STGROUP

Forging Ahead

Annual Report 2022

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED

An F&B group with diversified portfolio of internationally popular brands

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Corporate Profile

Founded in 2011, ST Group Food Industries Holdings Limited (the "**Company**", and together with its subsidiaries, "**ST Group**" or the "**Group**"), an established food and beverage ("F&B") group headquartered in Australia, was listed on the Singapore Exchange on 3 July 2019. ST Group holds the exclusive franchise and licence rights to a diversified portfolio of six internationally popular brands – "PappaRich", "NeNe Chicken", "Gong Cha", "Hokkaido Baked Cheese Tart", "IPPUDO" and "iDarts" – in various territories, as well as two of its own brand concepts, "PAFU" and "KURIMU". The Group is also a franchisee of the "Go Noodle House" brand.

In March 2022, the Group completed the acquisition of “PappaRich” trademark rights in Australia and New Zealand which allows the Group full autonomy to expand and grow the “PappaRich” brand in Australia and New Zealand.

ST Group operates in the key geographical markets of Australia, New Zealand and England, the United Kingdom, through four main business segments – F&B Retail, Franchise, Supply Chain and receipt of machine income from electronic dart machines installed at sub-franchised "iDarts" outlets.

The Group's F&B Retail segment comprises Group-owned outlets of restaurants and kiosks, while the Franchise segment comprises sub-franchised and sub-licensed outlets. F&B operations, including outlets under the Franchise segment in Australia and New Zealand, are supported by the Group's Central Kitchen in Melbourne, Australia, under the Supply Chain segment. Between 2012 and 2022, the Group added more than 140 outlets across Australia, New Zealand, Malaysia and England, the United Kingdom.

As at 31 July 2022, ST Group had a network of 148 outlets comprising 50 Group-owned outlets and 98 outlets owned by its sub-franchisees and sub-licensees across its key geographical markets.

Competitive Strengths

AN ENTREPRENEURIAL AND DEDICATED MANAGEMENT TEAM WITH ESTABLISHED TRACK RECORD.

AN ESTABLISHED FRANCHISEE SYSTEM AND GOOD WORKING RELATIONSHIPS WITH LANDLORDS.

ESTABLISHED TRACK RECORD AND STRONG NETWORK OF SUB-FRANCHISEES AND SUB-LICENCEES.

ABLE TO IDENTIFY NEW TRENDS AND ADAPT TO CHANGING CONSUMER PREFERENCES TO GROW A DIVERSIFIED PORTFOLIO OF BRANDS.

OUR CENTRAL KITCHEN ENABLES US TO MAINTAIN HIGH STANDARD OF FOOD CONSISTENCY AND QUALITY, LOWER OPERATING AND LABOUR COSTS.

AT A GLANCE

AS AT 31 JULY 2022

5
EXCLUSIVE FRANCHISE & LICENSED BRANDS

3
GROUP OWN BRAND CONCEPTS

1
HACCP & ISO CERTIFIED CENTRAL KITCHEN

148
TOTAL NETWORK OUTLETS

3
COUNTRIES

50
COMPANY OWNED OUTLETS

98
SUB-FRANCHISED & SUB-LICENSED OUTLETS

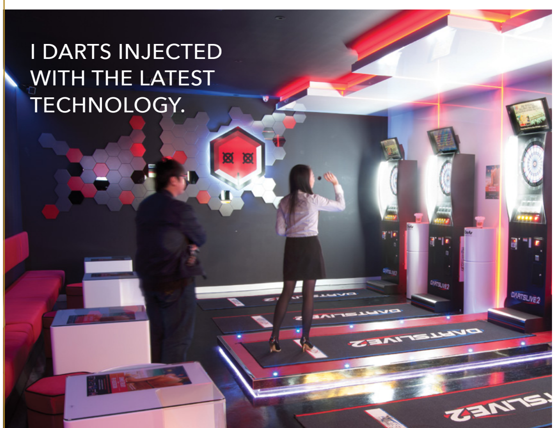
Our Brand Portfolio

EXCLUSIVE FRANCHISE AND LICENSE RIGHTS

IPPUDO

Founded in Hakata, Japan in the 1980s, "IPPUDO" is today an international brand. One of its specialties is its tonkotsu-based ramen, which is served in a tonkotsu broth made from pork bones and simmered for many hours.

"NeNe Chicken" is a South-Korean-based international fried chicken restaurant franchise which serves wide range of distinctive Korean fried chicken. The signature fried chicken is made from chicken marinated for a minimum of 16 hours which increases the juiciness of the meat and elevates its flavour.



iDarts Australia
www.idarts.com.au

"iDarts" provides customers with electronic dart consoles in a fun-filled, friendly atmosphere. While the Group has the exclusive rights to the "iDarts" brand in Australia, it does not own or operate any "iDarts" outlets.

Originating from Taiwan, "Gong Cha" offers an extensive menu of natural, healthy, freshly brewed tea and other beverages which are personalised to individual tastes and preferences. The house specialty is the "Gong Cha Milk Foam Series", which is a refreshing beverage of brewed tea topped with a layer of frothy fresh milk foam.

Gong cha

HOKKAIDO
BAKED CHEESE TART

Founded in Malaysia, the "Hokkaido Baked Cheese Tart" offering is a mini tart delicately crafted like jewels, where three blends of cheese rest perfectly in the middle of a crunchy and aromatic pastry, which forms lava-like fillings.

Our Brand Portfolio

GROUP OWN BRAND CONCEPTS

PappaRich
MALAYSIAN CUISINE

"PappaRich" offers a wide range of Malaysian cuisine featuring a blend of herbs, spices and fresh produce, prepared according to traditional recipes. Signature dishes include Nasi Lemak, Curry Laksa and Char Koay Teow.

クリーム
KURIMU
JAPANESE CREAM CHOUX

"KURIMU" Japanese cream choux pastries are pastry sticks coated with almonds before baking to create a crispy texture and are filled with a smooth custard. The Group conceptualised the "KURIMU" brand in 2019 following the success of "PAFU".

PAFU
パフ

Heavily inspired by Japanese-styled pastries, "PAFU" is the Group's own homegrown brand which was created to satisfy the tastes and preferences of customers in Australia. "PAFU" pastry puffs are golden crisp pastries with a smooth custard and sweet diced fruit filling freshly baked with locally-sourced ingredients.

FRANCHISE

GNH 有間麵館
GO NOODLE HOUSE
AUSTRALIA

Inspired by a recipe passed down from the Qing Dynasty, adopted and adapted through history to harness the taste of clean but complex broth, paired with freshly handmade noodle, delivering flavourful and delicious noodles to our customers.

Our Network

As at 30 June 2022

GLOBAL NETWORK

AUSTRALIA 105

PAPPARICH
8 | 23

NENE CHICKEN
4 | 27

HOKKAIDO BAKED CHEESE TART
6 | 10

IDARTS
4

PAFU
5 | 4

IPPUDO
2

KURIMU
5 | 6

GO NOODLE HOUSE
1

NEW ZEALAND 32

PAPPARICH
4

GONG CHA
11 | 15

IPPUDO
2

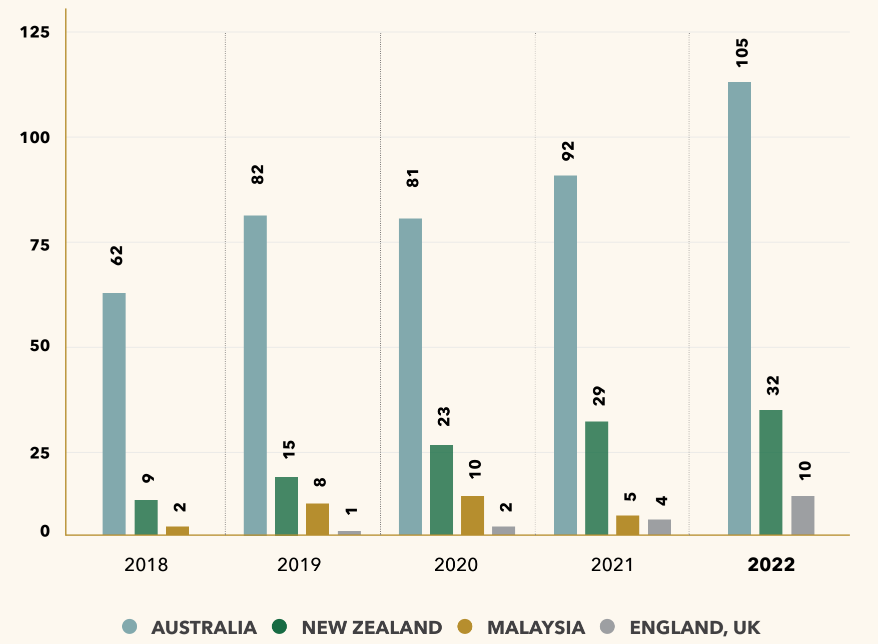
ENGLAND, UK 10

GONG CHA
5 | 5

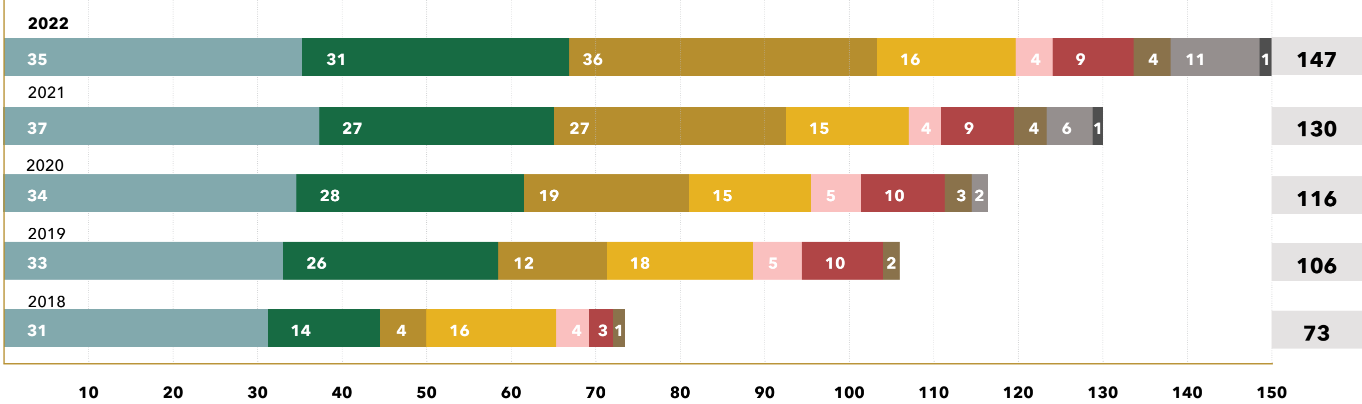
LEGEND
Company Owned
Sub-Franchised / Sub-Licensed

- PAPPARICH
- NENE CHICKEN
- GONG CHA
- HOKKAIDO BAKED CHEESE TART
- IDARTS
- PAFU
- IPPUDO
- KURIMU
- GO NOODLE HOUSE

GROWTH BY GEOGRAPHICAL REACH



GROWTH IN NETWORK BY BRANDS



Key Milestones & Awards

KEY MILESTONES

2022

- Acquired "PappaRich" Trademark rights in Australia and New Zealand.

2019

- Created group-owned brand "KURIMU" Japanese cream choux pastries, first outlet in Melbourne, Australia.
- Opened first "Gong Cha" outlet in England, United Kingdom

2018

- Opened first "NeNe Chicken" restaurant in Genting Highlands, Malaysia
- Opened first "IPPUDO" restaurant in Perth, Australia

2017

- Opened first Group-owned brand "PAFU" outlet in Melbourne, Australia

2016

- Opened first "Hokkaido Baked Cheese Tart" outlet in Melbourne, Australia

2015

- Opened first "PappaRich" restaurant in New Zealand
- Opened first "NeNe Chicken" restaurant in Melbourne, Australia
- Opened first "Gong Cha" outlet in Auckland, New Zealand

2013

- Expanded Central Kitchen to 3,000 sqm in Melbourne, Australia
- Opened first "iDarts" bar in Melbourne, Australia

2012

- Established 100 sqm Central Kitchen in Melbourne, Australia
- Opened first "PappaRich" restaurant in Melbourne, Australia

AWARDS AND CERTIFICATIONS

The Group has won numerous awards, along with key accreditations obtained from reputable international organisations, in recognition of its excellence in the F&B industry:

HAZARD ANALYSIS & CRITICAL CONTROL POINTS (HACCP) - CENTRAL KITCHEN
PappaRich Central (Melbourne) Pty Ltd
Awarded / Expiry:
April 2014 / April 2023
Awarding Organisation: HACCP Australia Pty Ltd

ISO 9001:2015 QUALITY MANAGEMENT
PappaRich Central (Melbourne) Pty Ltd
Awarded / Expiry:
February 2018 / February 2024
Awarding Organisation: ICG Compliance Pty Ltd

5 STAR FOOD SAFETY AWARDS
PappaRich Express
Year: 2017
Awarding Organisation:
City of Manningham
Victoria, Australia

GOLDEN PLATE AWARD FOR 5 STARS IN THE FOOD SAFETY ASSESSMENT
PPR Co Outlets Pty Ltd
Year: 2017
Awarding Organisation: City of Monash Public Health Unit, Australia

BEST NEW CONCEPT
ST Group, Hokkaido Baked Cheese Tart
Year: 2017
Awarding Organisation: QSR Media Detpak Awards 2017 Australia

CHADSTONE 2018 ANNUAL RETAIL EXCELLENCE AWARDS
PappaRich
Year: January 2018 & July 2018
Awarding Organisation:
Chadstone Shopping Centre Melbourne, Australia

LORD MAYOR'S CHOICE AWARD
PappaRich
Year: 2018
Awarding Organisation:
Lord Mayor Andrew Wilson, Parramatta Sydney, Australia

FAST 50 CONTENDER
Gong Cha
Year: 2018
Awarding Organisation:
Deloitte Fast 50 2018
Regional Awards New Zealand

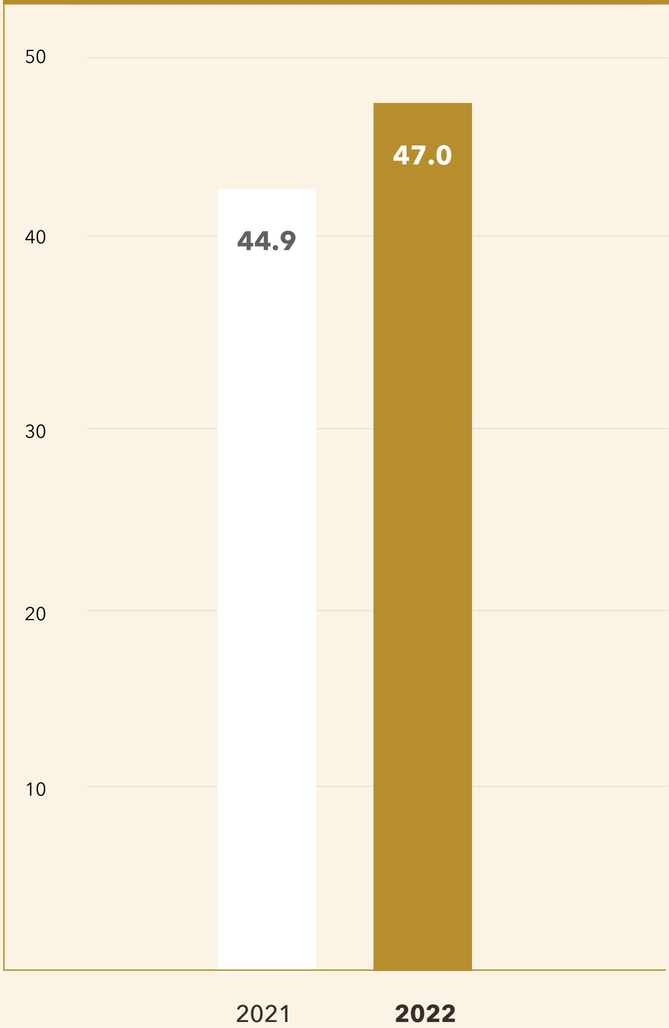
BEST CAFÉ OF THE YEAR 2018
Gong Cha Newmarket
Year: 2018
Awarding Organisation:
Newmarket Business Awards 2018 New Zealand

THE BRANDLAUREATE SMES BESTBRANDS™ AWARDS
NeNe Chicken
Year: 2018 - 2019
Awarding Organisation:
The BrandLaureate, Malaysia

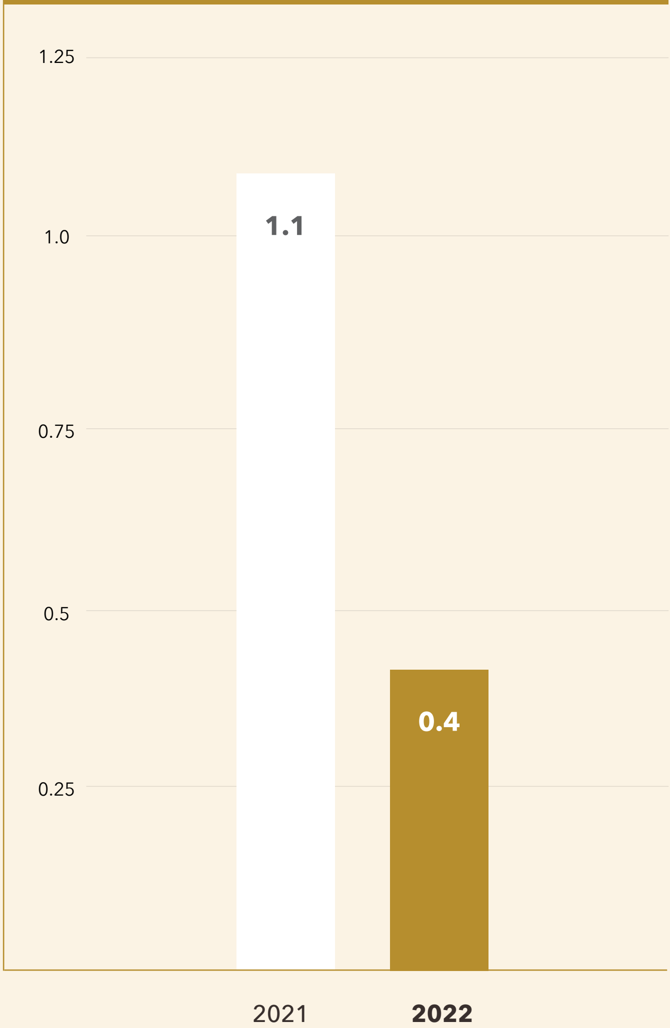
EAT DRINK DESIGN AWARDS BEST RETAIL DESIGN 2020
KURIMU The Glen
Year: 2020
Awarding Organisation:
Architecture Media, Australia

Financial Highlights

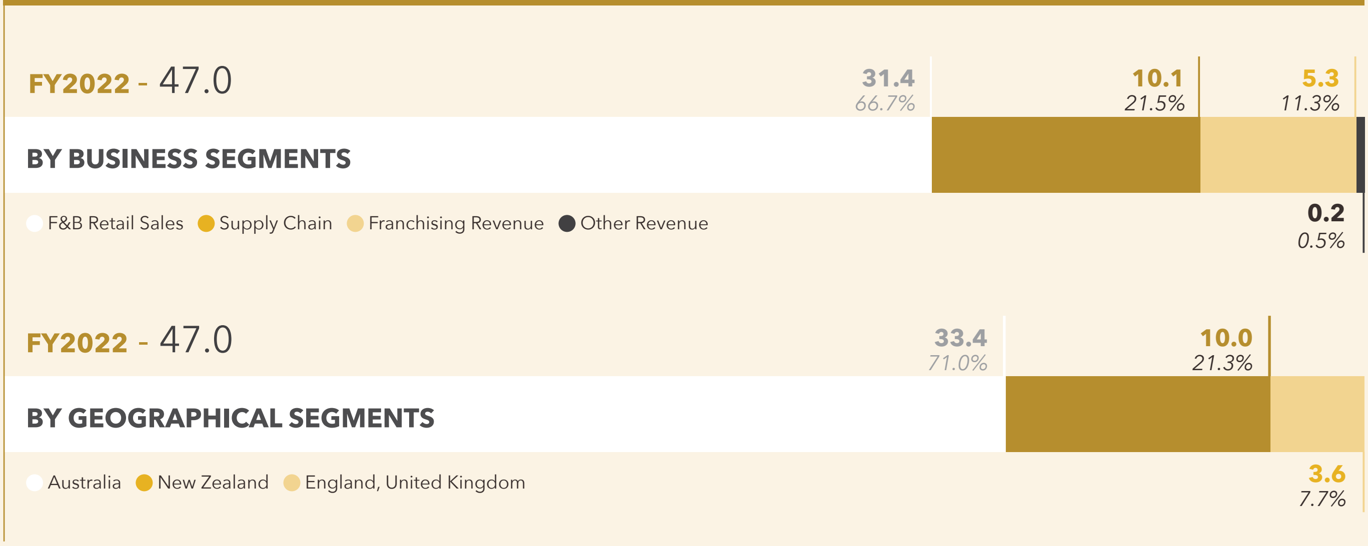
REVENUE FROM CONTINUING OPERATIONS (A$'million)



PATMI (A$'million)



REVENUE FROM CONTINUING OPERATIONS (A$'million)



Financial Highlights

INCOME STATEMENT	2022 A$'000	2021 A$'000
Revenue from continuing operations	46,972	44,883
Other income	3,560	3,605
Revenue by Business Segments		
Food & beverage retails	31,350	30,359
Supply Chain	10,097	8,857
Franchising revenue	5,315	5,398
Others	210	269
Total	46,972	44,883
Revenue by Geographical Segments		
Australia	33,353	32,192
New Zealand	9,987	11,277
United Kingdom	3,632	1,414
Total	46,972	44,883
Profits & Earnings per Share		
(Loss)/Profit from continuing operations, net of tax	(1,172)	1,590
Profit/(Loss) from discontinued operations, net of tax	252	(865)
Profit attributable to equity holders of the Company	368	1,130
Basic and diluted earnings per shares (cents)	0.15	0.47
FINANCIAL POSITION		
Total assets	57,764	63,032
Total liabilities	38,139	40,976
Equity attributable to the equity holders of the Company	19,965	20,162
Cash and fixed deposits with financial institution	10,249	12,135
Borrowings with financial institution*	2,310	817

* Excludes finance lease liabilities

Message from Our Chairman & CEO

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present ST Group Food Industries Holdings Limited's (the "**Company**", and together with its subsidiaries, "**ST Group**" or the "**Group**") annual report for the financial year ended 30 June 2022 ("**FY2022**").

The coronavirus ("**COVID-19**") pandemic continues to have a profound impact on the Group's operating environment across its key geographical markets of Australia, New Zealand and the United Kingdom (the "**UK**"). In particular, the first nine months of FY2022 were arduous for the food and beverage ("**F&B**") industry as border closures and movement restrictions curtailed retail footfall and disrupted dining activities. However, the easing of border restrictions and resumption of international travel towards the end of FY2022 has lifted business sentiment and reinvigorated the F&B sector. Against this backdrop, the Group performed commendably by achieving revenue growth in its core operations in FY2022.

FINANCIAL PERFORMANCE

The Group posted revenue of A$47.0 million in FY2022 compared to A$44.9 million in the financial year ended 30 June 2021 ("**FY2021**") mainly due to increase in the number of outlets during the financial year.

The F&B retail sales segment continued to be the major contributor to the Group's total revenue with sales of A$31.3 million in FY2022 as the Group-owned outlets' performance improved significantly in the second half of FY2022 following the easing of COVID-19 restrictions in the major geographical markets that the Group operates in. The total number of Group-owned outlets increased from 48 outlets as at 30 June 2021 to 49 outlets as at 30 June 2022.

The Group's supply chain sales segment, comprising the sale of F&B ingredients and other supplies to sub-franchisees and sub-licensees, recorded a revenue of A$10.1 million in FY2022. The Group continued to expand its network of sub-franchised and sub-licensed outlets, which increased from 82 outlets as at 30 June 2021 to 98 outlets as at 30 June 2022.

Message from Our Chairman & CEO

Franchise revenue decreased by A$0.1 million from A$5.4 million in FY2021 to A$5.3 million in FY2022 mainly due to a decrease in project income and offset by an increase in franchise fee and royalty income.

Depreciation expense increased to A$8.3 million in FY2022, comprising A$5.2 million depreciation on right-of-use assets and A$3.1 million depreciation on property, plant and equipment. Staff costs increased from A$15.7 million in FY2021 to A$18.3 million in FY2022 as staff costs normalised in FY2022 following rationalisation exercises carried out in FY2021 in response to the COVID-19 pandemic and hiring resumed to support the Group's central kitchen and outlets in line with the pickup in F&B retail and supply chain activities in FY2022.

Excluding losses attributable to non-controlling interests, net profit attributable to equity holders of the Company decreased from A$1.1 million in FY2021 to A$0.4 million in FY2022. Notwithstanding the increase in revenue in FY2022, the increase was offset by purchases of inventories, staff costs and other expenses which increased more than proportionally as compared to the increase in revenue in FY2022. This was largely due to rising freight costs and manpower shortage encountered in the key geographical segments that the Group operates in.

