 is to approve the participation by Mr Foo Kia Hee (an Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder of the Company) in the 2021 PSS. Independent shareholders' approval is required for participation in the 2021 PSS by Controlling Shareholders and their Associates, pursuant to Rule 853 of the Listing Manual of the SGX-ST. The rationale for the participation by Mr Foo Kia Hee in the 2021 PSS and further details are set out in the Appendix.

(ix) Resolution 13 is to approve the participation by Ms Foo Lena (an Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder of the Company) in the 2021 PSS. Independent shareholders' approval is required for participation in the 2021 PSS by Controlling Shareholders and their Associates, pursuant to Rule 853 of the Listing Manual of the SGX-ST. The rationale for the participation by Ms Foo Lena, in the 2021 PSS and further details are set out in the Appendix.

(x) Ordinary Resolution 14, 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.

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 14 October 2021 (the "**Announcement**"), which has been uploaded together with this Notice of AGM on SGXNet on the same day. The Announcement may also be assessed on 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 3.00 p.m. on 26 October 2021), 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 3.00 p.m. on 19 October 2021). 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., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

(b) be sent via electronic mail to agm2021@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.

NOTICE OF RECORD DATE

NOTICE IS HEREBY GIVEN that, subject to shareholders' approval to the proposed final dividend at the forthcoming Annual General Meeting, the Share Transfer Books and Register of Members of the Company will be closed on 10 November 2021 for preparation of dividend warrants to a final tax exempt (one-tier) dividend of 1.20 cents per ordinary share for the financial year ended 30 June 2021 (the "Proposed Final Dividend").

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 by 5.00 p.m. on 9 November 2021 ("Record Date") will be registered to determine Members' entitlements to the Proposed Final Dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares of the Company as at 5.00 p.m. on the Record Date will be entitled to the Proposed Final Dividend.

The Proposed Final Dividend, if approved at the forthcoming Annual General Meeting, will be paid on 18 November 2021.

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 he may propose/second) may be recorded by the Company for such purpose.

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the supplemental information relating to the retiring directors, Mr Douglas Foo Peow Yong and Mr Loh Chee Peng as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is appended below:

	Mr Douglas Foo Peow Yong	**Mr Loh Chee Peng**
Date of Appointment	17 February 1997	28 January 2019
Date of last re-appointment	29 October 2019	29 October 2019
Age	52	52
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Douglas Foo Peow Yong for re-appointment as Executive Chairman of the Company. The Board has reviewed and concluded that Mr Douglas Foo Peow Yong possesses the experience, expertise, knowledge and skills that will continue to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Loh Chee Peng for re-appointment as Independent Director of the Company. The Board has reviewed and concluded that Mr Loh Chee Peng possesses the experience, expertise, knowledge and skills that will continue to contribute towards the core competencies of the Board.

	Mr Douglas Foo Peow Yong	Mr Loh Chee Peng
Whether appointment is executive, and if so, the area of responsibility	Executive Mr Douglas Foo Peow Yong is responsible for the leadership and the effective running of the Board as well as effective communication with stakeholders. He continues to spearhead the overall strategic direction and management of the Group's global strategic plans and its philanthropic initiatives.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and a member of the Nominating Committee and Remuneration Committee.	Independent Director, Chairman of the Audit Committee and a member of the Remuneration Committee.
Professional qualifications	Mr Douglas Foo holds a Bachelor's degree in Business Administration (Finance) from the Royal Melbourne Institute of Technology University.	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.
Working experience and occupation(s) during the past 10 years	Mr Douglas Foo is a founder of the Group and he has led the growth and development of the Group.	Mr Loh is an Executive Director in the Commercial Banking Division of United Overseas Bank Ltd since 2006.

	Mr Douglas Foo Peow Yong	Mr Loh Chee Peng
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 31,926,740 ordinary shares Deemed interest: 60,000,100 ordinary shares (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)	Direct interest: 1,200 ordinary shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes. Mr Douglas Foo is a brother of Ms Foo Lilian, the Executive Director / Chief Executive Officer of the Company.	No.
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

Other Principal Commitments* Including Directorships

* "Principal Commitments" has the same meaning as defined in the Code. The term "principal commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

	Mr Douglas Foo Peow Yong	Mr Loh Chee Peng
Past (for the last 5 years)	Please refer to Appendix A.	Nil
Present	Please refer to Appendix A.	Nil

INFORMATION REQUIRED

	Mr Douglas Foo Peow Yong	Mr Loh Chee Peng
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

		Mr Douglas Foo Peow Yong	Mr Loh Chee Peng
b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c)	Whether there is any unsatisfied judgment against him?	No	No
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

	Mr Douglas Foo Peow Yong	Mr Loh Chee Peng
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

	Mr Douglas Foo Peow Yong	Mr Loh Chee Peng
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