FINANCIAL POSITION

During the financial year, the Group focused on bolstering its working capital and maintaining its surplus cash to support its business initiatives.

CURRENT ASSETS

The Group's current assets decreased by A$0.9 million, from A$16.9 million as at 30 June 2021 to A$16.1 million as at 30 June 2022. This was mainly due to a decrease in fixed deposit placed with a licensed financial institution of A$1.0 million, decrease in cash and bank balances of A$1.0 million and a decrease in disposal group assets classified as held for sale of A$0.6 million upon completion of the divestment of the Malaysia operations in September 2021, offset by an increase in trade and other receivables of A$0.9 million and an increase in inventories of A$0.7 million as the Group's operations gradually recovered from the impact of the COVID-19 pandemic.

NON-CURRENT ASSETS

The Group's non-current assets decreased by A$4.4 million, from A$46.1 million as at 30 June 2021 to A$41.7 million as at 30 June 2022. The decrease was mainly attributable to a decrease in right-of-use assets of A$2.4 million, a decrease in property, plant and equipment of A$1.9 million and a decrease in intangible assets of A$0.2 million, partially offset by an increase in fixed deposit placed with licensed financial institutions of A$0.1 million.

CURRENT LIABILITIES

The Group's current liabilities decreased by A$1.9 million, from A$17.8 million as at 30 June 2021 to A$16.0 million as at 30 June 2022. This was mainly due to a decrease in tax payable of A$1.1 million due to lower tax provision for FY2022 and repayment of tax liabilities during the year, a decrease in liabilities directly associated with disposal group classified as held for sale of A$0.8 million, a decrease in lease liabilities of A$0.6 million and a decrease in trade and other payables of A$0.2 million, offset by an increase in borrowings of A$0.7 million and increase in contract liabilities of A$0.1 million.

NON-CURRENT LIABILITIES

The Group's non-current liabilities decreased by A$1.0 million, from A$23.2 million as at 30 June 2021 to A$22.2 million as at 30 June 2022. The decrease was mainly due to a reduction in lease liabilities of A$2.1 million attributable to lease payments made during the year for our leases, and offset by an increase in borrowings of A$0.8 million for working capital purposes and an increase in contract liabilities of A$0.3 million.

REVIEW OF CASH FLOWS

The Group generated net cash from operating activities before changes in working capital of A$8.6 million. Net cash used in working capital amounted to A$1.2 million, mainly due to an increase in inventories of A$0.7 million, an increase in trade and other receivables and contract assets of A$1.0 million and partially offset by an increase in trade and other payables and contract liabilities of A$0.5 million.

Message from Our Chairman & CEO

Net cash used in investing activities amounted to A$1.7 million, mainly due to additions to property, plant and equipment of A$1.2 million as we expanded our supply chain operations and invested in new outlets.

Net cash used in financing activities amounted to A$6.4 million, mainly due to repayment of bank borrowings and lease liabilities of A$5.4 million, acquisition of additional equity in subsidiaries of A$1.4 million, interest paid on lease liabilities and bank borrowings of A$1.2 million, dividends paid to shareholders and non-controlling interests of A$0.5 million and repayment of advances from non-controlling interest of A$0.3 million, offset by loan drawdown of A$2.2 million and proceeds from sale of treasury shares of A$0.5 million for working capital purposes.

The above led to a decrease in cash and cash equivalents by A$1.9 million in FY2022.

FORGING AHEAD

The global F&B industry has been hit hard by the COVID-19 pandemic with the economic downturn, multiple lockdown measures and dine-in restrictions crippling the sector. The Group's outlets were also affected as we continued to operate under restrictions imposed by the various jurisdictions in our key markets for the better part of FY2022.

Nevertheless, the Group has adapted resiliently to the challenges posed during these unprecedented times by repositioning its businesses to capitalise on growth opportunities. Following the disposal of its loss-making operations in Malaysia, the Group was able to reallocate its resources to build up its presence in other key markets. The acquisition of both the additional 40% stake in the Papparich Australia group of companies as well as the Papparich trademarks for Australia and New Zealand are testament to the Group's focus on leveraging brand value to strengthen its foothold in these key geographical markets.

EXTENDING OUR REACH

Notwithstanding the challenging operating environment, the Group has managed to increase the number of outlets from 130 outlets as at 30 June 2021 to 147 outlets as at 30 June 2022 as well as an additional six more outlets slated to open by December 2022. We remain committed to developing strong partnerships with our sub-franchisees and sub-licensees.

The Group continues to be on the lookout for complementary brands to build up our portfolio and enhance our market position as one of the leading F&B players in Australia, New Zealand and the UK.

PRIMED FOR GROWTH

The Group's financial position allows us to proactively look for suitable business opportunities for growth. We recently opened a new IPPUDO outlet in Melbourne, Australia. The store received plaudits from our local customers and validates our strategy to secure favourable leases to establish new outlets in prime locations. In addition, the Group has also increased our warehouse capacity in New Zealand to lay the foundation for future expansion in this key market.

The easing of border restrictions and resumption of international travel augurs well for the recovery of the F&B industry in the major markets that the Group operates in. We will continue to focus on building shareholder value by expanding our network of outlets and capitalising on opportunities to augment our portfolio with exciting brands that bolster our credentials as a leading F&B player in our key geographical markets.

ACKNOWLEDGEMENT

Finally, I would like to take this opportunity to thank our Board members for their invaluable guidance and stewardship. I am also deeply appreciative of our management team and staff for their continued dedication and tireless efforts during the year. In addition, I am extremely grateful to our shareholders, business partners and customers for their staunch support throughout this difficult season.

I believe that the strategic initiatives which we have undertaken will enhance shareholder value in the years to come.

We thank you and look forward to your continued support.

Mr. Saw Tatt Ghee
Executive Chairman and CEO

Board of Directors

MR. SAW TATT GHEE
- Executive Chairman and CEO

Mr. Saw Tatt Ghee is the founder, Executive Chairman and Chief Executive Officer ("**CEO**") of ST Group, and was appointed to the Board on 11 January 2018 and was re-elected on 20 November 2020. He is responsible for overseeing the overall development and performance of the Group, setting and executing the strategic direction and expansion plans for the growth and development of the Group, including sourcing for new brands to add to the Group's portfolio to promote business growth.

Mr. Saw has over 20 years of experience in the F&B industry. Prior to founding the Group, Mr. Saw was involved in the management and operation of various F&B outlets in Melbourne, Australia.

Mr. Saw obtained his Bachelor of Commerce from the University of Melbourne in 2001. Thereafter, Mr. Saw attained a Graduate Diploma in Business Systems from the Royal Melbourne Institute of Technology in 2003.

MS. SAW LEE PING
- Executive Director and CAO

Ms. Saw Lee Ping was appointed to the Board as Executive Director and Chief Administrative Officer ("**CAO**") on 10 June 2019 and was re-elected on 30 November 2021. She is responsible for managing the Group's administrative functions and supporting the CEO in executing the strategic direction and expansion plans for the growth and development of ST Group. She first joined ST Group in 2011 as the Group's financial controller until 2014, where she subsequently became the Group's CAO.

Ms. Saw has more than 10 years of experience in financial and transaction advisory services. Prior to joining ST Group, Ms. Saw held various positions from associate to senior manager in the Transaction Advisory Services Division in Ernst & Young, Malaysia from 1997 to 2007. From 2008 to 2012, she was an accountant for Oldtown (Aust) Pty Ltd, a former business venture of Mr. Saw Tatt Ghee.

Ms. Saw obtained her Bachelor in Economics from the University of Sydney, Australia in 1997. She became a certified practising accountant of CPA Australia in 2000.

Board of Directors

MR. CHAN WEE KIANG
- Lead Independent Director

Mr. Chan Wee Kiang was appointed to the Board as the Lead Independent Director on 10 June 2019 and was re-elected on 20 November 2020. Mr. Chan is currently the group managing director of PCCS Group Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

Prior to this, he has held various positions in the subsidiaries of PCCS Group Berhad. Mr. Chan started his career in Perusahaan Chan Choo Sing Sdn. Bhd. as a marketing executive in 2002 and was subsequently promoted to assistant marketing manager in 2003. From 2004 to 2006, he was the group marketing manager of PCCS (Hong Kong) Limited. He was general manager of PCCS Garments (Suzhou) Limited from 2007 to 2009, before he was appointed as deputy group general manager of PCCS Group Berhad in 2009.

Mr. Chan graduated with a Bachelor of Commerce (Accounting and Finance) from Monash University, Australia in 2006.

MR. PETER SIM SWEE YAM
- Independent Director

Mr. Peter Sim Swee Yam was appointed to the Board as an Independent Director on 10 June 2019 and was re-elected on 25 October 2019.

A practising lawyer with over 40 years of experience and director of his own law firm, Sim Law Practice LLC, Mr. Sim is also an independent director of Singapore Land Group Limited and Lum Chang Holdings Limited, all of which are listed on the Singapore Stock Exchange. He is also a non-executive director of Singapore Heart Foundation.

He graduated in 1980 with a Bachelor of Laws (Hon) degree from the University of Singapore (now known as the National University of Singapore) and was called to the Singapore Bar in 1981. He is also a member of The Law Society of England & Wales (UK) since 1997.

Mr. Sim was awarded two National Awards, the Public Service Medal (Pingat Bakti Masyarakat) in August 2000 and the Public Service Star (Bintang Bakti Masyarakat) in August 2008.

MR. YAP ZHI CHAU
- Independent Director

Mr. Yap Zhi Chau was appointed to the Board as an Independent Director on 10 June 2019 and was re-elected on 30 November 2021. Mr. Yap is currently the group executive chairman of YYC Holdings Sdn Bhd, an accounting firm in Malaysia, a position he has held since 2015.

Prior to this, he was an executive director at YYC Holdings Sdn Bhd from 2010 to 2015. Between 2002 and 2010, Mr. Yap was with YYC & Co., where he started out as an audit associate and was promoted to senior business development manager.

Mr. Yap graduated with a Bachelor of Business (Accounting) from the Central Queensland University, Australia in 2002. He is a member of the Malaysian Institute of Accountants as well as a member of CPA Australia.

Key Management

MR. LEONG WENG YU
- Central Kitchen Production Manager

Mr. Leong Weng Yu was appointed as the Central Kitchen Production Manager in 2014. He is responsible for the overall management and oversight of the Group's Central Kitchen, including overseeing the central procurement process, food processing and preparation process and quality control. He is also responsible for developing new food concepts and products made in the Central Kitchen.

Mr. Leong first joined ST Group in 2012 as an executive chef in the restaurants under the "PappaRich" brand. Prior to joining the Group, he has worked in various F&B establishments between 2004 to 2012, holding positions ranging from cook to executive chef and head chef. From 2008 to 2012, he worked as an executive chef for Oldtown (Aust) Pty Ltd, a former business venture of Mr. Saw Tatt Ghee.

Mr. Leong graduated with a Bachelor of Business (Marketing) from Swinburne University of Technology, Australia in 2006 and attained a Certificate III in Hospitality for Commercial Cookery from the Sydney International College of Business in 2007.

MR. PANG KHER CHINK
- Operations Manager

Mr. Pang Kher Chink is an Operations Manager and is responsible for the overall management and oversight of the operations of the Group's outlets.

Mr. Pang has been involved in ST Group's business since it was founded in 2011. He has held various positions within the Group's subsidiaries, as Operations Manager of Oldtown QV (Aust) Pty Ltd, IPR (WA) Pty Ltd in Western Australia, IPR NZ Ltd in New Zealand and was responsible for the establishment of its outlets under the "IPPUDO" brand in Perth and New Zealand. Prior to joining the Group, Mr. Pang was a supervisor at SGN Aust Pty Ltd from 2005 to 2012.

Mr. Pang graduated with a degree in Business Information Systems from the Swinburne University of Technology, Australia in 2004.

MR. TAN TEE OOI
- Operations Manager

Mr. Tan Tee Ooi is an Operations Manager and is responsible for the overall management and oversight of the operations of the Group's outlets.

Mr. Tan has been involved in ST Group's business since it was founded in 2011. He has held various positions within the Group's subsidiaries, including director of Oldtown QV (Aust) Pty Ltd and JCT (Doncaster) Pty Ltd, and has been involved in managing and supervising outlet operations under the "PappaRich" and "PAFU" brands. Prior to joining ST Group, Mr. Tan was a manager of an F&B establishment in Australia from 2008 to 2009.

He was appointed as director of Oldtown QV (Aust) Pty Ltd in 2009, which was trading as Old Town Kopitiam Mamak, where he was responsible for the management of Old Town Kopitiam Mamak, a Malaysian food restaurant opened by Mr. Saw Tatt Ghee in QV Melbourne. Subsequently, when Old Town Kopitiam Mamak ceased operations and the first "PappaRich" restaurant was opened at the same premises in 2012, he assumed his role as a manager of the "PappaRich" restaurant. Before this, he was a software engineer with Advanced Air Traffic Systems (M) Sdn Bhd from 1998 to 2007.

Mr. Tan graduated with a Bachelor of Science with Honours in Computing Science from Staffordshire University in 1999. Mr. Tan is the spouse of our Executive Director and CAO, Ms. Saw Lee Ping.

Key Management

MR. NG YEE SIANG
- Operations Manager

Mr. Ng Yee Siang is an Operations Manager and is responsible for the overall management and oversight of the operations of the Group's "Gong Cha" outlets.

Mr. Ng has been involved in ST Group's business since it was founded in 2011. He has held various positions within the Group's subsidiaries, including a director of Oldtown QV (Aust) Pty Ltd, STG Beverage (NZ) Pty Ltd and GCHA (NZ) Pty Ltd. He was responsible for the establishment and expansion of the franchise network under the "Gong Cha" brand in New Zealand. Prior to this, Mr. Ng was a manager and director of SGN Aust Pty Ltd, a master franchisee for an international F&B brand, from 2005 to 2013.

Mr. Ng graduated with a Bachelor of Engineering from the University of Melbourne, Australia in 2002.

MR. LEE JIAN HUI
- Operations Manager

Mr. Lee Jian Hui is responsible for the overall management and oversight of the operations of the Group's PappaRich brand in Australia and New Zealand. Mr Lee is also involved in the establishment and development of corporate governance, franchise system and supply chain for the Group.

Mr. Lee graduated in 2009 with a Bachelor of Business (Professional Accountancy) from Royal Melbourne Institute of Technology (RMIT), Melbourne, Australia and joined Oldtown QV (Aust) Pty Ltd as a Brand Development Manager in 2010. He then joined the Group as General Manager of PappaRich Australia Pty Ltd in November 2011.

MS. DAPHNE CHIN YING MUN
- Operations Manager

Ms. Daphne Chin Ying Mun was appointed as an Operations Manager in February 2020. She is responsible for managing and overseeing the operations of Nene Chicken brand. She also leads the establishment and expansion of Nene Chicken sub-franchise and sub-licence network.

She first joined ST Group in 2014 as a Business Development Manager of Nene Chicken Australia Pty Ltd where she was responsible for business development and overall management of Nene Chicken team.

Ms. Chin graduated with a Bachelor of Business (Economics and Finance) in 2011 and Master of Professional Accounting in 2013 from Royal Melbourne Institute of Technology.

Mr. Lim Hoe Keng ceased to be the Chief Financial Officer (the "**CFO**") of the Company on 30 September 2022. The Company is in the midst of identifying a suitable candidate for the CFO position. During the interim period, the CFO's duties will be temporarily undertaken by Ms. Chin Poh Yeen, the Financial Controller of the Company. Mr. Lim has remained as a consultant of the Company until further notice to assist with handover matters and training of the new CFO, if required.

Corporate Information

COMPANY REGISTRATION NUMBER : 201801590R

BOARD OF DIRECTORS

Executive:
Saw Tatt Ghee (Executive Chairman and Chief Executive Officer)
Saw Lee Ping (Executive Director and Chief Administrative Officer)

Non-Executive:
Chan Wee Kiang (Lead Independent Director)
Peter Sim Swee Yam (Independent Director)
Yap Zhi Chau (Independent Director)

AUDIT COMMITTEE

Yap Zhi Chau (Chairman)
Peter Sim Swee Yam
Chan Wee Kiang

NOMINATING COMMITTEE

Yap Zhi Chau (Chairman)
Saw Tatt Ghee
Chan Wee Kiang

REMUNERATION COMMITTEE

Chan Wee Kiang (Chairman)
Peter Sim Swee Yam
Yap Zhi Chau

COMPANY SECRETARIES

Cheam Heng Haw
Toh Li Ping, Angela

REGISTERED OFFICE

9 Straits View
#06-07 Marina One West Tower
Singapore 018937
Tel: +65 6535 3600

BUSINESS OFFICE

120-130 Turner Street
Port Melbourne Victoria 3207
Australia

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

SPONSOR

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

AUDITORS

Baker Tilly TFW LLP
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778

Partner-in-charge: Mr Joshua Ong Kian Guan (a member of the Institute of Singapore Chartered Accountants)

Appointed since the financial year ended 30 June 2019

Report on Corporate Governance

The board of directors ("**Board**" or "**Directors**") of ST Group Food Industries Holdings Limited ("**Company**" and, together with its subsidiaries, "**ST Group**" or "**Group**") is committed to maintaining high standards of corporate governance within the Group. The Board recognises that good corporate governance establishes and maintains a governance structure which is essential for preserving and enhancing the interests of all stakeholders of the Group. This report describes the Group's corporate governance framework and practices that were in place throughout the financial year ended 30 June 2022 ("**FY2022**"). The Board confirms that the Group adheres to the principles and provisions of the Code of Corporate Governance 2018 ("**Code**") where applicable, relevant and practicable to the Group, the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**") and the Companies Act 1967 of Singapore ("**Companies Act**"). Where there is any deviation from any provisions of the Code, an explanation has been provided in this report and how the practices adopted by the Group are consistent with the intent of the relevant principle. This report should be read in its entirety.

BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF ITS AFFAIRS

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board, in addition to its statutory responsibilities, is primarily responsible for overseeing and supervising the Company's management ("**Management**") in the business affairs and the overall performance of the Group. It sets the overall strategy, values and standards (including ethical standards) of the Group and has the duty to protect and enhance long-term shareholder value of the Company. Board members are expected to act in good faith and exercise independent judgement in the best interests of the Group. To fulfil this role, the Board's responsibilities include:

(i) setting the code of conduct, values and standards (including ethical standards) of the Group, an appropriate tone-from-the-top and desired organisational culture, ensuring that the Group's policies and practices are consistent with the culture, and that there is proper accountability within the Group;

(ii) providing effective entrepreneurial leadership, guiding and setting strategic objectives and directions to ensure that the necessary financial, human and other resources are in place for the Group to achieve its objectives;

(iii) reviewing the processes relating to risk management systems, adequacy and effectiveness of internal controls, addressing financial, operational, compliance and information technology controls identified by the Audit Committee ("**AC**") that are required to be strengthened for assessment and recommendations on actions to be taken to address and monitor any areas of concern;

(iv) advising Management on major policy initiatives and significant issues, and approving Board policies, strategies and financial objectives of the Group;

(v) constructively challenging Management and reviewing the Group's performance on a regular basis, including but not limited to approving announcements relating to the financial results and the audited financial statements of the Group, and timely announcements of material developments concerning the Group;

(vi) identifying key stakeholder groups and recognising that their perceptions affect the Group's reputation;

(vii) approving annual budgets, key operational matters, major funding proposals, investments and divestments, corporate or financial restructuring, material acquisitions and disposal of assets and interested person transactions of a material nature, dividend payments (if any) and convening of meetings of shareholders of the Company ("**Shareholders**"), approving share buybacks, if any, and making decisions of all material transactions in the interests of the Group;

Report on Corporate Governance

(viii) approving all Board appointments or re-elections/re-appointments and appointments and promotion of Key Management Personnel (as defined in the Code) and employees who are related to any of the Directors, substantial shareholders of the Company or the Chief Executive Officer ("**CEO**") of the Company;

(ix) establishing and maintaining a framework of good corporate governance within the Group, including risk management systems and prudent, adequate and effective internal controls to safeguard Shareholders' interests and the Group's assets;

(x) evaluating the performance and compensation of Directors, Key Management Personnel and employees who are related to the Directors or substantial shareholders; and

(xi) overseeing the proper conduct of the Group's business and assuming responsibility for its corporate governance processes.

The Board also considers sustainability issues such as environmental and social factors as part of its strategic formulation in line with the provisions of the Code.

Provision 1.1 – Director's conflicts of interest

All Directors conduct the appropriate due diligence and independent judgement in discharging their duties and responsibilities at all times as fiduciaries and act objectively in the interests of the Company.

All Directors are required to exercise due care and maintain the confidentiality of information entrusted to them by the Company and carry out their responsibilities in compliance with applicable laws, rules and regulations.

The Company has in place an internal code of compliance on securities transactions by the Company and its officers ("**Code of Compliance**") that the Company's Directors and its officers must not trade in its securities within the "closed" window period or deal with its securities on short-term considerations as well as while they are in possession of non-public materially price-sensitive or trade-sensitive information.

Directors facing conflicts of interest are required to recuse themselves from discussions and decisions involving the issues of conflict and abstain from voting on any resolution and making any recommendation and/or participating in respect of such decision. They are also required to avoid situations in which their own personal or business interests, directly or indirectly, conflict, or appear to conflict, with the interests of the Group. Where a Director has a conflict of interest, or it appears that he might have a potential conflict of interest, in relation to any matter, he is required to declare such interest at a meeting of the Directors (or in written resolutions to be passed), and recuse himself from participating in any discussion and abstain from voting on the matter. Where relevant, the Directors have complied with such requirement, and such compliance is duly recorded in the minutes of meeting and/or Directors' resolutions in writing.

Provision 1.2 – Induction and training of Directors

Newly appointed Directors will receive appropriate training and orientation programmes to familiarise themselves with the operations of the Group and its businesses. The Company will also make the necessary arrangements for the newly appointed Directors, if any, to attend the First-Time Director Mandatory Training so as to familiarise themselves with the roles and responsibilities as a Director of a listed company in Singapore, if required.

The Company did not appoint any new Director and/or first-time Director during FY2022.

The Directors may join institutes and group associations of specific interests, and attend relevant training seminars or informative talks at the Company's expense from time to time to apprise themselves of the legal, financial and other regulatory developments and to effectively discharge their duties as a Director.

Report on Corporate Governance

As an ongoing exercise, the Directors will also be briefed by professionals during Board meetings or at separate seminars on amendments and updates to the requirements of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and other statutory and regulatory changes which may have an important bearing on the Group and the Directors' obligations to the Company, from time to time. Directors also have the opportunity to visit the Group's operational facilities and to meet with Management so as to gain a better understanding of the Group's business operations.

Pursuant to Rule 720(6) of the Catalist Rules effective 1 January 2022, all Directors of the Company must undergo training on sustainability matters as prescribed by the SGX-ST. If the Nominating Committee ("**NC**") is of the view that training is not required because the Director has expertise in sustainability matters, the basis of its assessment must be disclosed. The Company is required to confirm in its sustainability report for the financial year ending 30 June 2023 that all its Directors have attended the mandatory training on sustainability. Accordingly, the Company is in the midst of arranging for its Directors to attend the mandatory training on sustainability training by 30 June 2023.

Provision 1.3 – Matters requiring Board's approval

The approval of the Board is required for any matters which is likely to have a material impact on the Group's business and/or financial position as well as matters other than those in the ordinary course of business. The matters reserved for the Board's decision and the types of material transactions that are likely to have a material impact on the Group's business and/or financial position as well as matters other than those in the ordinary course of business, are, inter alia, as follows:

- financial results and audited financial statements;
- the Group's broad policies, objectives and strategic plans including long-term strategic plans;
- annual operating plan and budget;
- major funding proposals and corporate or financial restructuring, if any;
- joint ventures, mergers, acquisitions, investments, divestments or other material changes in the Group's assets;
- Management changes or changes in effective control of the Company;
- firm evidence of significant improvement or deterioration in near term earnings prospects;
- subdivision of shares or stock dividends;
- acquisition or loss of significant contracts;
- significant new product or discovery;
- public or private sale of significant amount of additional securities of the Company;
- share buybacks;
- share option or share schemes;
- scrip dividend schemes;
- interested person transactions;
- provision or receipt of a significant amount of financial assistance;
- occurrence of an event of default under debt or other securities or financing or sale agreements;
- significant litigation;
- significant dispute(s) with customers or suppliers, or with any parties;
- significant change in capital investment plans;
- material financial loss/damage caused by disaster and/or loss of credibility arising from corporate scandals and other fraudulent activities pursuant to any reports received under the Whistle Blowing Policy adopted by the Company;
- appointment and removal of Auditor and Company Secretary;
- tender offer for another company's securities;
- valuation of the Group's assets that has a significant impact on the Group's financial position and/or performance;
- involuntary striking-off of the Company's subsidiaries;
- investigation on any Director or executive officer of the Company;
- loss of a major customer or a significant reduction of business with a major customer; and
- major disruption to supply of critical goods or services, if any.

Report on Corporate Governance

Provision 1.4 – Delegation by the Board

The Board has delegated authority to three Board Committees, namely, the AC, the NC and the Remuneration Committee ("**RC**"), to enable them to oversee certain responsibilities based on their terms of reference. The terms of reference of each Board Committee set out the responsibilities of the Board Committee, conduct of meetings including quorum, voting requirements and qualifications for Board Committee membership. All Board Committees are chaired by an Independent Director and a majority or all of the members are Independent Directors. Any change to the terms of reference for any Board Committee requires the Board's approval. The minutes of Board Committee meetings, which record the key deliberations and decisions taken during these meetings, are circulated to all Board members for their information. The effectiveness of each Board Committee is also constantly monitored.

The Board accepts that while these Board Committees are delegated with the power to make decisions, execute actions or make recommendations in their specific areas, respectively, and will report to the Board with their decisions and/or recommendations, the ultimate responsibility for the decisions and actions rests with the Board.

The current composition of the Directors in the Board and its Board Committees is as follows:

Name of Director		AC	RC	NC
Mr. Saw Tatt Ghee	(Executive Chairman and CEO)	–	–	M
Ms. Saw Lee Ping	(Executive Director and Chief Administrative Officer)	–	–	–
Mr. Chan Wee Kiang	(Lead Independent Director)	M	C	M
Mr. Peter Sim Swee Yam	(Independent Director)	M	M	–
Mr. Yap Zhi Chau	(Independent Director)	C	M	C

C - Chairman
M – Member

Provision 1.5 – Board processes, including Directors' attendance at meetings

The Board meets at least on a semi-annual basis to review, *inter alia*, the financial results, accounting policies, and audit plans and findings of the Group, and the Directors attend and actively participate in the Board and Board Committee meetings. These meetings are scheduled in advance to facilitate the individual Director's planning in view of their ongoing commitments. Ad hoc meetings of the Board and/or the Board Committees will be held as and when required to attend to any significant developments that may arise. Directors with multiple board representations on other companies ensure that sufficient time and attention are given to the affairs of the Company.

Where physical Board or Board Committees' meetings are not possible, timely communication with members of the Board or Board Committees can be achieved through electronic means and circulation of written resolutions for approval by the relevant Board or Board Committees' members. The Company's Constitution provides for meetings to be held via telephone or video conference or other methods of simultaneous communication by electronic, audio, audio-visual or other similar means.

Report on Corporate Governance

Details of Board and Board Committees' meetings and general meetings, i.e. annual general meeting ("**AGM**"), held from 1 July 2021 to 30 June 2022 are summarised in the table below:

Name of Directors	General meeting				Board Committees' meetings					
	AGM		Board		AC		RC		NC	
	No. of meetings		No. of meetings		No. of meetings		No. of meetings		No. of meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Saw Tatt Ghee	1	1	3	3	–	–	–	–	1	1
Saw Lee Ping	1	1	3	3	–	–	–	–	–	–
Chan Wee Kiang	1	1	3	3	2	2	2	2	1	1
Peter Sim Swee Yam	1	1	3	3	2	2	2	2	–	–
Yap Zhi Chau	1	1	3	3	2	2	2	2	1	1

There was no extraordinary general meeting held during the period from 1 July 2021 to 30 June 2022.

Provision 1.6 – Complete, adequate and timely information

Management has an obligation to supply the Board with complete and adequate information in a timely manner on Board affairs and issues that require the Board's decision prior to meetings and on an ongoing basis to enable them to make informed decisions and discharge their duties and responsibilities.

The Executive Directors and Management keep the Board informed of the Group's business and performance through regular updates and reports as well as through informal discussions. Prior to any meetings of the Board or Board Committees, Directors are provided, where appropriate, with management information for their review and to enable them to participate actively at the meetings. The Executive Directors and Management are present at Board and Board Committee' meetings to address any queries that the Board may have. Directors are also entitled to request from Management and be provided with additional timely information as needed in order for them to make informed decisions.

Board and Board Committees' papers are sent to Directors at least three working days before such meetings so that the Directors may have a better understanding of the matters prior to the meeting and discussions may be focused on questions that the Directors may have on these matters.

Provision 1.7 – Company Secretaries and independent professional advice

Board members have separate and independent access to Management and the Company Secretaries. The Company Secretaries and/or his/her representative(s) attend all Board and Board Committees' meetings and provide secretarial support to the Board, ensuring that Board procedures and all other rules and regulations applicable to the Company are adhered to.

The appointment and/or change of the Company Secretaries are subject to approval by the Board as a whole.

Where decisions to be taken require expert opinion or specialised knowledge, the Directors, whether as a group or individually, may seek independent professional advice as and when necessary in furtherance of their duties at the Company's expense. The appointment of such independent professional advisor is subject to approval by the Board.

Report on Corporate Governance

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provisions 2.1 and 4.4 – Directors' independence review

An "independent" director is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company.

The Board, with the concurrence of the NC, has adopted a declaration of independence pursuant to provision 2.1 of the Code and Rule 406(3)(d) of the Catalist Rules ("**Confirmation of Independence Form**").

Provisions 2.2 and 2.3 – Composition of (i) Independent Directors and (ii) Non-Executive Directors on the Board

The current Board comprises two Executive Directors, namely, the Executive Chairman and CEO, and the Executive Director and Chief Administrative Officer ("**CAO**"), and three Independent and Non-Executive Directors. There is a strong and independent element on the Board, with Independent Directors making up a majority of the Board and the Company complies with provisions 2.2 and 2.3 of the Code.

No alternate director has been appointed by any Director.

Provision 2.4 – Composition of the Board and Board Committees, and Board Diversity Policy

The Company is committed to building a diverse, inclusive and collaborative culture in the Group. It recognises that a diverse Board of an appropriate size is an important element to achieve the Group's strategic objectives for sustainable development, avoid groupthink and foster constructive debates. A diverse Board also enhances the decision-making process through perspectives derived from differentiating skillsets, business experience, industry discipline, gender, age and culture, background and nationalities, tenure of service and other distinguishing qualities of the Directors.

The size and composition of the Board is reviewed annually by the NC to ensure that the size of the Board is appropriate so as to facilitate effective decision making. The review ensures that there is an appropriate mix of skills, knowledge, expertise, experience and diversity which the Group may tap on for assistance in furthering its business objectives and shaping its business strategies. The Board, with the concurrence of the NC, is of the opinion that its current board size of five members is appropriate, taking into account the nature and scope of the Group's operations and the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees.

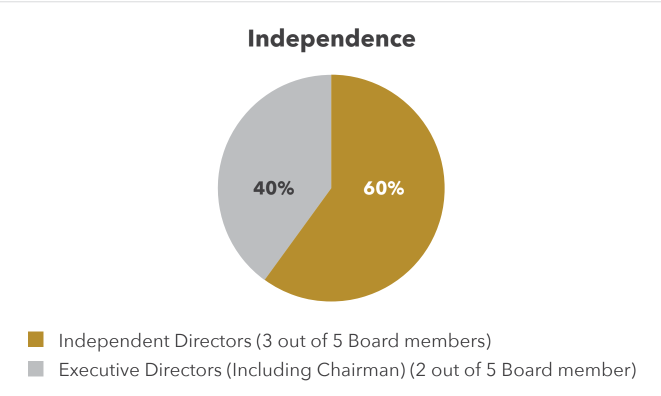
Pursuant to provision 2.4 of the Code, the Board has adopted a Board Diversity Policy. Having regard to the guidelines in the Board Diversity Policy, the NC will, in reviewing the Board's composition, rotation and retirement of Directors and succession planning, take into account factors including, but not limited to, gender, age, nationality, cultural background, educational and professional background, experience, skills, knowledge, independence and length of service. These differentiating factors will be considered in determining the optimum composition of the Board and when possible will be balanced appropriately.

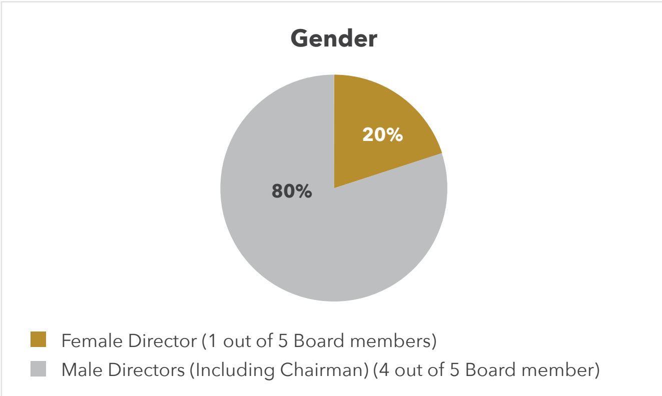
Any external search consultants, if required, engaged to assist the Board or the NC to search for candidates for appointment to the Board will be specifically directed to include candidates from diverse backgrounds. The decision on the selection of Director(s) to be appointed on the Board will ultimately be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity balanced with the needs of the Board.

Report on Corporate Governance

Together, the Board and Board Committees comprise Directors who as a group provide a broad range and an appropriate balance and diversity of age and gender, and expertise in areas such as accounting, finance, legal, knowledge of the Company's business, management and operations experience and strategic planning experience, knowledge, geographical background and nationality, as well as familiarity with regulatory requirements. The diversity of the Directors' experience allows for useful exchange of ideas and views.

No individual or select group of individuals dominates the Board's decision-making process as a majority of the Board (60%) is made up of Independent Directors.





The NC will review the Board Diversity Policy from time to time as appropriate to ensure its effectiveness. The NC will also discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

Key information regarding the Directors is set out in the "Board of Directors" section of the Annual Report.

Provision 2.5 – Role of Independent Directors

Independent Directors contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide alternative perspectives to the Group's business. They constructively challenge and help develop proposals on the Group's strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of the Group's business and financial performance. When challenging Management's proposals or decisions, they bring independent judgement to bear on business activities and transactions involving conflicts of interest and/or other complexities.

All Independent Directors, led by the Lead Independent Director, will meet and hold regular discussions during the year without the presence of the Management and the Executive Directors. The Lead Independent Director will provide feedback to the Board and/or Chairman of the Board after such meetings, if any, to facilitate effective discussion between the Chairman of the Board and the Board on strategic issues and any other issues that may arise.

The Independent Directors are also in frequent contact with one another outside the Board and Board Committees' meetings and hold regular informal discussions amongst themselves. Any feedback would be provided to the Board and/or Chairman of the Board as appropriate.

Report on Corporate Governance

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions 3.1 and 3.2 – Chairman and CEO
Provision 3.3 – Lead Independent Director

Mr. Saw Tatt Ghee ("**Mr. Saw**"), the founder of the Group, is the Executive Chairman and also the CEO of the Group.

As the Executive Chairman, his principal duties and responsibilities include:

- leading the Board to ensure its effectiveness on all aspects of its roles;
- scheduling meetings for the Board and Board Committees to discharge their duties with the assistance of the Chief Financial Officer ("**CFO**") and the Company Secretaries, including setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- promoting a culture of openness and debate on the Board;
- coordinating activities of the Non-Executive Directors and facilitating the effective contribution of Non-Executive Directors;
- exercising control over quality, quantity and timeliness of the flow of information between Management and the Board to ensure that the Directors receive complete, adequate and timely information;
- maintaining regular dialogue with Management on all operational matters;
- encouraging constructive relations within the Board and between the Board and Management;
- ensuring effective communication with Shareholders; and
- assisting in ensuring the Company's compliance with relevant laws, rules and regulations, corporate governance provisions and promote high standards of corporate governance.

As the CEO, Mr. Saw is responsible for overseeing the overall development and performance of the Group, setting and executing the strategic directions and expansion plans for the growth and development of the Group, including sourcing for new brands to add to the Group's portfolio to promote the growth of its business. He plays a key role in developing the business of the Group and provides the Group with strong leadership and vision.

The Board believes that vesting the roles of both the Executive Chairman and CEO in Mr. Saw, who is most knowledgeable of the businesses of the Group, provides the Group with strong and consistent leadership and allows for more effective planning and execution of long-term business strategies. Nonetheless, any major decisions made by Mr. Saw are required to be reviewed and approved by the Board. Should Mr. Saw face any conflict of interest in a proposed transaction, he is required to recuse himself from discussions and decisions involving the issue of conflict. He is also required to avoid situations in which his own personal or business interests, directly or indirectly, conflict, or appear to create a potential conflict of interest, with the interests of the Group.

The Board believes that the following factors sufficiently ensure that power is not concentrated in the hands of one individual and that accountability and independent decision-making by the Board is maintained:

(i) Independent Directors make up a majority of the Board;

(ii) there is active participation by Independent Directors during Board meetings who challenge the assumptions and proposals of the Management on all relevant issues affecting the affairs and the business of the Group, review the performance of Management and monitor the reporting of performance; and

Report on Corporate Governance

(iii) the Lead Independent Director has been appointed and is available to Shareholders who have concerns for which contact through the normal channels of communication with the Chairman of the Board and CEO, the Executive Director and CAO or the CFO has failed to resolve such concerns or for which such contact is inappropriate or inadequate. In particular, the Lead Independent Director acts as the principal liaison between the Shareholders, Independent Directors, the Chairman of the Board and Management regarding sensitive issues.

The Executive Chairman and CEO's performance and appointment to the Board is reviewed annually by the NC and his remuneration package is reviewed by the RC when his Service Agreement is due for renewal. All Board Committees are chaired by Independent Directors and Mr. Saw abstains from voting on any matter in respect of his own re-election and remuneration.

Further, in line with the provisions of the Code, Mr. Chan Wee Kiang was appointed as Lead Independent Director of the Company to coordinate and lead the Independent Directors to provide a non-executive perspective and to contribute to a balanced viewpoint on the Board. The Lead Independent Director will lead and coordinate the activities of the Independent Directors and serve as a principal liaison on Board issues between the Independent Directors and the Board to (i) assist the Independent Directors on constructive discussion with Management; (ii) assist Management in developing goals and objectives; and (iii) review and monitor Management performance.

Accordingly, there is a balance of power and authority and, therefore, no one individual has unfettered powers and no one individual can control/dominate the decision-making process of the Company. The Board is not considering separating the roles of the Executive Chairman and the CEO at this moment. The NC will review the need to separate the roles from time to time and make its recommendation when necessary.

As such, consistent with the intent of principle 3 of the Code, the Board is of the opinion that there are adequate safeguards and checks in place to ensure that the process of decision-making by the Board is independent and based on the collective decision of the Board without any individual exercising any considerable concentration of power or influence.

PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions 4.1 and 4.2 – NC's duties and composition

The NC is regulated by a set of written terms of reference which are in line with the Code. The NC comprises three members, a majority of whom, including the Chairman, are Independent Directors. The composition of the NC is as follows:

Mr. Yap Zhi Chau (Chairman)
Mr. Chan Wee Kiang
Mr. Saw Tatt Ghee

The NC's responsibilities include, but are not limited to, the following key terms of reference:

(i) making recommendations to the Board on relevant matters relating to (i) the review of Board succession plans for Directors, in particular, the Chairman, the CEO and Key Management Personnel, and (ii) the review of training and professional development programmes for the Board;

(ii) reviewing and recommending the appointment of new Directors and the appointment and promotion of executive officers as well as the re-appointment of the Directors having regard to each Director's contribution, performance and ability to commit sufficient time, resources and attention to the affairs of the Group, and each Director's respective commitments outside the Group including his/her principal occupation and board representations on other companies (if any);

Report on Corporate Governance

(iii) reviewing and determining annually, and as and when circumstances require, if a Director is independent, in accordance with the Code and any other salient factors;

(iv) reviewing the composition of the Board annually to ensure that the Board and the Board Committees comprise Directors who as a group provide an appropriate balance and diversity of skills, knowledge, experience and other aspects of diversity such as gender and age, and provide core competencies such as accounting, finance, legal, knowledge of the Company's business, management and operations experience and strategic planning experience, knowledge as well as familiarity with regulatory requirements;

(v) determining whether the Director is able to and has been adequately carrying out his/her duties as a Director, taking into consideration, *inter alia*, the Director's number of listed company board representations and other principal commitments;

(vi) making recommendations to the Board on the development of a process and criteria for evaluation of the performance of the Board, its Board Committees and Directors. In this regard, the NC will decide how the Board's performance is to be evaluated and propose objective performance criteria which address how the Board has enhanced long-term shareholder value of the Company;

(vii) implementing a process for assessing the effectiveness of the Board as a whole and the Board Committees and for assessing the contribution of the Chairman of the Board and each individual Director to the effectiveness of the Board and each Board Committee on which he/she sits;

(viii) reviewing and approving any employment and promotion of managerial staff and employees who are related to any of the Directors, substantial shareholders or the CEO of the Company and the proposed terms of their employment;

(ix) re-nominating Directors who are retiring by rotation for re-election by Shareholders having regard to the Director's contribution and performance (e.g. his/her attendance, preparedness, participation and candour) including, if applicable, as an independent Director;

(x) setting up internal guidelines to address the competing time commitments that is faced when Directors serve on multiple boards (if necessary); and

(xi) reviewing the statements made in the Annual Report relating to the Company's policies on selection, nomination and evaluation of Board members with a view to achieving clear disclosure of the same.

The principal activities of the NC during FY2022 are summarised below:

a. reviewed the findings of the evaluations of the AC, NC, RC, Board and peer assessment of the individual Directors and evaluation of the Chairman;

b. reviewed and recommended to the Board the nomination of Directors for re-election at the AGM;

c. reviewed other directorships and principal commitments held by each Director and decided whether a Director is able to carry out, and has been adequately carrying out, his/her duties as a Director;

d. reviewed the size and composition of the Board and each Board Committee and succession plans;

e. received the report on the training and professional development programmes for the Board (if any); and

f. reviewed and assessed the independence of each Independent Director.

Report on Corporate Governance

Provision 4.3 – Process for selection, appointment of new Directors

New Directors, if any, will continue to be selected based on objective criteria and the NC will, in consultation with the Board, evaluate and determine the selection criteria with due consideration to the mix of skills, knowledge and experience of the existing Board. The NC will evaluate potential candidates by undertaking background checks, assessing individual competency, knowledge, management skills, financial literacy, experience and qualifications, thereby ensuring the fulfilment of the requirement which the Board as a whole requires to be effective. The NC will seek candidates from a wide pool of individuals not limited to persons known to the Directors directly and is empowered to engage professional search firms to aid in this process.

Newly appointed Directors will be provided with background information about the history, structure, business operations, vision and values, strategic direction, policies and governance practices of the Group. They will also be briefed and given an orientation by the Management to familiarise themselves with the businesses and operations of the Group. Directors who do not have prior experience or are not familiar with the duties and obligations required of a director of a listed company in Singapore will undergo the necessary training and briefing.

Executive Directors are provided with a Service Agreement setting out the terms and conditions of his/her appointment. The Service Agreement is reviewed and subject to the RC's recommendation, and unless terminated by either party, is renewed upon expiry. Non-Executive Directors are given formal appointment letters setting out the terms of their appointment as well as their duties and obligations.

Provision 4.3 – Process for re-election/re-appointment of Directors

The NC has the responsibility of establishing a formal and transparent search and nomination process for the selection and re-election of Directors.

When an existing Director chooses to retire or is required to retire from office by rotation, or the need for a new Director arises, the NC reviews the range of expertise, skills and attributes of the Board and the composition of the Board.

In accordance with the Company's Constitution, Regulation 114 of the Company's Constitution provides that a new Director appointed in between the AGMs must also submit himself for re-election at the next AGM following his appointment. Regulation 110 of the Company's Constitution provides that one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) excluding newly appointed Directors to be re-elected under Regulation 114, who are eligible for re-election must retire by rotation at every AGM. The Directors of the Company submit themselves for re-nomination and re-election at regular intervals and at least once every 3 years. Retiring Directors are eligible to offer themselves for re-election.

The NC, having considered the attendance and participation of the following Directors at Board and Board Committees' meetings, in particular, their contributions to the business and operations of the Group as well as Board processes, had recommended to the Board the re-election of Mr. Peter Sim Swee Yam and Mr. Saw Tatt Ghee, who will be retiring by rotation pursuant to Regulation 110 of the Company's Constitution at the forthcoming AGM.

Mr Peter Sim Swee Yam will, upon re-election as a Director of the Company, remain as an Independent Director, members of the Audit and Remuneration Committees, and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

All retiring Directors have consented to continue in office and the Board has accepted the recommendations of the NC and accordingly, the above-mentioned Directors will be offering themselves for re-election at the AGM.

Each member of the NC had abstained from voting on any resolution and making any recommendation and/or participated in respect of his own re-election, if any, as Director of the Company.

Report on Corporate Governance

The information on each Director's academic and professional qualifications and other principal commitments is presented in the "Board of Directors" section of this Annual Report and their shareholdings in the Company and its related corporations and relationships (if any) are presented in the "Directors' Statement" section of this Annual Report.

Provision 4.4 – Review of Directors' independence

The NC, which is responsible for reviewing the independence of each Director on an annual basis, and as and when circumstances require, has adopted a Confirmation of Independence Form to confirm the independence of each Director. In addition, the NC requires each Independent Director to assess his own independence by completing a Confirmation of Independence Form which is drawn up in accordance with the provisions of the Code and Rule 406(3)(d) of the Catalist Rules, and state whether he considers himself independent despite having any of the relationships identified in the Code which would deem him not to be independent, if any.

For FY2022, the NC had reviewed the independence of the Board members with reference to the provisions set out in the Code and Rule 406(3)(d) of the Catalist Rules.

The Board concurred with the NC's view that none of the Independent Directors are related and do not have any relationships with the Company, its related corporations, its substantial shareholders with a shareholding of 5% or more in the Company, or its officers or are in any circumstances that could interfere or be reasonably perceived to interfere with the exercise of their independent business judgement with a view to the best interests of the Company.

In the determination of independence of the Independent Directors, each of them has recused themselves when it comes to the deliberation and determination of their own independence.

No Director has served on the Board for more than nine years.

Provision 4.5 – Directors' time commitment and multiple directorships

Pursuant to the NC's terms of reference, the NC is required to determine if a Director has been adequately carrying out his/her duties as a Director of the Company, particularly, if he/she has multiple board representations in listed companies and other principal commitments. In view of this, the NC, having considered the confirmations received from Directors, is of the view that such multiple board representations (where applicable) do not hinder each Director from carrying out his/her duties as a Director of the Company. The NC is satisfied that sufficient time and attention have been accorded by these Directors to the affairs of the Group. The Board concurred with the NC's views.

In determining whether each Director is able to devote sufficient time to discharge his/her duty, the NC has taken cognisance of the Code's requirement and is of the view that its assessment should not be restricted to the number of board representations of each Director and his/her respective principal commitments per se. The contributions by Directors to and during meetings of the Board and Board Committees as well as their attendance at such meetings, in addition to each of their principal commitments, should also be taken into account. The Board is of the view that setting a maximum number of listed company board representations which a Director may concurrently hold would not be meaningful as the contributions of the Directors would depend on many other factors such as whether they were in full-time employment and their personal commitments or responsibilities. Nevertheless, the NC and the Board will review the number of listed company board representations of the Directors on an annual basis or from time to time when the need arises.

Report on Corporate Governance

The information on Directors' position, date of initial appointment, date of last re-election and directorships/ chairmanships held by the Directors in other listed companies are as follows:

Name of Director	Position	Date of Initial Appointment	Date of Last Re-election	Directorships in other listed companies	
				Current	**Past 3 Years**
Mr. Saw Tatt Ghee	Executive Chairman and CEO	11 January 2018	20 November 2020	Nil	Nil
Ms. Saw Lee Ping	Executive Director and CAO	10 June 2019	30 November 2021	Nil	Nil
Mr. Chan Wee Kiang	Lead Independent Director	10 June 2019	20 November 2020	PCCS Group Berhad(1)	Nil
Mr. Peter Sim Swee Yam	Independent Director	10 June 2019	25 October 2019	(a) Lum Chang Holdings Limited (b) Singapore Land Group Limited	(a) Mun Siong Engineering Limited (b) Haw Par Corporation Limited (c) Singapore Reinsurance Corporation Limited(2)
Mr. Yap Zhi Chau	Independent Director	10 June 2019	30 November 2021	Nil	Nil

(1) Listed on Bursa Malaysia Berhad.

(2) Delisted from the official list of the SGX-ST with effect from 9:00 a.m. on 5 August 2021.

The principal commitment of the Directors, if any, and other key information regarding the Directors are set out in the "Board of Directors" section in this Annual Report.

PRINCIPLE 5: BOARD PERFORMANCE

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions 5.1 and 5.2 – Assessments of the Board, Board Committees and individual Directors

The Board has implemented a process for assessing its effectiveness as a whole as well as the contribution by each Director to the Board, and of each of its Board Committees separately on an annual basis.

The NC reviews the criteria for evaluating the Board's performance and recommends to the Board a set of objective performance criteria focusing on enhancing long-term shareholder value of the Company. Based on the recommendations of the NC, the Board has established processes for evaluating the effectiveness of the Board as a whole and peer-assessment of each Director, the Chairman and its Board Committees to the effectiveness of the Board.

Report on Corporate Governance

An evaluation of Board performance is conducted annually by the NC and each Director is required to complete a questionnaire approved by the Board, the performance criteria of which is as follows:

- Size and composition of the Board;
- Information provided to the Board;
- Board procedures;
- Board accountability;
- Matters concerning the CEO/Management; and
- Standard of conduct.

For FY2022, the NC has conducted the assessments on the effectiveness of the Board as a whole, peer-assessment of each Director and assessment of the Chairman. The Chairman of the respective Board Committees are also required to complete a questionnaire on the effectiveness of these Board Committees, which would be tabled at the NC for further discussion.