	Mr Douglas Foo Peow Yong	Mr Loh Chee Peng
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

Appendix A

Other Principal Commitments* Including Directorships for Mr Douglas Foo Peow Yong

Past (for the last 5 years)

1. Sentosa Leisure Management Pte. Ltd.
2. *Scape Co., Ltd.
3. Alexandra Health System Pte. Ltd. (Amalgamated)
4. Anschluss Pte. Ltd. (Struck off)
5. Alliance Food Venture Pte. Ltd. (Struck off)
6. Ajinomichi Singapore Pte. Ltd. (Struck off)
7. Food Endeavour Pte. Ltd. (Struck off)
8. Griffin Real Estate Investment Holdings Pte. Ltd. (Under Compulsory Winding-Up)
9. ERC Prime II Pte Ltd (Under Compulsory Winding-Up)
10. Novitee Pte. Ltd.
11. Bitecoin Pte. Ltd. (Struck off)
12. Sakae Cybersecurity Pte. Ltd. (Struck off)
13. Bitechain Pte. Ltd. (Struck off)
14. Bio Quant Pte. Ltd.
15. Yummy Venture Pte. Ltd. (Struck off)
16. Oishi Sushi Pte. Ltd. (Struck off)
17. Sakae Sushi (Scape) Pte. Ltd. (Struck off)
18. Sakae Fund Management Pte. Ltd. (Struck off)
19. Sakae Financial Services Pte. Ltd. (Struck off)

Present

1. Alexandra Health Fund Limited
2. Alliance Support Services Pte. Ltd.
3. Apex-Pal F&B (Beijing) Ltd
4. Apex-Pal Investment Pte. Ltd.
5. Apex-Pal Malaysia Sdn Bhd
6. Cocosa Asia Pte. Ltd.
7. Cocosa Holdings Pte. Ltd.
8. GS1 Singapore Limited
9. Hei Restaurants Chain Pte. Ltd.
10. Intellectual Property Office of Singapore
11. KPM Holdings Pte. Ltd.
12. Nouvelle Events Holdings Pte. Ltd.
13. Nouvelle Events Sdn Bhd
14. Radin Mas Citizens' Consultative Committee - People's Association
15. Sakae Capital Pte. Ltd.
16. Sakae Corporate Advisory Pte. Ltd.
17. Sakae Fintech Pte. Ltd.
18. Sakae Global Resources Pte. Ltd.
19. Sakae Kyo Pte. Ltd.
20. Sakae Sushi (J8) Pte. Ltd.
21. Singapore Business Federation
22. Singapore Manufacturing Federation
23. Singapore National Employers Federation
24. SMF Biz Search Pte. Ltd.
25. SMF Enterprises Pte. Ltd.
26. Swift Equity Sdn Bhd
27. Tripartite Alliance Limited

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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 14 October 2021 (the "**Announcement**"), which has been uploaded together with the Notice of AGM dated 14 October 2021 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 14 October 2021 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 3.00 p.m. on 19 October 2021.

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 14 October 2021.

I/We* ____ (Name)_________________________(NRIC/Passport No.)
of ____(Address)
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, 29 October 2021 at 3.00 p.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 2021			
2.	Re-election of Mr Douglas Foo Peow Yong as Director			
3.	Re-election of Mr Loh Chee Peng as Director			
4.	Approval for a final tax exempt (one-tier) dividend			
5.	Approval for payment of Directors' fees for the financial year ended 30 June 2021			
6.	Re-appointment of Messrs Baker Tilly TFW LLP as the Company's Auditor and to authorise the Directors of the Company to fix their remuneration			
7.	Authority to allot and issue shares			
8.	Proposed adoption of the 2021 Sakae Performance Share Scheme ("2021 PSS")			
9.	Authority to grant Awards and to allot and issue Shares under the 2021 PSS			
10.	Proposed participation of Mr Douglas Foo Peow Yong, a Controlling Shareholder, in the 2021 PSS			
11.	Proposed participation of Ms Foo Lilian, an Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder, in the 2021 PSS			
12.	Proposed participation of Mr Foo Kia Hee, an Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder, in the 2021 PSS			
13.	Proposed participation of Ms Foo Lena, an Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder, in the 2021 PSS			
14.	Proposed Renewal of the Share Buy-Back Mandate			

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 .... 2021.

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 3.00 p.m. on 19 October 2021). 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 agm2021@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 14 October 2021.

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

AUDITOR

Baker Tilly TFW LLP
Public Accountants and Chartered Accountants
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778
Partner-in-charge : Khor Boon Hong
Date of appointment : Since 30 October 2020

PRINCIPAL BANKERS

United Overseas Bank Ltd
DBS Bank Ltd

28 Tai Seng Street, Level 7, Sakae Building Singapore 534106
www.sakaeholdings.com