The peer assessment of individual Directors and assessment of the Chairman will be conducted annually and each of the Director is required to complete a questionnaire approved by the Board to assess the Directors (other than the Director concerned) and the Chairman, the performance criteria of which is as follows:

- Director's Duties;
- Leadership;
- Communication Skills and Behaviour;
- Strategy and Risk Management;
- Board Contribution;
- Knowledge;
- Interaction; and
- Overall Assessment of Performance as a Director

Accordingly, the results of the (i) Board performance evaluation; (ii) peer assessment of the individual Directors and assessment of the Chairman; and (iii) respective Board Committees were collated by the Management and the findings analysed with comparatives from the previous year's results and discussed at the NC meeting, with a view to implementing certain recommendations to further enhance the effectiveness of the Board and the Board Committees.

The NC is generally satisfied with the performance of the Board, individual Directors and the Board Committees for FY2022 which indicated areas of strengths and those that could be improved further. No significant problems were identified. The NC had discussed the results with Board and/or Board Committees' members who agreed to work on those areas that could be improved further. The NC will continue to evaluate its process for such review and its effectiveness from time to time.

To-date, no external facilitator has been engaged.

Report on Corporate Governance

REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions 6.1 and 6.2 – RC's duties and composition

The RC is regulated by a set of written terms of reference which are in line with the Code. The RC comprises three Independent Directors all of whom, including the Chairman, are Independent Directors. The composition of the RC is as follows:

Mr. Chan Wee Kiang (Chairman)
Mr. Peter Sim Swee Yam
Mr. Yap Zhi Chau

The RC's responsibilities include but are not limited to, the following key terms of reference:

(i) reviewing and recommending to the Board, in consultation with the Chairman of the Board, for the endorsement by the entire Board, a comprehensive remuneration policy framework and guidelines for remuneration of the Directors and Key Management Personnel;

(ii) reviewing and recommending to the Board, for the endorsement by the entire Board, specific remuneration packages for each Director and Key Management Personnel;

(iii) approving performance targets for assessing the performance of each Key Management Personnel and recommending such targets as well as employee specific remuneration packages for each such Key Management Personnel, for endorsement by the Board;

(iv) considering and reviewing remuneration packages in order to maintain attractiveness, to retain and motivate Directors to provide good stewardship of the Group and Key Management Personnel to successfully manage the Group, and to align the level and structure of remuneration with the long-term interests and risk policies of the Group;

(v) conducting an annual review of the specific remuneration packages of all managerial staff and employees who are related to any of the Directors, substantial shareholders or CEO to ensure that their remuneration packages are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities and to review and approve any bonuses, pay increases and/or promotions for these related managerial staff and employees;

(vi) covering all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind (including the review and approval of the design of all share option plans, performance share plans and/or other equity based plans and benefits in kind); and

(vii) reviewing the Company's obligations arising in the event of termination of the Executive Directors' or Key Management Personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with a view to being fair and avoiding the reward of poor performance.

Report on Corporate Governance

The principal activities of the RC during FY2022 are summarised below:

a. reviewed and recommended to the Board the remuneration of Executive Directors, Key Management Personnel and employees who are related to the Group CEO (if any), including reviewing the terms of contracts of service that were due for renewal;

b. reviewed and recommended to the Board the independent Directors' fees, to be paid quarterly in arrears; and

c. received updates on the ST Group Performance Share Plan, if any.

Provisions 6.3 and 6.4 – Remuneration framework and engagement of remuneration consultants, if any

The RC's recommendations were made in consultation with the Executive Chairman and none of the members of the RC or any Director is involved in deliberations in respect of any remuneration, compensation, share-based incentives or any form of benefits to be granted to him/her.

The Company has in place a service agreement for each Executive Director which sets out his/her remuneration framework. Such service agreements are for an initial period of five years for the Executive Chairman and CEO and three years for the Executive Director and CAO. The Company may, at its discretion, extend the initial term by a further period of three years, by providing notice of not less than six months to the Executive Chairman and CEO and the Executive Director and CAO prior to the expiry of the initial five-year period and three-year period as set out in their respective service agreements.

Under the terms of the service agreements entered into with the Executive Directors, the Company is entitled to reclaim, in full or in part, incentive components of remuneration paid, whether in the current or previous financial years, to the Executive Directors, under circumstances of (i) misstatement of financial results, or (ii) misconduct resulting, directly or indirectly, in financial loss to the Group, as may be determined by the Board in its absolute discretion.

The RC will review the Company's obligations arising in the event of termination of the Executive Directors' and Key Management Personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC also aims to be fair and avoid rewarding poor performance.

For FY2022, there were no termination, retirement and post-employment benefits granted to Directors and the Key Management Personnel (who are not Directors or the CEO).

No remuneration consultant was engaged in FY2022. If required, the RC will seek internal and/or external expert's advice on remuneration of all Directors and Key Management Personnel.

Report on Corporate Governance

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions 7.1 to 7.3 and provision 8.3 – Level and mix of remuneration

The remuneration packages are established such that the Directors are adequately but not excessively remunerated compared to other comparable companies in the industry in view of present market conditions and which takes into account the individual's and the Group's performance.

Framework for remuneration of Executive Directors and other Key Management Personnel

The remuneration structure for the Executive Chairman and CEO, Executive Director and CAO and the Key Management Personnel consists of a fixed component, variable component, benefits and the ST Group Performance Share Plan.

The fixed component comprises basic salary and annual wage supplement while the variable component comprises variable bonus and contractual payments that are paid based on the Group's and individual's performance. Benefits provided are consistent with market practice. To be eligible for these benefits, it will depend on the individual's job grade and scheme of service.

To ensure that the level and structure of remuneration is proportionate to the sustained performance and value creation of the Group, the Company has put in place a framework of remuneration for its Executive Directors and Key Management Personnel. The key areas of focus of the remuneration framework and details of the implementation within the Group are set out below:

Key Areas of Focus	Details
Pay for performance	• Instil and drive a pay-for-performance culture • Ensure that remuneration is closely linked to annual and long-term business objectives, key performance targets and indicators • Adjust the proportion of fixed and variable remuneration to emphasise sustainable performance that is aligned with the Group's strategic objectives, considering qualitative and quantitative factors
Competitive remuneration	• Benchmark total remuneration against other organisations of similar size, profitability and standing in the Group's industry
Accountability and risk-taking	• Focus on achieving risk-adjusted returns that are consistent with prudent risk taking and capital management as well as emphasis on long-term sustainable outcomes

Report on Corporate Governance

ST Group Performance Share Plan (the "**Plan**")

The Company adopted the Plan on 10 June 2019 to retain talent whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding participants who have contributed to the growth of the Group. The Plan will give participants an opportunity to have a personal equity interest in the Company.

Participants of the Plan ("**Participants**")

- Group employees who, as of the date on which a contingent award of Shares under the Plan is granted ("**Award Date**"), have attained the age of 21 years and hold such rank as may be designated by the RC from time to time taking into consideration, among other things, role, seniority, length of service, performance history and potential contribution to the Group, and who have, as of the Award Date, been in full time employment of the Group for a period of at least 12 months (or in the case of any Executive Director or executive director of a Group subsidiary, such shorter period as the RC may determine), provided that none shall be an undischarged bankrupt as at the Award Date.

- Controlling Shareholders and their associates who satisfy the criteria set out above shall be eligible to participate in the Plan.

- Subject to the Companies Act and any requirements of the SGX-ST, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the RC.

The aggregate number of shares which may be issued or transferred pursuant to awards granted under the Plan on any date, when aggregated with the total number of shares over which options or awards are granted under any share option schemes or share schemes of our Company (including the Plan), shall not exceed 15.0% of the total number of issued shares (excluding shares held by our Company as treasury shares) on the day preceding that date.

The Plan shall continue to be in force at the discretion of the RC, subject to a maximum period of 10 years commencing on the adoption date of the Plan, provided always that the Plan may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The expiry or termination of the Plan shall not affect awards which have been granted prior to such expiry or termination, whether such awards have been released (whether fully or partially) or not.

For more information, please refer to rules of the Plan set out in the section entitled "Appendix G – Rules of the ST Group Performance Share Plan" of the Company's offer document dated 26 June 2019.

As at 30 June 2022, there were no awards granted under the Plan.

Remuneration framework of Independent Directors

The Independent Directors receive fees which are reviewed by the RC to ensure commensuration with the contributions, responsibilities, effort and time spent by such individuals. Such fees are paid subject to Shareholders' approval being obtained at the Company's AGM. The Independent Directors are not over-compensated to the extent that their independence is compromised.

The remuneration framework of Director's fee for each Independent Director is S$2,500 per month with an additional S$100 per month for being a member of each Board committee. Accordingly, the RC had recommended to the Board an amount of S$99,600 as Directors' fees for the financial year ending 30 June 2023, payable quarterly in arrears. These recommendations have been endorsed by the Board and will be tabled at the forthcoming AGM for Shareholders' approval.

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The RC, with the concurrence of the Board, is of the view that the current remuneration of the Independent Directors is appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Independent Directors. Other than Directors' fees, which have to be approved by Shareholders at every AGM, the Independent Directors do not receive any other forms of remuneration from the Company.

Provisions 8.1 and 8.2 – Directors' remuneration/fees and remuneration of the CEO and remuneration of the top five Key Management Personnel (who are not Directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these Key Management Personnel

An annual review of the remuneration packages of all Directors was carried out by the RC to ensure that the remuneration of the Directors and Key Management Personnel commensurate with their performance, giving due consideration to the financial and commercial health and business needs of the Group. For FY2022, the RC is satisfied with the Directors and Key Management Personnel's remuneration packages and recommended the same for Board approval. The Board had approved the recommendations accordingly.

No Director is involved in deciding his or her own remuneration.

Directors and CEO

A breakdown of the level and mix of the remuneration of the Directors and the CEO for FY2022 is as follows:

Name of Director	**Fees**	**(a)Fixed Component**	**(b)Variable Component**	**Benefits in Kind**	**ST Group Performance Plan**	**Total**
	S$	**%**	**%**	**%**	**%**	**%**
Between S$250,000/- to S$500,000/-						
Mr. Saw Tatt Ghee	-	100	-	-	-	100
Below S$250,000/-						
Ms. Saw Lee Ping	-	100	-	-	-	100
Mr. Chan Wee Kiang	33,600/-	-	-	-	-	100
Mr. Peter Sim Swee Yam	32,400/-	-	-	-	-	100
Mr. Yap Zhi Chau	33,600/-	-	-	-	-	100

(a) Fixed component refers to base salary and annual wage supplement, if applicable, for FY2022.
(b) Variable component refers to variable or performance related bonus paid in FY2022.

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Key Management Personnel

A breakdown of the level and mix of the remuneration of each of the top five Key Management Personnel (who are not Directors or the CEO) for FY2022 is as follows:

Name of Key Management Personnel	(a) Fixed Component	(b) Variable Component	Benefits in Kind	ST Group Performance Plan	Total
	%	%	%	%	%
Above S$100,000 and below S$200,000/-					
Mr. Lee Jian Hui	100	-	-	-	100
Mr. Leong Weng Yu	100	-	-	-	100
Mr. Lim Hoe Keng	100	-	-	-	100
Mr. Pang Kher Chink	100	-	-	-	100
Ms. Daphne Chin Ying Mun	100	-	-	-	100

(a) Fixed component refers to base salary and annual wage supplement, if applicable, for FY2022.
(b) Variable component refers to variable or performance related bonus paid in FY2022.

The aggregate remuneration paid to the top five Key Management Personnel for FY2022 was approximately S$748,606 (equivalent to A$758,543).

Due to the confidentiality and commercial sensitivity relating to remuneration matters, in particular, those of our Key Management Personnel, given the highly competitive environment the Group operates in, the Company does not fully disclose the remuneration of each individual Director and the Key Management Personnel. However, the disclosures have been provided in applicable bands of S$250,000 and S$100,000 for the Directors and Key Management Personnel respectively as above, with a breakdown in percentage of the remuneration earned through fees, fixed component, variable component, benefits in kind, and/or other long-term incentives. Despite having varied from Provision 8.1(a) of the Code, the Board believes that consistent with the intent of Principle 8 of the Code, sufficient information has been disclosed for Shareholders' appreciation with respect to the Group's level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Save for Mr. Leong Weng Yu and Mr. Pang Kher Chink, both Key Management Personnel who are also substantial shareholders of the Company as disclosed above, the remuneration of Mr. Ng Yee Siang, a Key Management Personnel who is also a substantial shareholder of the Company (but not within top five Key Management Personnel), was above S$100,000 and below S$200,000 during FY2022.

Save as aforementioned, no employee of the Group was a substantial shareholder of the Company, or was an immediate family member of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 for FY2022.

Report on Corporate Governance

ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1 – Maintenance of a sound risk management system and internal controls

The Board acknowledges that it is responsible for the overall internal control framework and maintaining a sound system of risk management and internal controls to safeguard the interests of the Company and its Shareholders.

The Group's control environment provides the foundation upon which all other components of internal controls are built upon. It provides discipline and structure, setting the tone of the organisation and influencing the controls consciousness of its staff. A weak control environment foundation hampers the effectiveness of even the best designed internal control procedures.

The Group's risk management and internal controls oversight are subsumed under the AC. Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the Directors and the AC.

The AC, with the assistance of the Internal Auditors ("**IA**"), reviews the adequacy and effectiveness of the Group's internal controls, addressing financial, operational, compliance and information technology controls, and risk management policies and systems established by the Management on an annual basis.

The IA and the External Auditors ("**EA**") have, during the course of their audit, carried out a review of the adequacy and effectiveness of key internal controls within the scope of their audit. Material non-compliance and internal control weaknesses noted, if any, during their respective audits and their recommendations are reported to the AC. In the review work performed by both the IA and EA for FY2022, no material weaknesses were noted. The AC will review the IA's and the EA's comments and findings and ensure that adequate and effective internal controls in the Group are implemented and any follow up actions promptly rectified.

Provision 9.2 – Written assurance regarding (i) financial records and financial statements and (ii) adequacy and effectiveness of the Group's risk management and internal control systems

The Board has obtained a written confirmation from the Executive Chairman and CEO and the CFO that, to the best of their knowledge:

(a) the financial records of the Company and its subsidiaries have been properly maintained and the financial statements for FY2022 give a true and fair view of the Group's operations and finances; and

(b) based on the risk management and internal control systems established by the Group, work performed by the IA and the EA, and reviews performed by Management for FY2022, the Group's risk management and internal control systems addressing financial, operational, compliance and information technology risks, were adequate and effective.

Report on Corporate Governance

The Key Management Personnel have also provided their written confirmation that based on the risk management and internal control systems established by the Group, work performed by the IA and EA, and reviews performed by the Management for FY2022, the Group's risk management and internal control systems addressing financial, operational, compliance and information technology risks, were adequate and effective.

The Board recognises that no internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The review of the Group's internal control systems is a concerted and continuing process.

No known significant deficiencies or lapses in risk management and internal controls systems were noted for FY2022.

Rule 1204(10) of the Catalist Rules

Based on the risk management and internal controls established and maintained by the Group, work done by the Internal Auditors and the External Auditors, and the assurance from Management, the Board, with the concurrence of the Audit Committee, is of the opinion that the system of risk management and internal controls of the Group are adequate and effective in addressing financial, operational, compliance and information technology controls, and risk management systems for FY2022.

The Board notes that the internal control and risk management systems currently in place provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledges that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities.

PRINCIPLE 10: AUDIT COMMITTEE

The Board has an Audit Committee which discharges its duties objectively.

Provisions 10.1 to 10.3 and 10.5 – Duties and composition of the AC

The AC is regulated by a set of written terms of reference which are in line with the Code. The AC comprises all Independent Directors and its composition is as follows:

Mr. Yap Zhi Chau (Chairman)
Mr. Chan Wee Kiang
Mr. Peter Sim Swee Yam

The Board is of the view that all AC members are appropriately qualified, having the necessary recent and relevant accounting and/or related financial management expertise or experience to discharge their responsibilities. None of the AC members nor the AC Chairman are former partners or Directors of the Group's existing auditing firm or auditing corporation nor does any of them have any financial interests in the auditing firm or accounting corporation.

Report on Corporate Governance

The AC meets at least twice a year and as and when deemed appropriate to carry out its function. It has the following key terms of reference:

(i) assisting the Board in discharging its statutory responsibilities on finance and accounting matters;

(ii) reviewing significant financial reporting issues and judgments to ensure the integrity of the financial statements and any announcements relating to financial performance;

(iii) reviewing the external auditor's audit plan, scope of work and audit report, and the external auditor's evaluation of the system of internal accounting controls;

(iv) reviewing the key financial risk areas, the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by our Board;

(v) reviewing the statements to be included in the Annual Report concerning the adequacy and effectiveness of our internal controls (addressing financial, operational, compliance, and information technology controls) and risk management systems;

(vi) reviewing any interested person transactions and monitoring the procedures established to regulate interested person transactions, including ensuring compliance with the Company's internal control system and the relevant provisions of the Catalist Rules, as well as all conflicts of interests to ensure that proper measures to mitigate such conflicts of interests have been put in place;

(vii) reviewing the scope and results of the internal audit procedures, and at least annually, the adequacy and effectiveness of the internal audit function and risk management systems;

(viii) approving the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced;

(ix) appraising and reporting to the Board on the audits undertaken by the external auditor and internal auditor and the adequacy of disclosure of information;

(x) reviewing the co-operation extended by management to the internal and external auditors;

(xi) reviewing at regular intervals with the Management the implementation by the Group of the internal control recommendations made by the internal and external auditors;

(xii) reviewing the adequacy, effectiveness, independence and objectivity of the internal and external auditors;

(xiii) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

(xiv) making recommendations to the Board on the proposals to Shareholders on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;

(xv) reviewing and approving all hedging policies and instruments (if any) to be implemented by the Company;

(xvi) monitoring the procedures implemented by the Group to ensure compliance with the Fair Work Act 2009 (Cth) of Australia;

Report on Corporate Governance

(xvii) monitoring the implementation by the Group of an enterprise planning software which will allow for automation of consolidation, and a perpetual inventory system;

(xviii) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

(xix) undertake generally such other functions and duties as may be required by law or the Catalist Rules, and by amendments made thereto from time to time.

The AC has explicit authority to investigate any matter within its terms of reference, and has full cooperation and access to Management. It has direct access to the IA and the EA, and full discretion to invite any Director or Key Management Personnel to attend its meetings, and reasonable resources to enable it to discharge its functions. It also has the authority to review its terms of reference and its own effectiveness annually and recommend necessary changes to the Board.

Whistle Blowing

The Company has put in place a whistle-blowing policy which is in line with the Code and Rule 1204(18A) and (18B) of the Catalist Rules, which was also updated in accordance with the requirements of Pt 9.4AAA of the Corporations Act 2001 (Cth) of the Commonwealth of Australia.

The whistle-blowing policy provides well-defined and accessible channels in the Group through which staff and any other persons may in confidence, raise their concerns of possible improprieties, fraudulent activities or malpractices within the Group in a responsible and effective manner in matters of financial reporting or other matters.

To ensure that the identity of any whistle blower is kept confidential, the Company will treat all information received with utmost confidentiality. Anonymous disclosures will be accepted and anonymity honoured.

In addition, the Company is committed to ensure protection of the whistleblower against detrimental or unfair treatment. While the policy is meant to protect the whistleblower from any detrimental or unfair treatment as a result of their report or disclosure, it strictly prohibits frivolous and untrue reports or disclosures. No adverse action will be taken against any director, officer, employee or other individual for making a report or disclosing information in good faith under this policy. The Company will not tolerate the harassment or victimisation of anyone reporting a genuine concern. Where a report or disclosure has been made, the Company will take all reasonable steps to ensure that no other person harasses or victimises the whistleblower.

The Company has designated an independent function to investigate whistleblowing reports made in good faith. The whistle blower shall report to the Group's Whistleblower Protection Officer and/or AC orally or in writing, any conduct or activity that he/she reasonably believes in good faith to be a reportable conduct. All reports received will be duly investigated by an investigator (external or internal) appointed by the Company ("**Investigator**"), on a case-by-case basis, to ensure that all investigations are conducted in a fair, impartial and independent manner. The Investigator reports to the Chairman of AC, and the AC is responsible for oversight and monitoring of the whistle blowing.

The objective of the whistle-blowing policy is to ensure that arrangements and processes are in place to facilitate independent investigation of such concerns and for appropriate follow-up action. There were no reports of whistle blowing received in FY2022.

Report on Corporate Governance

Summary of the AC's activities in FY2022

The AC meets with the Group's IA, EA and Management to review accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group. In performing its functions for FY2022, the AC had:

(i) held two meetings with Management, the IA and the EA, and met once with the IA and the EA without the presence of Management.

(ii) conducted a review of the non-audit services provided by the EA to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor as well as the cost effectiveness of the audit before confirming their re-nomination. The aggregate amount of fees paid or payable by the Group to the EA of the Company and the Company's subsidiaries for FY2022 amounted to A$298,128 for audit services and A$11,894 for non-audit services.

The EA had also confirmed their independence in this respect.

(iii) confirmed that the Company had complied with Rule 712 of the Catalist Rules in relation to the appointment of a suitable auditing firm to meet its audit obligations. Baker Tilly TFW LLP, the appointed auditors of the Group, is registered with the Accounting and Corporate Regulatory Authority of Singapore.

Together with the audit engagement partner and his team assigned to the audit of the Group, the AC was satisfied that the resources and experience of Baker Tilly TFW LLP, the audit engagement partner and his team assigned to the audit were adequate to meet their audit obligations, given the size, nature, operations and complexity of the Group.

(iv) confirmed that the Company had complied with Rule 715 of the Catalist Rules in relation to the appointment of the same auditing firm based in Singapore to audit its accounts, and a suitable auditing firm for its significant foreign-incorporated subsidiaries. The AC is satisfied that the appointment of a different auditing firm for its foreign-incorporated subsidiaries would not compromise the standard and effectiveness of the audit of the Company. The auditors of the Group's subsidiaries are disclosed under Note 14 of the Notes to the Financial Statements on pages 71 to 152 of this Annual Report.

The AC, with the concurrence of the Board, had recommended the re-appointment of Messrs. Baker Tilly TFW LLP as EA of the Company for FY2023 at the forthcoming AGM, based on their performance and the quality of their audit.

The EA and the CFO also kept the AC abreast of changes to accounting standards and issues, if any, which have a direct impact on financial statements through updates and/or reports from time to time, where applicable and relevant. In addition, the AC is entitled to seek clarification from Management, the EA and/or independent professional advice, or attend relevant seminars and/or informative talks at the Company's expense from time to time to apprise themselves of accounting standards/financial updates.

Provision 10.4 – Internal Audit
Rule 1204(10C) of the Catalist Rules

The Group has also outsourced its internal audit function to Nexia TS Risk Advisory Pte. Ltd. as its IA. The IA team, comprising members with relevant qualifications and experience, carry out the internal audit function taking guidance from the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors, and report directly to the AC on internal audit matters.

The role of the IA is to support the AC in ensuring that the Group maintains a sound system of risk management and internal controls by monitoring and assessing the adequacy and effectiveness of key controls and procedures, conducting in-depth audits of high risk areas and undertaking investigations as directed by the AC.

Report on Corporate Governance

The hiring, removal, evaluation and compensation of the IA was approved by the AC. The IA has unfettered access to all the Group's documents, records, properties and personnel, including access to the AC.

The AC will also review the adequacy and effectiveness of the internal audit function annually to ensure that the internal audit function is sufficiently resourced and is able to perform its function effectively and objectively. For FY2022, the AC had reviewed and is satisfied that the internal audit function is independent, effective and adequately resourced and accordingly the internal audit function has the appropriate standing within the Group and is able to perform its functions effectively and objectively as required under Rule 1204(10C) of the Catalist Rules.

SHAREHOLDERS RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions 11.1 to 11.5 – Participation and voting at general meetings of Shareholders

General meetings are the principal forum for dialogue with Shareholders. Shareholders are encouraged to attend the general meetings to ensure high level of accountability and to stay informed of the Group's strategy and goals. At the general meetings, Shareholders are informed of the rules, including voting procedures, that govern general meetings and are also given the opportunity to share and communicate their views and seek clarification with the Board on issues relating to the Group's performance, either informally or formally, at or after the general meetings.

Regulation 99 of the Constitution of the Company provides that subject to the Constitution and any applicable legislation, the Board may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Shareholders who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to, voting by electronic mail or facsimile. However, the Board has not implemented any voting methods to allow Shareholders to vote by way of electronic mail or facsimile as such voting methods would need to be cautiously evaluated to ensure that the authenticity of the vote and the Shareholder's identity is not compromised.

Nonetheless, a member, who is not a relevant intermediary (as defined in Section 181 of the Companies Act), is entitled to appoint one or two proxies to attend and vote at the general meeting. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. The duly completed and signed proxy forms are required to be submitted to the Company's share registrar's registered office address not less than 72 hours before the general meeting.

The Company tables separate resolutions at general meetings of Shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal with the relevant explanation for the interdependency provided in the notice of meeting.

All the Directors and the EA will be available at the forthcoming AGM to attend to queries raised by Shareholders. The Company Secretaries prepare minutes of all general meetings, which record substantial and relevant comments or queries from Shareholders relating to the agenda of such meetings, and responses from the Board and Management which would be published on SGXNET and the Company's corporate website within one month after the general meeting.

Report on Corporate Governance

The Company conducts voting in general meetings by poll where Shareholders are accorded rights proportionate to their shareholding and all votes are counted. Where physical meetings are held, all resolutions are usually put to vote by paper poll as it is more cost-effective and practical compared to electronic polling. The detailed results showing the number of votes cast for and against each resolution and the respective percentages are announced by the chairman of the AGM before the conclusion of the AGM. The independent scrutineer briefs Shareholders on the polling voting process and verify and tabulate votes of each resolution. An announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages will be released via the SGXNET on the same day after the meeting.

When meetings are conducted by electronic means (such as the FY2020 AGM and FY2021 AGM), the resolutions tabled by the Company at such meetings are voted on by poll. The Shareholder may either (i) vote "live" via electronic means at the AGM (save for the FY2020 AGM and FY2021 AGM); (ii) appoint a proxy(ies) to vote "live" via electronic means at the AGM on his/her/its behalf (save for the FY2020 AGM and FY2021 AGM), or (iii) appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. Voting by poll allows for an equitable and transparent voting process. Shareholders will be better able to demonstrate their concerns in a manner more accurately reflective of their shareholdings. Independent scrutineers are appointed to conduct the voting process. The detailed results with the number of votes cast for and against each resolution and the respective percentages are announced to the Shareholders at the end of each resolution before the chairman of the meeting makes a declaration on the passing (or not) of the resolution. In addition, an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages will be released via the SGXNET after the meeting. The Board believes that this will enhance transparency of the voting process and encourage greater Shareholder participation.

Alternative arrangements for the conduct of general meetings

Due to the COVID-19 pandemic in 2020, Singapore entered a circuit breaker period during which physical meetings were not allowed to be held. The FY2020 AGM and FY2021 AGM were held by way of electronic means pursuant to COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as amended from time to time ("**Alternative Arrangements Order**") which provide alternative arrangements for, amongst others, listed companies in Singapore to hold their general meetings.

Notwithstanding that Shareholders were not allowed to attend the FY2021 AGM in person, the Company had put in place arrangements for Shareholders to participate in the meeting by submitting questions ahead of the meeting, voting by proxy and/or watching or listening to the proceedings via a "live" webcast. The submission of questions and proxy forms was done electronically via a website set up for the purposes of the meeting, to an electronic mail address, or by depositing the same at the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. The Company had informed the Shareholders of such alternative arrangements and the details relating thereto ahead of the FY2021 AGM in the respective notices of AGM released by the Company on SGXNET and its corporate website. The Company also addressed the substantial and relevant questions submitted by Shareholders no later than 72 hours before the meeting in an announcement released on SGXNET and its corporate website ahead of the meeting.

With respect to the FY2021 AGM, the Company tabled separate resolutions at the meeting on each substantially separate issue. The chairman of the meeting was appointed as proxy to vote in accordance with the instructions of the Shareholders indicated in the proxy form submitted by such Shareholders. Independent scrutineers were appointed to check the validity of the proxy forms received and prepared a report on the results of the votes.

All Directors attended the FY2021 AGM, together with the EA, CFO and financial controllers via the "live" webcast. The Directors' attendance at the FY2021 AGM are disclosed under provision 1.5 above.

In accordance with the requirements pursuant to the Alternative Arrangements Order, the Company had published its minutes of the FY2021 AGM on SGXNET and its corporate website within one month after the meeting.

Report on Corporate Governance

The application duration of the Alternative Arrangements Order has been extended to allow entities to hold general meetings via electronic means up to 30 June 2021, even where entities are permitted under safe distancing regulations to hold physical meetings. On 6 April 2021, the Ministry of Law ("**MinLaw**") announced the extension of temporary legislative relief, which allows entities to conduct general meetings via electronic means, beyond 30 June 2021. Such legislation allows entities to hold general meetings via electronic means amid the COVID-19 situation, and will continue to be in force until revoked or amended by MinLaw. Accordingly, until such time, issuers may continue to utilise the Alternative Arrangements Order to guide entities on the conduct of their general meetings.

With the "Regulator's Column: Live engagement and voting expected at all AGMs for FYs ending 30 June 2022 or after" issued by the SGX-ST on 23 May 2022 and in view of the current COVID-19 restriction orders in Singapore and the related safe distancing measures, the Company's forthcoming FY2022 AGM will be held via electronic means in accordance with the Alternative Arrangements Order and will utilise both (i) real-time electronic voting and (ii) real-time electronic communication.

Provision 11.6 – Dividend Policy

The Company does not have a policy on payments of dividends. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. The Company endeavours to pay dividends and where dividends are not paid, the Company will disclose its reason(s) accordingly.

The Company had paid an interim dividend of A$0.0017 per ordinary share on 11 March 2022. The Board did not recommend the payment of final dividend for FY2022 as the Group plans to conserve cash for future outlet expansions.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions 12.1 to 12.3 – Interaction/engagement with Shareholders

The Group is committed to delivering high standards of corporate disclosure and transparency in our communications with Shareholders, analysts and other stakeholders in the investment community. The Group provides timely, regular and relevant information regarding the Group's strategy, performance and prospects to aid Shareholders and investors in their investment decisions.

Information is communicated to Shareholders on a timely basis. Communication is made through Annual Reports or circulars that are prepared and issued to all Shareholders as well as half yearly and full year results announcements containing a summary of the financial information and affairs of the Group for the period, notices and explanatory notes of general meetings, other announcements and press releases that are issued via SGXNET. Shareholders can also access the Group's website at http://stgroup.net.au/ for the aforementioned information.

The Company does not practice selective disclosure, and in the event any inadvertent disclosure is made to a select group, the Company will make the same disclosure publicly to all others as promptly as possible.

The Group values dialogue sessions with the Shareholders. During general meetings of the Company, the Board devotes time and attention to address questions from and concerns raised by Shareholders and the Directors are generally present for the entire duration of the meetings. The chairman of the meeting will also endeavour to facilitate constructive dialogue between Shareholders and the Board. In addition, members of the Board and Key Management Personnel make themselves available to interact with Shareholders both before and after general meetings. The Group believes in regular, effective and fair communication with Shareholders and is committed to hearing Shareholders' views and addressing their concerns.

Report on Corporate Governance

In addition to the abovementioned channels of communication with Shareholders and the investment community, Management proactively engages them through group and one-on-one meetings, conference calls, email communications and investor conferences.

Other than communicating with members of the Board and key management personnel at general meetings, the Shareholders may contact the Company through ir@stgroup.net.au on any investor relations matters pertaining to the Group.

MANAGING STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions 13.1 and 13.2 – Identification and engagement with material stakeholder groups, including managing relationships with such groups

The Board recognises the importance in maintaining positive stakeholder relationships, and adopts an inclusive approach in the management and engagement of the Group's stakeholders including employees, customers, suppliers, community, government and regulators, and shareholders.

To understand stakeholders' expectations, the Group engages and fosters trusted relationships through listening to their views and responding to their concerns. The frequency of ongoing engagement with various stakeholders depends on mutual needs and expectations. More details will be disclosed in the standalone Sustainability Report for FY2022 which will be issued by 30 November 2022.

Provision 13.3 – Corporate website

The Group maintains and regularly updates its corporate website.

All materials on the Group's financial results, as well as the latest Annual Report of the Company, are available on the Company's website at http://stgroup.net.au/. The website also contains various other investor-related information about the Group which serves as an important resource for the Shareholders and all other stakeholders.

DEALING IN SECURITIES

In line with Rule 1204(19) of the Catalist Rules, the Company has adopted a Code of Compliance to issue a notification to all Directors, key executives and officers of the Group that they are not allowed to deal in the Company's securities, including share buybacks, during the "black-out" period, being one month before the announcement of the Group's half-yearly and full-year results, respectively, or if they are in possession of unpublished price-sensitive information of the Group.

In addition, Directors, key executives and officers of the Group are expected to observe insider trading laws at all times even when dealing in the Company's securities within the permitted trading period. They are also discouraged from dealing in the Company's securities on short-term considerations.

The Board confirms that for FY2022, the Company has complied with Rule 1204(19) of the Catalist Rules.

Report on Corporate Governance

INTERESTED PERSON TRANSACTIONS ("IPT")

The Group has adopted an internal policy governing procedures for the identification, approval and monitoring of IPTs. All IPTs are subject to review by the AC at its meetings.

Save as disclosed below, there are no IPTs between the Group and any of its interested persons during FY2022:

	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under a Shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under a Shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S$100,000)
Lease of 120 and 130 Turner Street, Port Melbourne, VIC 3207, Australia from SCL Property Australia Pty Ltd	Associate of Directors and Controlling Shareholders	A$785,374 (equivalent to approximately S$775,085)	–
Transactions with Idarts QV Pty Ltd	Associate of Directors and Controlling Shareholders	A$78,633 (equivalent to approximately S$77,603)	–
Total		A$864,007 (equivalent to approximately S$852,688)	–

Please refer to the Company's offer document dated 26 June 2019 for further details of the IPTs set out above.

In June 2022, SCL Property Australia Pty Ltd sold its entire interest in 120 and 130 Turner Street, Port Melbourne to an unrelated party.

The Group does not have a general mandate for IPTs.

MATERIAL CONTRACTS

Pursuant to Rule 1204(8) of the Catalist Rules, save for the following, there were no material contracts still subsisting at the end of FY2022, or if not subsisting, entered into since the end of the previous financial year, by the Company and its subsidiaries and involving the interests of the CEO, Directors or controlling Shareholders of the Company:

(i) Service Agreement entered with Mr. Saw Tatt Ghee, the Executive Chairman and CEO; and

(ii) Service Agreement entered with Ms. Saw Lee Ping, the Executive Director and CAO.

Report on Corporate Governance

USE OF IPO PROCEEDS

The Company received net proceeds from its initial public offering ("**IPO**") of approximately S$6.2 million after deducting expenses in relation to the Placement (the "**Net Proceeds**"). As at the date of this Annual Report, the Net Proceeds have been utilised as follows:

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

(1) Comprises payment to suppliers for purchase of inventories and supplies.

The above use of Net Proceeds was in accordance with the percentages allocated, as stated in the Company's offer document dated 26 June 2019 and announcement dated 16 June 2022. The Company will continue to make announcements on the utilisation of the balance of the Net Proceeds as and when they are materially disbursed.

NON-SPONSOR FEES

United Overseas Bank Limited was appointed as the continuing sponsor of the Company ("Sponsor") following its listing on the SGX-ST on 3 July 2019. In compliance with Rule 1204(21) of the Catalist Rules, there was no non-Sponsor related fees paid to the Sponsor for FY2022.

Additional Information

Required Pursuant to Rule 720(5) of the Listing Manual: Rules of Catalist on Directors Seeking for Re-Election

The following additional information on Mr Peter Sim Swee Yam and Mr Saw Tatt Ghee, both whom are seeking re-election as Directors at this Annual General Meeting, is to be read in conjunction with their respective biographies on pages 13 to 14 of this Annual Report.

	Peter Sim Swee Yam	**Saw Tatt Ghee**
Date of Appointment	10 June 2019	11 January 2018
Date of last re-appointment / re-election (if applicable)	25 October 2019	20 November 2020
Age	67	42
Country of principal residence	Singapore	Australia
The Board's comments on this appointment (In the Company's case, the Board's comments on this re-election)	The Nominating Committee ("**NC**"), having considered the attendance and participation of Mr Peter Sim Swee Yam at Board and Board Committees' meetings, and taking into account Mr Peter Sim Swee Yam's track record, experience and capabilities to, amongst others, provide insight and guidance to the Group's business and strategies, had recommended to the Board the re-election of Mr Peter Sim Swee Yam who will be retiring pursuant to Regulation 110 of the Company's Constitution at the forthcoming AGM. The Board supported the NC's recommendation. Mr Peter Sim Swee Yam had abstained from voting on any resolution and making any recommendation and/or participating in respect of his own re-election.	The NC, having considered the attendance and participation of Mr Saw Tatt Ghee at Board and Board Committees' meetings, and in particular his contributions to the Company as well as Board processes, had recommended to the Board the re-election of Mr Saw Tatt Ghee who will be retiring pursuant to Regulation 110 of the Company's Constitution at the forthcoming AGM. The Board supported the NC's recommendation. Mr Saw Tatt Ghee had abstained from voting on any resolution and making any recommendation and/or participating in respect of his own re-election.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive Responsible for overseeing the overall development and performance of the Group, setting and executing the strategic direction and expansion plans for the growth and development of the Group, including sourcing for new brands to add to the Group's portfolio to promote business growth.

Additional Information

Required Pursuant to Rule 720(5) of the Listing Manual: Rules of Catalist on Directors Seeking for Re-Election

	Peter Sim Swee Yam	**Saw Tatt Ghee**
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Audit Committee member and Remuneration Committee member	Executive Chairman, Chief Executive Officer and NC member
Professional qualifications	Please refer to the Directors' respective biographies on pages 13 to 14 of this Annual Report.	
Working experience and occupation(s) during the past 10 years	Please refer to the Directors' respective biographies on pages 13 to 14 of this Annual Report.	
Shareholding interest in the listed issuer and its subsidiaries	Nil	Direct interest of 3,253,300 shares in the Company, deemed interest in 57,773,600 shared held by STG Investments Pty Ltd and deemed interest in 7,494,800 shares held by Centurion Equity Pty Limited
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	Nil	Mr Saw Tatt Ghee, Ms Saw Lee Ping, the Company's Executive Director and Chief Administrative Officer and Mr Saw Tatt Jin, a Substantial Shareholder of the Company, are siblings.
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer – Yes / No	Yes	Yes
Other Principal Commitments*	Director of Sim Law Practice LLC	Nil
Other Directorships for the past 5 years	Marco Polo Marine Ltd Singapore Reinsurance Corporation Limited Haw Par Corporation Limited Mun Siong Engineering Limited	5500983 Limited Asian Delicious Cuisine Pty Ltd (Deregistered) BPC Australia Pty Ltd Breadtop Limited Dartslive Australia Pty Ltd Gateharvest Pty Ltd Gong Cha England Limited Gong Cha England Outlets Limited HBCT Co Outlets Pty Ltd HBCT Marketing Pty Ltd Idarts QV Pty Ltd IPR (WA) Pty Ltd IPR NZ Limited JCT (Chadstone) Pty Ltd JCT (Doncaster) Pty Ltd

Additional Information

Required Pursuant to Rule 720(5) of the Listing Manual: Rules of Catalist on Directors Seeking for Re-Election

	Peter Sim Swee Yam	Saw Tatt Ghee
		JCT Auckland Limited (Liquidated) JCT Queensland Pty Ltd MQ (NSW) Pty Ltd (Deregistered) MQ Liverpool Pty Ltd (Deregistered) Nene Chicken (Australia) Pty Ltd NN BH Pty Ltd Pafu Co Outlets Pty Ltd Papparich Indonesia Pte. Ltd. Papparich (NZ) Pty Ltd (Deregistered) Papparich UK Pte. Ltd. PPR Ryde (NSW) Pty Ltd ST PPR (NZ) Pty Ltd (Deregistered) STG Food Industries Malaysia Sdn Bhd TGR Food Industries Sdn Bhd
Other Present Directorships	Lum Chang Holdings Limited Sim Law Practice LLC Singapore Land Group Limited Gravitas Alliance International Pte Ltd SKB Associates Pte Ltd Singapore Heart Foundation	21Wealth Investments Pty Ltd 4D Aust Pty Ltd 4D Lottery Australia Pty Ltd 4D Management Pty Ltd (formerly known as STG Pafu Pty Ltd) Alpine Investments Pty Ltd Centurion Equity Pty Limited Food Industry Holdings Pty Ltd GC (England) Pte. Ltd. GCHA (NZ) Pty Ltd Glomac Properties Pty Ltd Gong Cha Limited HBCT (Aust) Pty Ltd HBCT (NSW) Co Pty Ltd Idarts Australia Pty Ltd IPR (VIC) Pty Ltd IPR Outlet Pty Ltd JCT ACT Pty Ltd JPG Enterprise Pty Ltd KT & SC & TG Investments Pty Ltd NNC Food Industries Malaysia Sdn Bhd Nene Auckland Limited Nene Chicken Limited Nephos Equity Pty Ltd Noodle House Chadstone Pty Ltd Oldtown Kopitiam Pty Ltd Pafu Australia Pty Ltd Pafu IP Holdings Pte. Ltd. Papparich Australia Pty Ltd Papprich Central (Melbourne) Pty Ltd PPR Co Outlets Pty Ltd Papparich Marketing Pty Ltd

Additional Information

Required Pursuant to Rule 720(5) of the Listing Manual: Rules of Catalist on Directors Seeking for Re-Election

	Peter Sim Swee Yam	Saw Tatt Ghee
		QVDarts Pty Ltd Saw Holdings Pty Ltd SCL Property Australia Pty Ltd ST Group Pty Ltd ST Wholesale Pty Ltd STG 4T (Aust) Pty Ltd STG Beverage (NZ) Pty Ltd STG Confectionery 2 Pty Ltd STG Confectionery Pty Ltd STG Entertainment Pty Ltd STG Food Industries 3 Pty Ltd STG Food Industries 5 Pty Ltd STG Food Industries Pty Ltd STG Investments Pty Ltd TST (Aust) Pty Ltd TST Caulfield Pty Ltd TST Chadstone Pty Ltd Yakiniku Grill Pty Ltd Yakiniku Like (Aust) Pty Ltd
Disclosure applicable to appointment of Director only		
Any prior experience as a director of an issuer listed on the Exchange? 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).	Not applicable	Not applicable

The Company confirms that the responses to the declaration for the items (a) to (k) of Appendix 7F of the Listing Manual: Rules of Catalist concerning the Directors to be re-elected are “No”.

* *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.*

Directors' Statement

The directors hereby present their statement to the members together with the audited consolidated financial statements of ST Group Food Industries Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2022.

In the opinion of the directors:

(i) the consolidated financial statements of Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 62 to 152 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 2022 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 1967 (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:

Saw Tatt Ghee
Saw Lee Ping
Chan Wee Kiang
Yap Zhi Chau
Peter Sim Swee Yam

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 objects 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' Statement

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 and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act except as follows:

Name of Directors and Company in which interests are held	Number of ordinary shares					
	Shareholdings registered in their own names			Shareholdings in which a director is deemed to have an interest		
	At 1.7.2021	At 30.6.2022	At 21.7.2022	At 1.7.2021	At 30.6.2022	At 21.7.2022
Company						
Saw Tatt Ghee	3,253,300	3,253,300	3,253,300	75,268,400	65,268,400	65,268,400
Saw Lee Ping	7,175,200	7,175,200	7,175,200	34,251,800	23,651,800	23,651,800
Yap Zhi Chau	1,460,000	1,460,000	1,460,000	–	–	–

The deemed interests of Mr Saw Tatt Ghee and Ms Saw Lee Ping in the shares of the Company are by virtue of their shareholdings in STG Investments Pty Ltd, Centurion Equity Pty Limited and Tan & Saw Investments Pty Ltd which in turn hold shares in the Company.

By virtue of Section 7 of the Act, Mr Saw Tatt Ghee and Ms Saw Lee Ping are deemed to have interests in the shares held by the Company in its subsidiary corporations.

MATERIAL CONTRACTS

Save for the service agreement, there are no material contracts of the Group and of the Company involving the interests of the Executive Chairman and Chief Executive Officer, each other director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

SHARE OPTIONS

The ST Group Performance Share Plan ("**PSP**") was approved by the shareholders of the Company on 10 June 2019.

The PSP is administered by the Remuneration Committee of the Company, comprising Yap Zhi Chau, Chan Wee Kiang and Peter Sim Swee Yam. A member of the Remuneration Committee who is also a participant of the PSP must not be involved in its deliberation or decision in respect of the awards granted or to be granted to him.

a) Options to take up unissued shares

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

Directors' Statement

SHARE OPTIONS (CONT'D)

b) Options exercised

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

c) Unissued shares under option

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

AUDIT COMMITTEE

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

Yap Zhi Chau	(Chairman, Independent Director)
Chan Wee Kiang	(Lead Independent Director)
Peter Sim Swee Yam	(Independent Director)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act. Their functions are detailed in the Corporate Governance Report section of the 2022 Annual Report.

In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

(a) The audit plans, scope of work, evaluation of the adequacy of the internal controls, audit reports, management letters on internal controls and management response;

(b) The adequacy and effectiveness of the Group's internal controls addressing financial, operational and compliance risks prior to the incorporation of such results in the annual report;

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

(d) The half-year (where relevant) and annual announcement as well as the related press releases on the results and financial position of the Company and the Group;

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

(f) Interested person transactions falling within the scope of Chapter 9 of the Listing Manual, Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited and other relevant statutory requirements and any potential conflicts of interests; and

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

Directors' Statement

AUDIT COMMITTEE (CONT'D)

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

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the board of directors that Baker Tilly TFW LLP be nominated for re-appointment as external 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

Saw Tatt Ghee
Director

Saw Lee Ping
Director

12 October 2022

Independent Auditor's Report

To The Members of St Group Food Industries Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of ST Group Food Industries Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") as set out on pages 62 to 152, which comprise the statements of financial position of the Group and of the Company as at 30 June 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, 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 1967 (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 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (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 opinion.

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 period. 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.

Independent Auditor's Report

To The Members of St Group Food Industries Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Impairment assessment of property, plant and equipment and right-of-use assets

Refer to Notes 2(y), 11 and 12 to the financial statements.

Description of key audit matter:

As at 30 June 2022, the Group has property, plant and equipment and right-of-use assets of A$11,166,484 and A$20,623,813 (2021: A$13,089,857 and A$23,058,452) respectively. As disclosed in Note 11 to the financial statements, management considered the business impact of the COVID-19 pandemic on the operating performances of the Group's cash generating units ("**CGUs**") and identified that there are indicators of impairment for certain CGUs' property, plant and equipment and right-of-use assets. The carrying amounts of these CGUs' property, plant and equipment and right-of-use assets subjected to impairment assessment totalled A$17,897,239 (2021: A$13,062,547). The respective recoverable amounts of these CGUs is computed based on their values in use derived from management's cash flow projections. Consequently, the Group recognised impairment losses of A$260,726 and A$532,157 (2021: A$67,172 and A$91,027) on the property, plant and equipment and right-of-use assets respectively.

Management's identification of impairment indicators and assessment of the recoverable amounts for the aforementioned CGUs are significant to our audit due to the magnitude of the carrying amounts of the assets being tested for impairment, the significant management judgment involved and estimation uncertainty in the key assumptions used in determination of the CGUs' recoverable amounts. In determining the value-in-use, management is required to apply judgements and make assumptions on estimates supporting underlying cash flow forecasts, taking into account the operating and current market conditions. Accordingly, we have identified this as a key audit matter.

Our procedures to address key audit matter:

Our audit procedures included, amongst others, reviewing management's assessment of impairment indicators for the Group's property, plant and equipment and right-of-use assets. We made inquiries with management on their assessment for the CGUs, assessed the reasonableness of management's key assumptions used such as discount rate, revenue growth rate and gross profit margin against historical and expected future financial performances. We performed sensitivity analyses on key assumptions. Our internal valuation specialist assisted us in evaluating the reasonableness of management's discount rates. We reviewed management's allocation of impairment loss to the underlying assets of the CGUs. We also reviewed the adequacy and appropriateness of the disclosures concerning those key assumptions in the financial statements.

Impairment assessment of investment in subsidiaries in the Company's financial statements

Refer to Notes 2(y) and 14 to the financial statements.

Description of key audit matter:

The Company's investment in subsidiaries totalled A$20,941,372 (2021: A$29,220,712) as at 30 June 2022. Management assessed that there are indicators that the cost of investment in subsidiaries is impaired as the cost of investment exceeds the Company's share of the net assets of the subsidiaries as at 30 June 2022. As such, management estimated the recoverable amount of the investment in subsidiaries to determine if any impairment loss should be recognised.

Independent Auditor's Report

To The Members of St Group Food Industries Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Impairment assessment of investment in subsidiaries in the Company's financial statements (cont'd)

Description of key audit matter (cont'd):

Management determined the recoverable amount of the subsidiaries based on their values in use ("**VIU**"), considering their respective appropriate revenue growth rates, gross profit margins, terminal values and discount rates. Consequently, management recorded an impairment loss of A$8,279,340 (2021: A$9,142,893) during the financial year.

We consider this to be a key audit matter because the estimation of the recoverable amount is highly subjective and involves significant management judgement and estimation uncertainty in the key assumptions used in the projection of future cash flows.

Our procedures to address key audit matter:

We obtained an understanding of the Group's budgeting process upon which the forecasts are based, and assessed the reasonableness of the key assumptions applied by management on the projected revenue growth rates, projected gross profit margins and the appropriateness of the terminal growth rates and discount rates. We involved our valuation specialists in assessing the reasonableness of the terminal growth rates and discount rates used. We considered management's analysis on the sensitivity of the carrying amounts to reasonable changes in the key assumptions. We also reviewed the adequacy and appropriateness of the disclosures concerning those key assumptions in 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. We have nothing to report in this regard.

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), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Independent Auditor's Report

To The Members of St Group Food Industries Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- 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.

Independent Auditor's Report

To The Members of St Group Food Industries Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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, 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 on the audit resulting in this independent auditor's report is Ong Kian Guan.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

12 October 2022

Consolidated Statement of Comprehensive Income

For the financial year ended 30 June 2022

	Note	Group 2022 A$	Group 2021 A$
Continuing operations			
Revenue	3	46,971,933	44,883,352
Other income	4	3,560,079	3,604,921
Expenses			
Changes in inventories		676,711	76,750
Purchases of inventories		(15,599,089)	(14,016,885)
Franchise restaurants and stores related establishment costs		(607,875)	(1,426,753)
Rental credit	12(a)	86,370	437,121
Staff costs	5	(18,287,416)	(15,651,905)
Depreciation of property, plant and equipment	11	(3,097,833)	(2,832,912)
Depreciation of right-of-use assets	12(a)	(5,212,576)	(5,063,370)
Amortisation of intangible assets	13(b)	(415,374)	(396,026)
Finance costs	6	(1,303,663)	(1,483,228)
Impairment losses on trade and other receivables		(181,037)	(112,951)
Impairment losses on property, plant and equipment	11	(260,726)	(67,172)
Impairment losses on right-of-use assets	11,12	(532,157)	(91,027)
Other expenses		(6,877,570)	(5,449,164)
Share of results of associated company		31,409	20,889
Share of results of joint venture		(17,184)	–
(Loss)/profit before tax	7	(1,065,998)	2,431,640
Tax expense	8	(106,151)	(841,853)
(Loss)/profit from continuing operations, net of tax		(1,172,149)	1,589,787
Profit/(loss) from discontinued operations, net of tax	9	252,436	(865,143)
(Loss)/profit for the year		(919,713)	724,644
Other comprehensive (loss)/income:			
Item that is or may be reclassified subsequently to profit or loss:			
Currency translation differences on consolidation		(36,408)	46,837
Reclassification of currency translation reserve to profit or loss on disposal of discontinued operations		(4,837)	–
Other comprehensive (loss)/income for the year, net of tax		(41,245)	46,837
Total comprehensive (loss)/income for the year		(960,958)	771,481
Profit/(loss) attributable to:			
Equity holders of the Company		367,787	1,129,969
Non-controlling interests		(1,287,500)	(405,325)
(Loss)/profit for the year		(919,713)	724,644

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

Consolidated Statement of Comprehensive Income (cont'd)

For the financial year ended 30 June 2022

	Note	Group	
		2022	2021
		A$	A$
Profit attributable to equity holders of the Company relates to:			
Profit from continuing operations		81,457	1,612,191
Profit from discontinued operations		286,330	(482,222)
		367,787	1,129,969
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		326,542	1,176,806
Non-controlling interests		(1,287,500)	(405,325)
		(960,958)	771,481
Earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company (cents per share)	10		
From continuing and discontinued operations			
Basic and diluted		0.15	0.47
From continuing operations			
Basic and diluted		0.03	0.66
From discontinued operations			
Basic and diluted		0.12	(0.20)

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

Statements of Financial Position

At 30 June 2022

		Group		Company	
	Note	2022 A$	2021 A$	2022 A$	2021 A$
ASSETS					
Non-current assets					
Property, plant and equipment	11	11,166,484	13,089,857	–	–
Right-of-use assets	12	20,623,813	23,058,452	–	–
Intangible assets	13	2,825,320	3,042,385	–	–
Investment in subsidiaries	14	–	–	20,941,372	29,220,712
Investment in associated company	15	46,378	36,889	–	–
Investment in joint venture	16	282,816	–	–	–
Deferred tax asset	17	3,091,395	3,111,085	406,572	402,262
Fixed deposits	18	2,488,162	2,370,019	–	–
Trade and other receivables	21	1,174,568	1,381,512	–	–
Total non-current assets		41,698,936	46,090,199	21,347,944	29,622,974
Current assets					
Contract assets	19	108,000	98,000	–	–
Inventories	20	3,190,342	2,513,631	–	–
Trade and other receivables	21	4,805,817	3,893,199	10,374,727	11,368,075
Fixed deposits	17	–	998,233	–	998,233
Financial assets at fair value through profit or loss	22	200,000	–	200,000	–
Cash and bank balances		7,761,188	8,766,959	1,440,116	1,271,714
		16,065,347	16,270,022	12,014,843	13,638,022
Disposal group assets classified as held for sale	9	–	672,034	–	–
Total current assets		16,065,347	16,942,056	12,014,843	13,638,022
Total assets		57,764,283	63,032,255	33,362,787	43,260,996
EQUITY AND LIABILITIES					
Equity					
Share capital	23	57,200,620	57,200,620	57,200,620	57,200,620
Treasury shares	23	(48,253)	(722,827)	(48,253)	(722,827)
Other reserves	24	(40,641,083)	(40,214,835)	(479,202)	(112,092)
Retained earnings		3,454,129	3,894,549	(23,738,248)	(13,444,191)
Reserve of disposal group classified as held for sale	9	–	4,837	–	–
Equity attributable to equity holders of the Company, total		19,965,413	20,162,344	32,934,917	42,921,510
Non-controlling interests		(340,508)	1,894,218	–	–
Total equity		19,624,905	22,056,562	32,934,917	42,921,510
Non-current liabilities					
Borrowings	25	1,131,055	349,712	–	–
Lease liabilities	12	20,027,664	22,126,135	–	–
Contract liabilities	19	1,021,451	674,936	–	–
Total non-current liabilities		22,180,170	23,150,783	–	–

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

Statements of Financial Position (cont'd)

At 30 June 2022

		Group		Company	
		2022	2021	2022	2021
	Note	A$	A$	A$	A$
Current liabilities					
Trade and other payables	26	7,010,812	7,210,242	427,842	339,486
Contract liabilities	19	574,696	426,210	–	–
Borrowings	25	1,178,857	466,971	–	–
Lease liabilities	12	6,568,256	7,206,542	–	–
Tax payable		626,587	1,755,773	28	–
		15,959,208	17,065,738	427,870	339,486
Liabilities directly associated with disposal group classified as held for sale	9	–	759,172	–	–
Total current liabilities		15,959,208	17,824,910	427,870	339,486
Total liabilities		38,139,378	40,975,693	427,870	339,486
Total equity and liabilities		57,764,283	63,032,255	33,362,787	43,260,996

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

Consolidated Statement of Changes In Equity

For the financial year ended 30 June 2022

	Note	Share capital (Note 23) A$	Treasury shares (Note 23) A$	Other reserves (Note 24) A$	Retained earnings A$	Reserve of disposal group classified as held for sale (Note 9) A$	Equity attributable to equity holders of the Company A$	Non-controlling interests A$	Total equity A$
Group									
Balance at 1 July 2021		57,200,620	(722,827)	(40,214,835)	3,894,549	4,837	20,162,344	1,894,218	22,056,562
Profit/(loss) for the year		–	–	–	367,787	–	367,787	(1,287,500)	(919,713)
Other comprehensive loss									
Currency translation differences on consolidation		–	–	(36,408)	–	–	(36,408)	–	(36,408)
Currency translation difference reclassified to profit or loss on disposal of discontinued operations		–	–	–	–	(4,837)	(4,837)	–	(4,837)
Other comprehensive loss for the financial year, net of tax		–	–	(36,408)	–	(4,837)	(41,245)	–	(41,245)
Total comprehensive (loss)/income for the year		–	–	(36,408)	367,787	(4,837)	326,542	(1,287,500)	(960,958)
Disposal of subsidiaries	9, 24	–	–	393,081	(393,081)	–	–	79,404	79,404
Transactions with owners recognised directly in equity									
Treasury shares re-issued	23	–	838,227	(367,110)	–	–	471,117	–	471,117
Purchases of treasury shares	23	–	(163,653)	–	–	–	(163,653)	–	(163,653)
Dividends	27	–	–	–	(415,126)	–	(415,126)	(49,000)	(464,126)
Changes in ownership interest in subsidiaries									
Acquisition of non-controlling interest in subsidiary without change in control	14(c)	–	–	(415,811)	–	–	(415,811)	(977,630)	(1,393,441)
Balance at 30 June 2022		57,200,620	(48,253)	(40,641,083)	3,454,129	–	19,965,413	(340,508)	19,624,905

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

Consolidated Statement of Changes In Equity (cont'd)

For the financial year ended 30 June 2022

	Note	Share capital (Note 23) A$	Treasury shares (Note 23) A$	Other reserves (Note 24) A$	Retained earnings A$	Reserve of disposal group classified as held for sale (Note 9) A$	Equity attributable to equity holders of the Company A$	Non-controlling interests A$	Total equity A$
Group									
Balance at 1 July 2020		57,200,620	(899,238)	(39,509,084)	3,128,294	–	19,920,592	1,866,669	21,787,261
Profit/(loss) for the year		–	–	–	1,129,969	–	1,129,969	(405,325)	724,644
Other comprehensive income									
Currency translation differences on consolidation		–	–	46,837	–	–	46,837	–	46,837
Other comprehensive income for the financial year, net of tax		–	–	46,837	–	–	46,837	–	46,837
Total comprehensive income/(loss) for the year		–	–	46,837	1,129,969	–	1,176,806	(405,325)	771,481
Reserve attributable to disposal group classified as held for sale	9			(4,837)		4,837	–	–	–
Transactions with owners recognised directly in equity									
Treasury shares re-issued for purchase of assets	11,23	–	192,092	(112,092)	–	–	80,000	–	80,000
Purchases of treasury shares	23	–	(15,681)	–	–	–	(15,681)	–	(15,681)
Dividends	27	–	–	–	(363,714)	–	(363,714)	(49,000)	(412,714)
Changes in ownership interest in subsidiaries									
Acquisition of non-controlling interests in subsidiaries without change in control	14(c)	–	–	(635,659)	–	–	(635,659)	481,874	(153,785)
Balance at 30 June 2021		57,200,620	(722,827)	(40,214,835)	3,894,549	4,837	20,162,344	1,894,218	22,056,562

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

Statement of Changes In Equity

For the financial year ended 30 June 2022

	Note	Share capital (Note 23) A$	Treasury shares (Note 23) A$	Other reserve (Note 24) A$	Retained earnings A$	Total equity A$
Company						
Balance at 1 July 2021		57,200,620	(722,827)	(112,092)	(13,444,191)	42,921,510
Loss and total comprehensive loss for the financial year		–	–	–	(9,878,931)	(9,878,931)
Treasury shares re-issued	23	–	838,227	(367,110)	–	471,117
Purchases of treasury shares	23	–	(163,653)	–	–	(163,653)
Dividends	27	–	–	–	(415,126)	(415,126)
Balance at 30 June 2022		57,200,620	(48,253)	(479,202)	(23,738,248)	32,934,917
Balance at 1 July 2020		57,200,620	(899,238)	–	(4,343,998)	51,957,384
Loss and total comprehensive loss for the financial year		–	–	–	(8,736,479)	(8,736,479)
Treasury shares re-issued for purchase of subsidiary's assets	23	–	192,092	(112,092)	–	80,000
Purchases of treasury shares	23	–	(15,681)	–	–	(15,681)
Dividends	27	–	–	–	(363,714)	(363,714)
Balance at 30 June 2021		57,200,620	(722,827)	(112,092)	(13,444,191)	42,921,510

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

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2022

	Note	Group 2022 A$	Group 2021 A$
Cash flows from operating activities			
(Loss)/profit before tax from continuing operations		(1,065,998)	2,431,640
Profit/(loss) before tax from discontinued operations		252,436	(839,614)
Total (loss)/profit before tax		(813,562)	1,592,026
Adjustments for:			
Depreciation of property, plant and equipment		3,097,833	2,929,138
Depreciation of right-of-use assets		5,212,576	5,218,675
Amortisation		415,374	400,473
Gain on termination of leases		–	(108,683)
Impairment losses on trade and other receivables		181,037	112,951
Impairment losses on property, plant and equipment		260,726	67,172
Impairment losses on right-of-use assets		532,157	91,027
Interest income		(50,794)	(66,949)
Interest expenses		1,303,663	1,556,696
Property, plant and equipment written off		89,777	567,504
Gain on disposal of property, plant and equipment		–	(29,596)
Gain on disposal of discontinued operations		(252,436)	–
Right-of-use assets written off		–	42,870
Intangible assets written off		–	7,487
Rent concessions from lessors		(1,399,288)	(1,576,294)
Share of results from associated company		(31,409)	(20,889)
Share of results from joint venture		17,184	–
Unrealised exchange loss		42,013	156,562
Operating cash flow before working capital changes		8,604,851	10,940,170
Inventories		(676,711)	(30,040)
Receivables and contract assets		(1,035,771)	442,141
Payables and contract liabilities		532,723	1,611,469
Currency translation adjustments		(55,705)	116,146
Cash generated from operations		7,369,387	13,079,886
Income tax paid		(1,165,218)	(1,040,549)
Net cash generated from operating activities		6,204,169	12,039,337
Cash flows from investing activities			
Purchases of property, plant and equipment	11	(1,249,014)	(4,094,932)
Purchases of intangible assets	13(b)	(179,690)	(178,471)
Proceeds from disposal of property, plant and equipment		–	32,207
Interest received		24,327	23,846
Purchase of financial assets at fair value through profit or loss		(200,000)	–
Investment in associated company		–	(16,000)
Incorporation of joint venture		(50)	–
Subscription money paid for investment in joint venture		(99,950)	–
Deposits received for disposal of subsidiaries	9	–	223,986
Net cash outflow from disposal of subsidiaries		(1,136)	–
Dividends received from associated company		21,920	–
Net cash used in investing activities		(1,683,593)	(4,009,364)

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

Consolidated Statement of Cash Flows (cont'd)

For the financial year ended 30 June 2022

	Note	Group 2022 A$	Group 2021 A$
Cash flows from financing activities			
Upfront payment for right-of-use assets		(16,786)	–
Proceeds from borrowings		2,157,017	300,000
Repayment of borrowings		(512,944)	(822,953)
Repayment of lease liabilities		(4,865,965)	(3,948,858)
Advances from non-controlling interests/third parties		11,916	43,529
Repayment to former shareholders of subsidiaries/related parties/non-controlling interests		(253,221)	(237,092)
Dividends paid to shareholders		(414,688)	(363,503)
Dividends paid to non-controlling interests		(49,000)	(49,000)
Interest paid		(1,235,888)	(1,257,762)
Increase in fixed deposits pledged		(118,143)	(293,776)
Proceeds from sales of treasury shares	23	471,117	–
Purchases of treasury shares	23	(163,653)	(15,681)
Lease incentives received		5,732	169,514
Acquisition of non-controlling interests in subsidiaries	14(c)	(1,393,440)	(153,785)
Net cash used in financing activities		(6,377,946)	(6,629,367)
Net (decrease)/increase in cash and cash equivalents		(1,857,370)	1,400,606
Cash and cash equivalents at beginning of the financial year		9,618,504	8,227,895
Effects of exchange rate changes on cash and cash equivalents		54	(9,996)
Cash and cash equivalents at end of the financial year		7,761,188	9,618,505

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Note	2022 A$	2021 A$
Cash and bank balances			
- Continuing operations		7,761,188	8,766,959
- Discontinued operations	9	–	1,136
		7,761,188	8,768,095
Fixed deposits	18	2,488,162	3,368,252
Less: Bank overdrafts	25	–	(147,823)
		10,249,350	11,988,524
Less: Fixed deposits (pledged)	18	(2,488,162)	(2,370,019)
Cash and cash equivalents per consolidated statement of cash flows		7,761,188	9,618,505

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

Notes To The Financial Statements

For the financial year ended 30 June 2022

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

1 CORPORATE INFORMATION

ST Group Food Industries Holdings Pte. Ltd. (the "Company") (Co. Reg. No. 201801590R) was incorporated in Singapore on 11 January 2018 for the purpose of acquiring the existing companies pursuant to the restructuring exercise on the preparation of the listing of the Company. On 10 June 2019, the Company was converted into a public company limited by shares and changed its name to ST Group Food Industries Holdings Limited. The Company is listed on Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 3 July 2019.

The registered office is at 9 Straits View, #06-07 Marine One West Tower, Singapore 018937.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements of the Group are presented in Australian dollar ("**A$**") except when otherwise indicated. The financial statements of the Group have been prepared in accordance with the provisions of the Companies Act 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 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 judgment in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within next financial year are disclosed in Note 2(y) to the financial statements.

The carrying amounts of fixed deposits, cash and bank balances, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

Notes To The Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Basis of preparation (cont'd)

New and revised standards that are adopted

In the current financial year, the Group has adopted all the new and revised FRS and Interpretations of FRS ("**INT FRS**") that are relevant to its operations and effective for the current financial year. 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/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.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of reporting period but are not yet effective for the financial year ended 30 June 2022 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

Food and beverage retails

Food and beverage retails revenues comprised of retail sales of food and beverages through the Group-owned restaurants and stores. Revenue is recognised at the point of sale when the food and beverage have been served or delivered to customers, based on the food and beverage listed prices, net of discounts and goods and services tax. Payment of the transaction price is due immediately at the point the customer purchases the food and beverage or on credit terms where upon initial recognition of revenue, a receivable is recognised as the consideration is unconditional and only the passage of time is required before payment is due. No element of financing is deemed present as the consideration is repayable on demand.

Supply chain

Supply chain revenues are primarily comprised of sales of food and supplies to franchised restaurants and stores directly by the Group or through distributors. Revenue is recognised upon transfer of control over ordered items, generally upon delivery to the customer, which is when the customer obtains physical possession of the goods, legal title is transferred, the customer has all risks and rewards of ownership and an obligation to pay for the goods is created. Payments are generally due within 30 to 120 days. No element of financing is deemed present as consideration is repayable on demand. Upon initial recognition of revenue, a receivable is recognised as the consideration is unconditional and only the passage of time is required before payment is due.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Revenue recognition (cont'd)

Franchise fees and royalty income

Franchise fees and royalty income consist primarily of royalties, initial and renewal franchise fees paid by franchisees.

Franchise fees are payable by the franchisee upon opening of a new restaurant or renewal of an existing franchise agreement, and are billed upon signing of the franchise agreement. Renewal franchisee fees are billed before the renewal date. Franchise fees received are recognised over the term of the related franchise agreement. The services the Group provides in exchange for these franchise fees, which primarily relate to granting of franchise right, providing information and advice to franchisees and carrying out inspections, are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Group provides to the franchisees. They do not contain separate and distinct performance obligations from the franchise right; thus, the fees collected will be amortised on a straight-line basis beginning at the store opening date through the term of the franchise agreement, which is consistent with the franchisee's right to use and benefit from the franchise right.

Franchise royalties are based on a percentage of gross sales at franchise restaurants and stores and are recognised as sales occur. Franchise royalties are billed on a monthly basis.

Project income

Project income are derived from establishment of a restaurant or store and in connection with a restaurant or store renewal or renovation and other franchise related fees. Revenue from these sales is recognised based on the price specified in the contract.

Revenue from establishment and renovation services is recognised as performance obligations satisfied over time using input method, based on the stage of completion. The stage of completion is measured by reference to the contract costs incurred up to the reporting date as a percentage of total estimated costs for each contract. Revenue is recognised over time as the Group's performance creates a customer-controlled asset and it has an enforceable right to payment for performance completed to date. The Group bills the customers in accordance with the terms of the contract. Customers are required to pay within 7 to 30 days from the invoice date. No element of financing is deemed present. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. A contract liability is recognised when the Group has not yet performed under the contract but receives advanced payments from the customer.

Dartslive machine revenue

Dartslive machine revenue represents net takings from game play. Revenue is reported after deduction of goods and services tax.

Rental income

Rental income from operating leases are recognised on a straight-line basis over the lease term.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Notes To The Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 comprised the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

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 involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method.

Under this method, the Company has been treated as the holding company of the subsidiaries for the financial years presented rather than from the completion of the restructuring exercise on the preparation of the listing of the Company on SGX-ST. Accordingly, the results of the Group included the results of the subsidiaries for the entire periods under review. Such manner of presentation reflects the economic substance of the companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidiary relationships were not established.

Pursuant to this:

- Assets and liabilities are reflected at their existing carrying amounts;
- No adjustments are made to reflect the fair values on the date of combination or recognise any new assets or liabilities;
- No additional goodwill is recognised as a result of the combination;
- Prior to the issue of shares by the Company in connection with the restructuring exercise, the aggregate equity of the subsidiaries held directly by the Company is shown as the Group's equity for financial years under review; and
- Upon the completion of the restructuring exercise, any difference between the consideration paid by the Company and the equity 'acquired' is reflected within the equity of the Group as merger reserve.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Basis of consolidation (cont'd)

Business combinations using acquisition method

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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 2(f) to the financial statements. 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.

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 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 specified in another standard.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss 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 (i.e. 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. Amount 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.

Notes To The Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) **Associated company and joint venture**

An associated company is an entity over which the Group has significant influence but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more of the voting power of another entity.

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 associated company and joint venture are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investments in associated company and joint venture 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.

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 associate or 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.

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 significant influence or joint control commences until the date that significant influence or joint control ceases.

Distributions received from associated company and joint venture are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company and joint venture equals or exceeds its interest in the associated company and 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 associated company and joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in associated company and joint venture. The Group determines at the end of each reporting period whether there is objective evidence that the investments in associated company or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount in profit or loss.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 or associated company, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

g) Property, plant and equipment

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.

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

Notes To The Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g) Property, plant and equipment (cont'd)

Depreciation

Depreciation is charged so as to allocate the depreciable amount of property, plant and equipment over their estimated useful lives, using the following methods and bases:

	Depreciation rates	*Depreciation method*
Machinery and equipment	15% - 40%	Diminishing balance
Furniture and fittings	11.25% - 66.67%	Diminishing balance
Office equipment	15% - 66.67%	Diminishing balance
Motor vehicles	20% - 25%	Diminishing balance
Renovation		
- Office and warehouse	11.25% - 16.67%	Diminishing balance
- Restaurants and stores	Over the lease term	Straight-line

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

h) Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Franchise rights

Costs relating to master franchise fees paid are capitalised and amortised on a straight-line basis over the franchise period ranging from 5 to 30 years.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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 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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

j) Inventories

Inventories comprise raw materials and finished goods.

Inventories are valued at the lower of cost and net realisable value. Costs comprise purchase costs accounted for on a first-in, first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Notes To The Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a Group entity is the lessee

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted 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.

Lease liabilities

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 its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is presented as a separate line in the statements 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 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 there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Notes To The Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k) Leases (cont'd)

When a Group entity is the lessee (cont'd)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

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 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates 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 subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

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

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(i).

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

When a Group entity is the intermediate lessor

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct cost 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.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

Notes To The Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l) Income taxes

Income tax on the profit or loss for the 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 year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or recoverable in respect of previous 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 reporting date 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 investment in subsidiaries, 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 year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the reporting date.

Deferred income tax is measured based on the tax consequence that will follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

m) 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

m) Financial assets (cont'd)

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 fixed deposits, cash and bank balances, trade and other receivables (excluding prepayments and GST receivables) and restricted cash. These are subsequently measured at amortised cost based on the Group's business model for managing the asset and cash flow characteristic of the asset.

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 income".

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

m) Financial assets (cont'd)

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.

n) 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 change 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. Bank overdrafts are presented as current borrowings on the statements of financial position.

Notes To The Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

o) Financial liabilities

Financial liabilities include trade and other payables, borrowings and lease 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 instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

p) Share capital

Ordinary shares

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.

Treasury shares

When any entity within the Group purchases the Company's ordinary shares ("**treasury shares**"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of the capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the other reserves of the Company.

q) 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 balance sheet 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.

Notes To The Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

r) 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 profit or loss using the effective interest method.

s) Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities 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 entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the reporting date.

t) 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 Group's revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to a single geographical region, Australia, which is the Group's principal place of business and operations. Australian dollar ("**A$**") is the currency that mainly influences sales prices for goods and services, labour, material and other costs of providing goods or services and of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services for Australia entities. Therefore, the management has determined that A$ is the functional currency for the Australia entities in the Group. In view of the increased financial reliance of the Company on the operations of its Australia entities, the management also determined that A$ is the functional currency of the Company. The financial statements of the Group are presented in Australian dollar, which is the Company's functional currency.

Notes To The Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

t) **Foreign currencies (cont'd)**

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, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the currency translation reserve within equity in the consolidated financial statements. The currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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 date of the statements of financial position;

(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 taken to the foreign 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.

Notes To The Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

u) Dividend

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders.

v) 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 fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

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.

w) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs 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.

x) Non-current assets (or disposal groups) held for sale and discontinued operations

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. In addition, equity accounting of associates and joint ventures ceases once classified as held for sale.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and

(a) represents a separate major line of business or geographical area of operations; or

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

Notes To The Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

y) Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt in the preceding paragraphs).

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of food and beverage outlets and central kitchen, the following factors are considered to be most relevant:

- If there are significant penalties to terminate the lease, the Group will typically reasonably certain not to terminate the lease;
- If the retail stores are located in strategic locations that will contribute to the continued profitability of the retail segment, the Group will typically include the extension option in lease liabilities;
- Otherwise, the Group considers other factors including its historical lease periods and the costs and business disruption required to replace the leased asset.

As at 30 June 2022, potential future cash outflows of A$8,737,089 (2021: A$13,327,221) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended.

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.

Impairment of property, plant and equipment and right-of-use assets

Management assesses whether there are any indicators of impairment for property, plant and equipment and right-of-use assets at each reporting date. Property, plant and equipment and right-of-use assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

y) Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

Impairment of property, plant and equipment and right-of-use assets (cont'd)

Management considered the business impact of the COVID-19 pandemic on the operating performances of the Group's cash generating units and identified that there are indicators of impairment for certain cash generating units. The Group has determined the respective recoverable amounts of these cash generating units based on their values in use derived from management's cash flow projections.

When value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit, including estimating the revenue growth rate and gross profit margin for the individual cash generating units and using a suitable discount rate in order to determine the present value of those cash flows. The recoverable amount is sensitive to the food and beverage revenue growth rate and gross profit margin. The carrying amount of property, plant and equipment and right-of-use assets at the end of the reporting period is A$11,166,484 (2021: A$13,089,857) and A$20,623,813 (2021: A$23,058,452) as set out in Notes 11 and 12 respectively to the financial statements. Changes in assumptions made and discount rate applied could affect the carrying values of those assets.

Impairment assessment of goodwill

Management performs an annual impairment assessment of goodwill. Valuation model based on discounted cash flow analysis of the cash-generating unit ("**CGU**") is used by management to determine the value in use for the purposes of the impairment assessment.

Forecasting and discounting future cash flows for the impairment assessment involves an element of judgement and requires management to make certain assumptions and apply estimates. Details of the key assumptions applied in the impairment assessment of goodwill and the carrying value of the goodwill at the end of the reporting period are disclosed in Note 13 to the financial statements. Any changes in the assumptions made and discount rate applied could affect the impairment assessment.

Impairment of investment in subsidiaries

There are indicators that the cost of investment in subsidiaries is impaired as the cost of investment exceeds the Company's share of the net assets of these subsidiaries as at 30 June 2022.

Determining whether investment in subsidiaries is impaired involves an estimation of the value in use of these subsidiaries. The value in use calculation requires the management to estimate the future cash flows expected from the cash-generating unit and an appropriate discount rate in order to calculate the present value of the future cash flows. The key assumptions and estimates applied in the determination of the value in use, sensitivity analysis and the carrying amount of investment in subsidiaries are disclosed and further explained in Note 14 to the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

y) Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

Calculation of allowance for impairment for financial assets at amortised cost

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions as well as the implications of the COVID-19 pandemic on the assumptions. 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 and integral credit enhancements.

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.

As the calculation of loss allowance on trade and other receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amount of trade and other receivables. Details of ECL measurement and carrying amount of trade and other receivables at reporting date are disclosed in Note 30(b) to the financial statements.

3 REVENUE

	Group					
	Continuing operations		Discontinued operations		Total	
	2022	2021	2022	2021	2022	2021
	A$	A$	A$	A$	A$	A$
Food and beverage retails	31,349,427	30,359,418	–	363,938	31,349,427	30,723,356
Supply chain	10,096,963	8,856,645	–	114,056	10,096,963	8,970,701
Franchise						
- Franchise fees and royalty income	4,320,435	3,356,412	–	131,033	4,320,435	3,487,445
- Project income	994,927	2,041,230	–	–	994,927	2,041,230
Others - Dartslive machine revenue	210,181	269,647	–	–	210,181	269,647
	46,971,933	44,883,352	–	609,027	46,971,933	45,492,379
Timing of revenue recognition						
At a point in time	41,656,571	39,485,710	–	477,994	41,656,571	39,963,704
Over time	5,315,362	5,397,642	–	131,033	5,315,362	5,528,675
	46,971,933	44,883,352	–	609,027	46,971,933	45,492,379
Revenue recognised during the financial year from:						
Amounts included in contract liability at beginning of the financial year	435,577	504,499	–	78,873	435,577	583,372

Notes To The Financial Statements

For the financial year ended 30 June 2022

3 REVENUE (CONT'D)

Transaction price allocated to the remaining performance obligations

The table below discloses revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date:

	Franchise					
	Continuing operations		Discontinued operations		Total	
	2022	2021	2022	2021	2022	2021
	A$	A$	A$	A$	A$	A$
2022	–	426,210	–	35,026	–	461,236
2023	574,696	317,505	–	34,089	574,696	351,594
2024	393,333	193,132	–	13,258	393,333	206,390
2025	316,458	113,267	–	–	316,458	113,267
2026	251,406	–	–	–	251,406	–
Thereafter	60,254	51,032	–	–	60,254	51,032
	1,596,147	1,101,146	–	82,373	1,596,147	1,183,519

The Group applies the practical expedient in SFRS(I) 15 and does not disclose information about its remaining performance obligation if the performance obligation is part of a contract that has an original expected duration of one year or less.

4 OTHER INCOME

	Group					
	Continuing operations		Discontinued operations		Total	
	2022	2021	2022	2021	2022	2021
	A$	A$	A$	A$	A$	A$
Management fees						
- Related parties (Note 28)	116,935	21,753	–	–	116,935	21,753
- Third parties	16,245	20,103	–	–	16,245	20,103
Interest income						
- Banks	24,327	23,846	–	–	24,327	23,846
- Third parties	26,467	43,103	–	–	26,467	43,103
Government grants*	2,380,589	2,628,333	–	–	2,380,589	2,628,333
Rebates from suppliers	939,253	815,978	–	–	939,253	815,978
Miscellaneous income	56,263	51,805	–	30,100	56,263	81,905
	3,560,079	3,604,921	–	30,100	3,560,079	3,635,021

* Government grants mainly relate to wage subsidies in Australia (2021: JobKeeper, cash flow boosts and wage subsidies in Australia).

Notes To The Financial Statements

For the financial year ended 30 June 2022

5 STAFF COSTS

	Group					
	Continuing operations		Discontinued operations		Total	
	2022	2021	2022	2021	2022	2021
	A$	A$	A$	A$	A$	A$
Wages and salaries	16,155,589	13,874,755	–	185,283	16,155,589	14,060,308
Contributions to defined contribution plan	1,205,846	987,793	–	21,179	1,205,846	1,008,972
Other benefits	925,981	789,357	–	8,814	925,981	798,171
	18,287,416	15,651,905	–	215,276	18,287,416	15,867,451

6 FINANCE COSTS

	Group					
	Continuing operations		Discontinued operations		Total	
	2022	2021	2022	2021	2022	2021
	A$	A$	A$	A$	A$	A$
Interest expense						
- Lease liabilities	1,258,972	1,403,728	–	36,441	1,258,972	1,440,169
- Bank loans	43,492	50,783	–	37,027	43,492	87,810
- Others	1,199	28,717	–	–	1,199	28,717
	1,303,663	1,483,228	–	73,468	1,303,663	1,556,696

Notes To The Financial Statements

For the financial year ended 30 June 2022

7 (LOSS)/PROFIT BEFORE TAX

	Group					
	Continuing operations		Discontinued operations		Total	
	2022	2021	2022	2021	2022	2021
	A$	A$	A$	A$	A$	A$
(Loss)/profit before tax is arrived at after:						
Charging/(crediting):						
Audit fees payable/paid to:						
- Auditor of the Company	75,762	76,015	–	–	75,762	76,015
- Other auditors*	222,366	171,789	–	8,123	222,366	179,912
Fees for non-audit services payable/paid to:						
- Auditor of the Company	2,894	2,841	–	–	2,894	2,841
- Other auditors*	9,000	10,000	–	–	9,000	10,000
Accounting fee	193,068	153,937	–	3,490	193,068	157,427
Advertising and marketing expense	437,161	52,292	–	7,482	437,161	59,774
Allowance for impairment of trade receivables (Note 30 (b))	95,500	80,000	–	–	95,500	80,000
Impairment charge						
- property, plant and equipment (Note 11)	260,726	67,162	–	–	260,726	67,162
- right-of-use assets (Note 12)	532,157	91,027	–	–	532,157	91,027
Bank merchant fee	352,680	265,306	–	2,926	352,680	268,232
Bad debt - sundry receivable	85,537	32,951	–	–	85,537	32,951
Cleaning expenses	229,206	152,157	–	–	229,206	152,157
Gain on termination of leases	–	(65,571)	–	(43,112)	–	(108,683)
Professional and consultancy fees	520,246	501,522	–	–	520,246	501,522
Foreign exchange loss	42,013	156,562	–	–	42,013	156,562
Insurance expenses	349,800	304,621	–	2,254	349,800	306,875
Warehouse, office and outlet supplies	275,581	236,827	–	4,752	275,581	241,579
Management fee expense	39,000	42,407	–	–	39,000	42,407
Network service fees	59,160	69,009	–	–	59,160	69,009
Property, plant and equipment written off (Note 11)	89,777	61,659	–	505,845	89,777	567,504
Gain on disposal of discontinued operations (Note 9)	–	–	(252,436)	–	(252,436)	-
Gain on disposal of property, plant and equipment	–	(9,160)	–	(20,436)	–	(29,596)
Right-of-use assets written off	–	42,870	–	–	–	42,870
Intangible assets written off	–	7,487	–	–	–	7,487

* Include fees for audit and non-audit services of A$171,981 and A$Nil (2021: A$112,462 and A$11,400) respectively paid/payable to independent member firms of the Baker Tilly International network.

Notes To The Financial Statements

For the financial year ended 30 June 2022

8 TAX EXPENSE

	Group	
	2022 A$	2021 A$
Tax expense attributable to (loss)/profit is made up of:		
From continuing operations		
Current year		
- Income tax	457,174	976,716
- Deferred tax	(276,683)	(116,333)
Previous financial year		
- Over provision of income tax	(366,542)	(228,303)
- (Under)/over provision of deferred tax	(99,528)	203,251
Reversal of deferred tax assets	373,661	–
Withholding tax	18,069	6,522
	106,151	841,853
From discontinued operations (Note 9)		
Current year		
- Deferred tax	–	–
Over provision in respect of previous financial year		
- Income tax	–	–
- Deferred tax	–	25,529
	–	25,529
	106,151	867,382

Notes To The Financial Statements

For the financial year ended 30 June 2022

8 TAX EXPENSE (CONT'D)

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the Australia statutory rate of income tax due to the following factors:

	Group	
	2022	2021
	A$	A$
(Loss)/profit before tax from:		
Continuing operations	(1,065,998)	2,431,640
Discontinued operations	252,436	(839,614)
	(813,562)	1,592,026
Tax calculated at a tax rate of 25.0% (2021: 26.0%)	(203,391)	413,927
Effect of different tax rates in other countries	61,913	165,275
Effect of results of equity-accounted investees presented net of tax	(3,557)	(5,431)
Income not subjected to tax	(173,749)	–
Expenses not deductible for tax purposes	89,767	219,909
Deferred tax assets not recognised	385,400	–
Reversal of deferred tax assets	373,661	–
Over provision of income tax in previous year	(366,542)	(228,303)
(Under)/over provision of deferred tax in previous year	(99,528)	228,780
Withholding tax	18,069	6,522
Others	24,108	66,703
	106,151	867,382

The Australian Government has passed legislation which reduces the corporate tax rate for small and medium base rate entities from 26% to 25% for the 2021-22 income year and later income years. As the Group does not expect to qualify as a base rate entity with a turnover of less than A$50 million and less than 80% of its assessable income being passive income for the foreseeable future, it does not expect to benefit from the reduced tax rates in future reporting periods. As a consequence, the Group has not remeasured its deferred tax balances based on the effective tax rate that will apply in the year the temporary differences are expected to reverse.

Notes To The Financial Statements

For the financial year ended 30 June 2022

9 DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 5 April 2021, the Group's subsidiaries, STG Food Industries Malaysia Sdn Bhd ("**STGFIM**") and TGR Food Industries Sdn Bhd ("**TGRFI**"), entered into a term sheet with two external parties ("**Purchasers**"), to establish the intention of all parties to undertake a restructuring exercise of NNC Food Industries Malaysia Sdn Bhd and its subsidiaries ("**NNCFI disposal group**"), indirect subsidiaries of the Group. A refundable deposit of RM700,000 (equivalent to A$223,986) has been received from the Purchasers in May 2021. The Purchasers are not related to any of the directors or controlling shareholders of the Company.

On 12 July 2021, Sale and Purchase Agreement had been entered between STGFIM, TGRFI and the Purchasers to dispose the Group's equity interests in NNCFI disposal group for a total consideration of RM700,001. Upon completion of the transaction in September 2021, the Group's effective equity interest in NNCFI disposal group decreased from 64% to 3%.

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

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

	Group	
	2022	**2021**
	A$	**A$**
Revenue	–	609,027
Other income	–	30,100
Expenses		
Changes in inventories	–	(46,710)
Purchases of inventories	–	(200,617)
Rental credit	–	17,303
Staff costs	–	(215,276)
Depreciation of property, plant and equipment	–	(96,226)
Depreciation of right-of-use assets	–	(155,305)
Amortisation of intangible assets	–	(4,447)
Finance costs	–	(73,468)
Other expenses	–	(703,995)
Loss before tax from discontinued operations	–	(839,614)
Tax	–	(25,529)
Loss from discontinued operations, net of tax	–	(865,143)
Gain on disposal of discontinued operations	252,436	–
Profit/(loss) for the year	252,436	(865,143)

Notes To The Financial Statements

For the financial year ended 30 June 2022

9 DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

The impact of the discontinued operations on the cash flows of the Group are as follows:

	Group	
	2022 A$	2021 A$
Operating cash flows	–	337,502
Investing cash flows	–	23,047
Financing cash flows	–	(555,394)
Total cash flows	–	(194,845)

	Group
	2021 A$
Details of disposal group classified as held for sale are as follows:	
Property, plant and equipment	23,327
Intangible assets	107,115
Deferred tax asset	35,583
Inventories	144,101
Trade and other receivables	360,772
Cash and bank balances	1,136
	672,034
Liabilities directly associated with disposal group classified as held for sale:	
Trade and other payables	676,799
Contract liabilities	82,373
	759,172
Reserve:	
Foreign currency translation reserve	4,837

Notes To The Financial Statements

For the financial year ended 30 June 2022

9 DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

Effect of disposal on the financial position of the Group:

	Group
	2022
	A$
Property, plant and equipment	23,748
Intangible assets	117,517
Deferred tax asset	36,225
Inventories	146,702
Trade and other receivables	358,833
Cash and cash equivalents	1,136
Trade and other payables	(699,278)
Contract liabilities	(83,858)
Amounts due to STGFIM and TGRFI	(1,456,500)
Net liabilities derecognised	(1,555,475)
Cash consideration received in previous financial year	228,028
Net liabilities derecognised	1,555,475
Waiver of amounts due to STGFIM and TGRFI	(1,456,500)
Non-controlling interests derecognised	(79,404)
Reclassification of cumulative currency transaction reserve	4,837
Gain on disposal	252,436
Consideration received in current financial year	–
Cash and cash equivalents disposed of	(1,136)
	(1,136)

Notes To The Financial Statements

For the financial year ended 30 June 2022

10 EARNINGS/(LOSS) PER SHARE

The calculation of the earnings/(loss) per share attributable to the ordinary owners of the Company is based on the following data:

	Group					
	Continuing operations		Discontinued operations		Total	
	2022	2021	2022	2021	2022	2021
	A$	A$	A$	A$	A$	A$
Net profit/(loss) attributable to equity holders of the Company	81,457	1,612,191	286,330	(482,222)	367,787	1,129,969
Weighted average number of ordinary shares						
Issued ordinary shares at 1 July	242,675,718	244,486,021	242,675,718	244,486,021	242,675,718	244,486,021
Effect of treasury shares held	1,180,595	(1,810,303)	1,180,595	(1,810,303)	1,180,595	(1,810,303)
Weighted average number of ordinary shares during the year	243,856,313	242,675,718	243,856,313	242,675,718	243,856,313	242,675,718
Earnings/(loss) per share (cents per share)						
- Basic and diluted	0.03	0.66	0.12	(0.20)	0.15	0.47

The fully diluted earnings/(loss) per share and basic earnings/(loss) per share are the same because there is no dilutive share.

Notes To The Financial Statements

For the financial year ended 30 June 2022

11 PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment A$	Furniture and fittings A$	Office equipment A$	Motor vehicles A$	Renovation A$	Total A$
Group						
2022						
Cost						
At 1 July 2021	4,234,043	6,974,418	382,710	137,570	11,251,704	22,980,445
Additions	420,188	369,253	9,342	–	450,231	1,249,014
Write-off	(17,751)	–	–	–	(145,023)	(162,774)
Reclassification from right-of-use assets	802,754	43,864	–	–	114,852	961,470
Currency translation differences	(32,721)	(65,970)	(703)	(2,890)	(132,392)	(234,676)
At 30 June 2022	5,406,513	7,321,565	391,349	134,680	11,539,372	24,793,479
Accumulated depreciation and impairment loss						
At 1 July 2021	2,122,217	2,438,833	245,845	77,060	5,006,633	9,890,588
Depreciation charge	528,648	752,455	25,397	12,391	1,778,942	3,097,833
Write-off	(12,231)	–	–	–	(60,766)	(72,997)
Reclassification from right-of-use assets	451,873	17,935	–	–	73,892	543,700
Currency translation differences	(15,145)	(19,707)	(399)	(1,321)	(56,283)	(92,855)
Impairment loss	11,186	–	–	–	249,540	260,726
At 30 June 2022	3,086,548	3,189,516	270,843	88,130	6,991,958	13,626,995
Representing:						
Accumulated depreciation	3,075,789	3,189,516	270,843	88,130	6,677,507	13,301,785
Accumulated impairment	10,759	–	–	–	314,451	325,210
	3,086,548	3,189,516	270,843	88,130	6,991,958	13,626,995
Net carrying value						
At 30 June 2022	2,319,965	4,132,049	120,506	46,550	4,547,414	11,166,484

Notes To The Financial Statements

For the financial year ended 30 June 2022

11 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Machinery and equipment	Furniture and fittings	Office equipment	Motor vehicles	Renovation	Total
	A$	A$	A$	A$	A$	A$
Group						
2021						
Cost						
At 1 July 2020	3,794,864	5,247,749	384,261	146,718	10,571,078	20,144,670
Additions	895,874	1,808,681	17,082	–	1,453,295	4,174,932
Write-off	(419,735)	(70,937)	(5,793)	–	(754,795)	(1,251,260)
Disposal	(4,372)	–	–	–	–	(4,372)
Reclassification as held for sale	(17,944)	(2,825)	(11,833)	(9,599)	(12,928)	(55,129)
Currency translation differences	(14,644)	(8,250)	(1,007)	451	(4,946)	(28,396)
At 30 June 2021	4,234,043	6,974,418	382,710	137,570	11,251,704	22,980,445
Accumulated depreciation and impairment loss						
At 1 July 2020	1,839,372	1,630,153	228,629	65,517	3,861,979	7,625,650
Depreciation charge	491,368	890,886	27,168	17,251	1,502,465	2,929,138
- Continuing operations	451,801	887,137	25,166	15,571	1,453,237	2,832,912
- Discontinued operations	39,567	3,749	2,002	1,680	49,228	96,226
Write-off	(190,586)	(76,636)	(3,697)	–	(412,837)	(683,756)
Disposal	(1,761)	–	–	–	–	(1,761)
Reclassification as held for sale	(10,000)	(1,705)	(5,885)	(5,772)	(8,440)	(31,802)
Currency translation differences	(6,176)	(3,865)	(370)	64	(3,706)	(14,053)
Impairment loss	–	–	–	–	67,172	67,172
At 30 June 2021	2,122,217	2,438,833	245,845	77,060	5,006,633	9,890,588
Representing:						
Accumulated depreciation	2,122,217	2,438,833	245,845	77,060	4,939,461	9,823,416
Accumulated impairment	–	–	–	–	67,172	67,172
	2,122,217	2,438,833	245,845	77,060	5,006,633	9,890,588
Net carrying value						
At 30 June 2021	2,111,826	4,535,585	136,865	60,510	6,245,071	13,089,857

Notes To The Financial Statements

For the financial year ended 30 June 2022

11 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Non-cash transactions

	Group	
	2022	**2021**
	A$	**A$**
Aggregate cost of property, plant and equipment acquired	1,249,014	4,174,932
Less: Acquired via treasury shares (Note 23)	–	(80,000)
Net cash outflows for purchase of property, plant and equipment	1,249,014	4,094,932

(b) Bank loans and overdrafts are secured on property, plant and equipment of the Group with a net carrying value of A$7,388,045 (2021: A$7,379,301) (Note 25).

(c) Impairment testing

Management has determined that each individual food and beverage outlet managed by the Group is a separate cash-generating unit ("**CGU**"). Property, plant and equipment and right-of-use assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. In particular, management considered the business impact of the COVID-19 pandemic on the operating performances of the Group's cash generating units ("**CGUs**") and identified that there are indicators of impairment for certain CGUs' property, plant and equipment and right-of-use assets. The carrying amounts of these CGUs' property, plant and equipment and right-of-use assets subjected to impairment assessment totaled A$17,897,239 (2021: A$13,062,547). The respective recoverable amounts of these CGUs were derived from their values in use calculation based on estimated future cash flows over their remaining lease periods and were discounted using pre-tax discount rates specific to the CGUs.

The key assumptions used in the estimation of the recoverable amount of the CGUs are Food & Beverage ("**F&B**") revenue growth rate, gross profit margin and pre-tax discount rate. The F&B revenue growth rates and gross profit margins were determined by management after taking into account historical and expected future financial performances.

During the financial year, the Group assessed that the carrying amounts of five (5) CGUs (F&B outlets) exceeded their recoverable amounts. Accordingly, impairment losses of A$260,726 and A$532,157 (2021: A$67,172 and A$91,027) on the property, plant and equipment and right-of-use assets respectively were recognised in consolidated statement of comprehensive income.

Key assumptions used in value-in-use calculation

	F&B Outlet 1#	**F&B Outlet 2**	**F&B Outlet 3**	**F&B Outlet 4**	**F&B Outlet 5**
2022					
Average F&B revenue growth rate	713%	10%	25%	3%	14%
Average gross profit margin	72%	74%	60%	78%	80%
Pre-tax discount rate	11.6%	11.6%	11.6%	13.3%	13.3%

Notes To The Financial Statements

For the financial year ended 30 June 2022

11 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Impairment testing (cont'd)

Key assumptions used in value-in-use calculation (cont'd)

	F&B Outlet 1# A$	F&B Outlet 2 A$	F&B Outlet 3 A$	F&B Outlet 4 A$	F&B Outlet 5 A$	Total A$
Recoverable amount, net of associated lease liabilities	(64,876)	18,244	8,949	188,571	(317,068)	(166,180)
Impairment losses						
- Property, plant and equipment	73,632	76,051	47,402	15,802	47,839	260,726
- Right-of-use assets	135,109	141,014	81,362	20,862	153,810	532,157
	208,741	217,065	128,764	36,664	201,649	792,883

\# Impairment charge has been provided in full for the property, plant and equipment and right-of-use assets of F&B Outlet 1 during the financial year following the management's plan to close this outlet.

For the 4 CGUs, management assessed that 1% reduction in the average gross profit margin used in the impairment assessment would result in an additional impairment of approximately A$102,000.

For the remaining carrying amounts of the CGUs' property, plant and equipment and right-of-use assets subjected to impairment assessment, management assessed that a 4% reduction in the average gross profit margin of 64% would result in an additional impairment of approximately A$2,585,000.

	F&B Outlet 1	F&B Outlet 2
2021		
Average F&B revenue growth rate	47%	7%
Average gross profit margin	75%	74%
Pre-tax discount rate	9.7%	11.1%

	F&B Outlet 1 A$	F&B Outlet 2 A$	Total A$
Recoverable amount, net of associated lease liabilities	2,937	(85,401)	(82,464)
Impairment losses			
- Property, plant and equipment	51,205	15,967	67,172
- Right-of-use assets	63,137	27,890	91,027
	114,342	43,857	158,199

In financial year ended 30 June 2021, for the remaining carrying amounts of the CGUs' property, plant and equipment and right-of-use assets subjected to impairment assessment, management assessed that a 4% reduction in the average gross profit margin of 69% would result in an additional impairment of approximately A$768,000.

12 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(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 food and beverage outlets, central kitchen, office buildings, motor vehicles and plant and equipment from a related party and non-related parties. The leases have an average tenure between 2.5 to 10 years.

(ii) In addition, the Group leases certain storage spaces with contractual terms of 12 months or less. These leases are short-term leases. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The Group's obligations are secured by the lessors' title to the leased assets for such leases.

The maturity analysis of the lease liabilities is disclosed in Note 30(b).

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

Amounts recognised in statements of financial position

	Group	
	2022	2021
	A$	A$
Carrying amount of right-of-use assets		
Food and beverage outlets	14,895,509	20,045,822
Central kitchen and office buildings	5,329,450	2,143,513
- Related party	–	1,670,056
- Non-related parties	5,329,450	473,457
Plant and equipment	315,550	850,868
Motor vehicles	83,304	18,249
	20,623,813	23,058,452
Carrying amount of lease liabilities		
Current	6,568,256	7,206,542
- Related party	–	508,618
- Non-related parties	6,568,256	6,697,924
Non-current	20,027,664	22,126,135
- Related party	–	1,385,437
- Non-related parties	20,027,664	20,740,698
	26,595,920	29,332,677
Additions to right-of-use assets	72,086	5,273,639

Please refer to Note 11 for details on the impairment assessment of the right-of-use assets.

Notes To The Financial Statements

For the financial year ended 30 June 2022

12 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(a) **The Group as a lessee (cont'd)**

Nature of the Group's leasing activities (cont'd)

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

Amounts recognised in profit or loss

	Group					
	Continuing operations		Discontinued operations		Total	
	2022	2021	2022	2021	2022	2021
	A$	A$	A$	A$	A$	A$
		(Restated)		(Restated)		
Depreciation charge for the year						
- Food and beverage outlets	4,499,299	4,282,490	–	155,305	4,499,299	4,437,795
- Central kitchen and office buildings	635,632	577,563	–	–	635,632	577,563
- Plant and equipment	70,614	197,234	–	–	70,614	197,234
- Motor vehicles	7,031	6,083	–	–	7,031	6,083
	5,212,576	5,063,370	–	155,305	5,212,576	5,218,675
Impairment losses on right-of-use assets	532,157	91,027	–	–	532,157	91,027
Lease expense not included in the measurement of lease liabilities						
- Lease expense - short term leases	271,443	196,319	–	25,426	271,443	221,745
- Variable lease payments which do not depend on an index	1,041,475	902,725	–	(2,600)	1,041,475	900,125
- Rent concessions from lessors	(1,399,288)	(1,536,165)	–	(40,129)	(1,399,288)	(1,576,294)
	(86,370)	(437,121)	–	(17,303)	(86,370)	(454,424)
Interest expense on lease liabilities	1,258,972	1,403,728	–	36,441	1,258,972	1,440,169
(Expense) from subleasing right-of-use assets, net	(34,681)	(157,282)	–	–	(34,681)	(157,282)

Total cash flows for leases amounted to A$5,970,792 (2021: A$4,635,669).

Notes To The Financial Statements

For the financial year ended 30 June 2022

12 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(a) **The Group as a lessee (cont'd)**

Amounts recognised in profit or loss (cont'd)

Variable lease payments

The leases for food and beverage outlets contain variable lease payments that are based on a percentage of sales generated by the outlets ranging from 3% to 10% (2021: 3% to 10%), on top of the fixed lease payments. Overall, the variable payments constitute up to 17.4% (2021: 19.4%) of the Group's entire lease payments. These variable lease payments are recognised to profit or loss when incurred. Such variable lease payments amounted to A$1,041,035 (2021: A$900,125) for the financial year ended 30 June 2022.

Extension options

The leases of certain food and beverage outlets contain extension options, for which the related lease payments had not been included in the lease liabilities as the Group is not reasonably certain to extend the lease. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group.

Future cash outflow which are not capitalised in lease liabilities

Leases not yet commenced to which the lessee is committed

As at 30 June 2022, the Group entered into two leases for a period 7-years respectively for food and beverage outlets, of which the lease period will only commence in financial year ending 30 June 2023. The aggregate future cashflows to which the Group is exposed to is fixed payment of A$53,900 and A$300,929 per year respectively. There are no extension or termination options for the lease.

As at 30 June 2021, the Group is not committed to any leases which has not commenced.

(b) **The Group as an intermediate lessor**

Nature of the Group's leasing activities - Group as an intermediate lessor

Subleases - classified as finance leases

The Group's sub-lease of its right-of-use food and beverage outlets is classified as finance lease because the sub-lease is for the entire remaining lease term of the head lease. Right-of-use assets relating to the head leases with sub-leases classified as finance lease is derecognised. The net investment in the sub-lease is recognised under "Trade and other receivables" (Note 21).

Finance income on the net investment in sub-lease during the financial year is A$26,467 (2021: A$43,103).

Notes To The Financial Statements

For the financial year ended 30 June 2022

12 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(b) **The Group as an intermediate lessor (cont'd)**

Nature of the Group's leasing activities - Group as an intermediate lessor (cont'd)

Subleases - classified as finance leases (cont'd)

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	Group	
	2022	**2021**
	A$	**A$**
Less than one year	99,838	116,170
1 to 2 years	151,284	162,941
2 to 3 years	156,784	168,922
3 to 4 years	123,071	175,127
4 to 5 years	108,095	142,149
More than 5 years	118,337	267,742
Total undiscounted lease payments	757,409	1,033,051
Less: Unearned finance income	(92,205)	(147,667)
Net investment in finance lease	665,204	885,384
Current (Note 21)	99,838	116,170
Non-current (Note 21)	565,366	769,214
Total	665,204	885,384

13 INTANGIBLE ASSETS

	Group	
	2022	**2021**
	A$	**A$**
Goodwill arising on business combination (Note (a))	945,937	945,937
Franchise rights (Note (b))	1,879,383	2,096,448
	2,825,320	3,042,385

Notes To The Financial Statements

For the financial year ended 30 June 2022

13 INTANGIBLE ASSETS (CONT'D)

(a) **Goodwill arising on business combinations**

	Group	
	2022	**2021**
	A$	**A$**
Cost and net carrying value at beginning and end of year	945,937	945,937

Impairment test for goodwill

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

	Group	
	2022	**2021**
	A$	**A$**
Food and beverage retails		
- PPR Ryde (NSW) Pty Ltd	725,783	725,783
- JCT (Chadstone) Pty Ltd	220,154	220,154
	945,937	945,937

Key assumptions used in value-in-use calculation

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

	PPR Ryde (NSW) Pty Ltd		JCT (Chadstone) Pty Ltd	
	2022	**2021**	**2022**	**2021**
Forecast revenue growth	49% growth in year 2023 from year 2022, 1% decrease in growth in year 2024 and 4% growth per year thereafter	7% growth in year 2022 from year 2021, 36% growth in year 2023 and 4% growth per year thereafter	49% growth in year 2023 from year 2022, 0% growth in year 2024 and 2% growth per year thereafter	18% growth in year 2022 from year 2021, 14% growth in year 2023 and 6% growth per year thereafter
Gross profit margin	65%	65%	64%	64%
Terminal value growth rate	1.5%	1.5%	1.2%	1.2%
Discount rate	15.4%	12.4%	16.1%	13.2%

Notes To The Financial Statements

For the financial year ended 30 June 2022

13 INTANGIBLE ASSETS (CONT'D)

(a) **Goodwill arising on business combinations (cont'd)**

Key assumptions used in value-in-use calculation (cont'd)

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

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

Sensitivity to changes in assumptions

With regards to the assessment of value in use for PPR Ryde (NSW) Pty Ltd and JCT (Chadstone) Pty Ltd, management believes that the change in the estimated recoverable amount from any reasonably possible changes in any of the above key assumptions would not cause the recoverable amount to be materially lower than the carrying value of the CGUs.

However, the uncertainties surrounding the impact of the COVID-19 pandemic on the global economy may affect the actual outcome of these estimates and assumptions.

(b) **Franchise rights**

	Group	
	2022	**2021**
	A$	**A$**
Cost		
At beginning of year	3,236,926	3,033,071
Reclassification from deferred expenditure	–	215,291
Additions	179,690	178,471
Write-off	–	(7,487)
Reclassified as held for sale	–	(131,488)
Currency translation differences	33,650	(50,932)
At end of year	3,450,266	3,236,926
Accumulated amortisation		
At beginning of year	1,140,478	776,205
Amortisation charge for the year	415,374	400,473
- Continuing operations	415,374	396,026
- Discontinued operations	–	4,447
Reclassified as held for sale	–	(24,373)
Currency translation differences	15,031	(11,827)
At end of year	1,570,883	1,140,478
Net carrying value	1,879,383	2,096,448

Franchise rights have remaining useful lives of 1 to 12 years (2021: 1 to 27 years) as at respective end of the reporting periods.

Notes To The Financial Statements

For the financial year ended 30 June 2022

14 INVESTMENT IN SUBSIDIARIES

	Company 2022 A$	Company 2021 A$
Unquoted equity shares, at cost		
Balance at beginning of the year	40,196,030	40,195,930
Incorporation of subsidiary	–	100
Balance at end of the year	40,196,030	40,196,030
Accumulated impairment losses		
Balance at beginning of year	10,975,318	1,832,425
Impairment loss for the year	8,279,340	9,142,893
Balance at end of the year	19,254,658	10,975,318
Net carrying amount		
Balance at end of the year	20,941,372	29,220,712

Details of subsidiaries are:

Name of subsidiary	Country of incorporation	Principal business activities	Effective equity interest of the Company 2022 %	Effective equity interest of the Company 2021 %
Subsidiaries held by the Company				
STG Food Industries Pty Ltd(2)	Australia	Investment holding	100	100
STG Confectionery Pty Ltd(3)	Australia	Investment holding	100	100
STG Food Industries 3 Pty Ltd(3)	Australia	Investment holding	100	100
STG Food Industries Malaysia Sdn Bhd(4)	Malaysia	Investment holding	100	100
STG Food Industries 5 Pty Ltd(3)	Australia	Investment holding	100	100
STG Beverage (NZ) Pty Ltd(3)	Australia	Investment holding	100	100
STG Entertainment Pty Ltd(3)	Australia	Investment holding	100	100
STG Confectionery 2 Pty Ltd(3)	Australia	Investment holding	100	100
GC (England) Pte. Ltd.(1)	Singapore	Investment holding	84	84
ST Wholesale Pty Ltd	Australia	Investment holding	100	100
Subsidiaries held by STG Food Industries Pty Ltd				
Papparich Australia Pty Ltd(2)	Australia	Trading and management of sub-franchisees	90	50
Papparich Outlets Pty Ltd(2)	Australia	Investment holding	100	100

Notes To The Financial Statements

For the financial year ended 30 June 2022

14 INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries are (cont'd):

Name of subsidiary	Country of incorporation	Principal business activities	Effective equity interest of the Company 2022 %	2021 %
Subsidiaries held by Papparich Australia Pty Ltd				
Papparich Central (Melbourne) Pty Ltd(2)	Australia	Processing, sale and distribution of foods and supplies	90	50
PPR Co Outlet Pty Ltd(2)	Australia	Operator of restaurants	90	50
Malaysian Fine Foods Pty Ltd(2)	Australia	Operator of restaurants	90	50
PPR UEXP Pty Ltd(2)	Australia	Operator of restaurants	90	50
PappaRich Marketing Pty Ltd(2)	Australia	Marketing and advertising	90	50
Delicious Foodcraft Pty Ltd(2)	Australia	Operator of restaurants	18	10
PPR Co Outlets (MU) Pty Ltd(2)	Australia	Operator of restaurants	90	–
PPR Co Outlets (SCS) Pty Ltd(2)	Australia	Operator of restaurants	90	–
Subsidiaries held by Papparich Outlets Pty Ltd				
Delicious Foodcraft Pty Ltd(2)	Australia	Operator of restaurants	80	80
Oldtown QV (Aust) Pty Ltd(2)	Australia	Operator of restaurants	100	100
PPR Ryde (NSW) Pty Ltd(2)	Australia	Operator of restaurants	100	100
PPR T1 (NSW) Pty Ltd(2)	Australia	Operator of restaurants	100	–
Subsidiary held by STG Confectionery Pty Ltd				
HBCT (Aust) Pty Ltd(3)	Australia	Trading and management of sub-franchisees	100	100
Subsidiaries held by HBCT (Aust) Pty Ltd				
HBCT Marketing Pty Ltd(3)	Australia	Management of marketing funds	100	100
HBCT Co Outlets Pty Ltd(3)	Australia	Operator of food and beverage outlets	100	100
Subsidiaries held by HBCT Co Outlets Pty Ltd				
HBCT (NSW) Co Pty Ltd(3)	Australia	Operator of food and beverage outlets	100	100
HBCT (WA) Pty Ltd(3)	Australia	Operator of food and beverage outlets	100	100
JCT (Doncaster) Pty Ltd(3)	Australia	Operator of food and beverage outlets	100	100
JCT (ACT) Pty Ltd(3)	Australia	Dormant	100	100
JCT (Chadstone) Pty Ltd(3)	Australia	Operator of food and beverage outlets	100	100
JCT Queensland Pty Ltd(3)	Australia	Operator of food and beverage outlets	100	100

Notes To The Financial Statements

For the financial year ended 30 June 2022

14 INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries are (cont'd):

Name of subsidiary	Country of incorporation	Principal business activities	Effective equity interest of the Company	
			2022	2021
			%	%
Subsidiary held by STG Food Industries 3 Pty Ltd				
NeNe Chicken (Australia) Pty Ltd(3)	Australia	Trading and management of sub-franchisees	100	100
Nene Chicken Ltd	New Zealand	Trading and management of sub-franchisees	100	–
Subsidiaries held by NeNe Chicken (Australia) Pty Ltd				
NN MC Pty Ltd(3)	Australia	Operator of food and beverage outlets	100	100
NN BH Pty Ltd(3)	Australia	Operator of food and beverage outlets	100	100
NN ES Pty Ltd(3)	Australia	Operator of food and beverage outlets	100	100
NNC Distribution Pty Ltd(3)	Australia	Processing, sale and distribution of foods and supplies	100	100
NN KX Pty Ltd(7)	Australia	Operator of food and beverage outlets	100	–
Subsidiaries held by STG Food Industries Malaysia Sdn. Bhd.				
TGR Food Industries Sdn. Bhd.(4)	Malaysia	Investment holding	63	63
NNC Food Industries Malaysia Sdn. Bhd.(4)	Malaysia	Operator of restaurants	–	11
Subsidiary held by TGR Food Industries Sdn. Bhd.				
NNC Food Industries Malaysia Sdn. Bhd. (4)(6)	Malaysia	Operator of restaurants	–	53
Subsidiary held by NNC Food Industries Malaysia Sdn. Bhd.				
NNC F&B Restaurants Sdn.Bhd.(4)(6)	Malaysia	Operator of restaurants	–	53
Subsidiaries held by NNC F&B Restaurants Sdn. Bhd.				
NNC Restaurants Damansara Sdn Bhd (4)(6)	Malaysia	Operator of restaurants	–	45
NNC Food Avenue Sdn. Bhd.(4)(6)	Malaysia	Operator of restaurants	–	45

Notes To The Financial Statements

For the financial year ended 30 June 2022

14 INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries are (cont'd):

Name of subsidiary	Country of incorporation	Principal business activities	Effective equity interest of the Company 2022 %	Effective equity interest of the Company 2021 %
Subsidiaries held by STG Food Industries 5 Pty Ltd				
IPR (WA) Pty Ltd[(3)]	Australia	Operator of food and beverage outlets	51	51
IPR NZ Limited[(3)]	New Zealand	Operator of food and beverage outlets	70	70
Noodle House Chadstone Pty Ltd[(3)]	Australia	Operator of food and beverage outlets	100	100
IPR Outlet Pty Ltd (formerly known as Song Fa Outlet 1 Pty Ltd)[(3)]	Australia	Operator of food and beverage outlets	100	100
IPR (VIC) Pty Ltd[(7)]	Australia	Operator of food and beverage outlets	100	–
Subsidiary held by STG Beverage (NZ) Pty Ltd				
GCHA (NZ) Pty Ltd[(3)]	Australia	Investment holding	100	100
Subsidiary held by GCHA (NZ) Pty Ltd				
Gong Cha Limited[(3)]	New Zealand	Operator of food and beverage outlets	100	100
Subsidiary held by STG Entertainment Pty Ltd				
iDarts Australia Pty Ltd[(3)]	Australia	Trading and management of sub-franchisees	100	100
Subsidiaries held by iDarts Australia Pty Ltd				
BPC Australia Pty Ltd[(3)]	Australia	Trading and management of sub-franchisees	55	55
Dartslive Australia Pty Ltd[(3)]	Australia	Dormant	100	100
Subsidiaries held by STG Confectionery 2 Pty Ltd				
Pafu Australia Pty Ltd[(3)]	Australia	Trading and management of sub-franchisees	100	100
Pafu IP Holdings Pte. Ltd	Singapore	Dormant	83	83
Subsidiary held by Pafu Australia Pty Ltd				
Pafu Co Outlets Pty Ltd[(3)]	Australia	Operator of food and beverage outlets	100	100

Notes To The Financial Statements

For the financial year ended 30 June 2022

14 INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries are (cont'd):

Name of subsidiary	Country of incorporation	Principal business activities	Effective equity interest of the Company 2022 %	Effective equity interest of the Company 2021 %
Subsidiary held by GC (England) Pte. Ltd.				
Gong Cha England Limited[5]	United Kingdom	Trading and management of sub-franchisees	84	84
Subsidiaries held by Gong Cha England Limited				
Gong Cha England Outlets Limited[5]	United Kingdom	Operator of food and beverage outlets	84	84
Gong Cha England Outlets 2 Limited[5]	United Kingdom	Operator of food and beverage outlets	59	59
MCRBTJV Limited[5][11]	United Kingdom	Operator of food and beverage outlets	84	84
Subsidiary held by Gong Cha England Outlets Limited				
Gong Cha England Outlets 3 Limited[5]	United Kingdom	Operator of food and beverage outlets	84	84
Subsidiaries held by Gong Cha England Outlets 2 Limited				
Gong Cha England Outlets 2A Limited[5]	United Kingdom	Operator of food and beverage outlets	59	59
Gong Cha England Outlets 2B Limited[5]	United Kingdom	Operator of food and beverage outlets	59	59
Subsidiaries held by Gong Cha England Outlets 3 Limited				
Gong Cha England Outlets 3A Limited[5]	United Kingdom	Operator of food and beverage outlets	84	84
Gong Cha England Outlets 3B Limited[5]	United Kingdom	Operator of food and beverage outlets	84	84
Gong Cha England Outlets 3C Limited[5]	United Kingdom	Operator of food and beverage outlets	84	84
Subsidiaries held by ST Wholesale Pty Ltd				
Yakiniku Like (Aust) Pty Ltd[7]	Australia	Investment holding	54	–
Subsidiary held by Yakiniku Like (Aust) Pty Ltd				
Yakiniku Grill Pty Ltd[7]	Australia	Operator of food and beverage outlets	54	–

Notes To The Financial Statements

For the financial year ended 30 June 2022

14 INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries are (cont'd):

(1) Audited by Baker Tilly TFW LLP
(2) Audited by BDO Audit Pty Ltd in Australia for the purpose of preparation of the Group's consolidated financial statements
(3) Audited by independent member firm of Baker Tilly International in Australia for the purpose of preparation of the Group's consolidated financial statements
(4) Not audited during the financial year (2021: Audited by GEP Associates in Malaysia)
(5) Audited by independent member firm of Baker Tilly International in United Kingdom
(6) Disposed during the financial year (Note 9)
(7) Not audited as it was newly incorporated during the year

(a) **Summarised financial information of subsidiaries with material non-controlling interests ("NCI")**

The Group has the following subsidiary that have NCI that are considered by management to be material to the Group:

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership interests held by NCI	
		2022	2021
		%	%
Papparich Australia Pty Ltd	Australia	10	50

The following are the summarised financial information of the Group's subsidiary with NCI that is considered by management to be material to the Group. These financial information include consolidation adjustments but before inter-company eliminations.

Summarised Consolidated Statements of Financial Position

	Papparich Australia Pty Ltd	
	2022	2021
	A$	A$
Non-current assets	10,540,703	9,147,497
Current assets	5,203,550	3,859,562
Non-current liabilities	(7,142,667)	(4,617,211)
Current liabilities	(5,805,660)	(3,818,183)
Net assets	2,795,926	4,571,665
Net asset attributable to NCI	279,593	2,285,833

Notes To The Financial Statements

For the financial year ended 30 June 2022

14 INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) **Summarised financial information of subsidiaries with material non-controlling interests ("NCI") (cont'd)**

Summarised Consolidated Statements of Comprehensive Income

	Papparich Australia Pty Ltd	
	2022	2021
	A$	A$
Revenue	8,902,468	10,455,278
(Loss)/profit before tax	(1,406,732)	301,426
Income tax expense	(377,756)	(164,526)
(Loss)/profit and total comprehensive (loss)/income	(1,784,488)	136,900
(Loss)/profit allocated to NCI	(1,004,582)	68,450
Dividends paid to NCI	–	–

Summarised Cash Flows

	Papparich Australia Pty Ltd	
	2022	2021
	A$	A$
Cash flows from operating activities	758,782	2,159,054
Cash flows used in investing activities	(68,302)	(99,962)
Cash flows used in financing activities	(480,616)	(1,427,572)
Net increase in cash and cash equivalents	209,864	631,520

(b) **Additions of new subsidiaries**

On 18 August 2021, the Group incorporated two subsidiaries, Yakiniku Like (Aust) Pty Ltd for a total consideration of A$100 and Yakiniku Grill Pty Ltd for a total consideration of A$100.

On 31 August 2021, the Group incorporated a subsidiary, IPR (VIC) Pty Ltd for a total consideration of A$100.

On 12 October 2021, the Group incorporated two subsidiaries, PPR Co Outlets (MU) Pty Ltd for a total consideration of A$100 and PPR Co Outlets (SCS) Pty Ltd for a total consideration of A$100.

On 16 November 2021, the Company incorporated a subsidiary, NN KX Pty Ltd for a total consideration of A$100.

On 1 February 2022, the Group acquired 100% of the issued share capital of Nene Chicken Ltd from a related party, ST Group Pty Ltd, for a total consideration of NZD100 (equivalent to A$94), comprising 100 shares of NZD1 each. The subsidiary was dormant as of date of acquisition and as at 30 June 2022.

On 24 June 2022, the Group incorporated a subsidiary, PPR T1 (NSW) Pty Ltd for a total consideration of A$100.

Notes To The Financial Statements

For the financial year ended 30 June 2022

14 INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) **Acquisition of non-controlling interests without a change in control**

On 22 February 2022, the Company's wholly-owned subsidiary, STG Food Industries Pty Ltd acquired 40% equity interests in Papparich Australia Pty Ltd. ("**PAPL**") from its non-controlling interest for a total cash consideration of A$1,393,440. As a result of this acquisition, PAPL is now 90% held by the Group. The carrying value of the net assets of PAPL at 28 February 2022 was A$2,444,073 and the carrying value of the additional interests acquired was A$977,629. The difference of A$415,811 between the consideration and the carrying value of the additional interests acquired has been recognised within equity as premium paid for acquisition of non-controlling interest.

	Group
	PAPL
	A$
Consideration paid for acquisition of non-controlling interest	1,393,440
Carrying amount of non-controlling interest acquired	(977,629)
Decrease in equity attributable to equity holders of the Group	415,811

On 13 April 2021, the Company's wholly-owned subsidiary, STG Beverage (NZ) Pty Ltd acquired 24% equity interests in GC (England) Pte. Ltd. ("**GC(E**)") from its non-controlling interests for a total cash consideration of S$158,000 (equivalent to A$153,783). As a result of this acquisition, GC(E) is now 84% held by the Group. The carrying value of the net liabilities of GC(E) at 30 April 2021 was A$1,101,615 and the carrying value of the additional interests acquired was A$264,389. The difference of A$418,172 between the consideration and the carrying value of the additional interests acquired has been recognised within equity as premium paid for acquisition of non-controlling interests.

On 14 June 2021, the Group's indirect subsidiary, NNC F&B Restaurants Sdn Bhd acquired 30% equity interests in NNC Restaurants Damansara Sdn Bhd ("**NNCR**") from its non-controlling interests for a total cash consideration of RM3 (equivalent to A$1). As a result of this acquisition, NNCR is now 53% held by the Group. The carrying value of the net liabilities of NNCR at 30 June 2021 was A$430,293 and the carrying value of the additional interests acquired was A$129,088. The difference of A$129,089 between the consideration and the carrying value of the additional interests acquired has been recognised within equity as premium paid for acquisition of non-controlling interests.

On 14 June 2021, the Group's indirect subsidiary, NNC Food Industries Malaysia Sdn Bhd acquired 30% equity interests in NNC Food Avenue Sdn Bhd ("**NNCF**") from its non-controlling interests for a total cash consideration of RM2 (equivalent to A$1). As a result of this acquisition, NNCF is now 53% held by the Group. The carrying value of the net liabilities of NNCF at 30 June 2021 was A$294,655 and the carrying value of the additional interests acquired was A$88,397. The difference of A$88,398 between the consideration and the carrying value of the additional interests acquired has been recognised within equity as premium paid for acquisition of non-controlling interests.

Notes To The Financial Statements

For the financial year ended 30 June 2022

14 INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) **Acquisition of non-controlling interests without a change in control (cont'd)**

The following summarises the effect of the change in the Group ownership interests in GC(E), NNCR and NNCF on the equity attributable to equity holders of the Company.

	Group			
	GC(E) A$	NNCR A$	NNCF A$	Total A$
2021				
Consideration paid for acquisition of non-controlling interests	153,783	1	1	153,785
Carrying amount of non-controlling interests acquired	264,389	129,088	88,397	481,874
Decrease in equity attributable to equity holders of the Group	418,172	129,089	88,398	635,659

(d) **Company level - impairment review of investment in subsidiaries**

During the financial year, management performed an impairment test on the investment in subsidiaries as the cost of investment of subsidiaries exceeds the Company's share of the respective net assets of the subsidiaries as at 30 June 2022. Impairment losses of A$7,944,417, A$50,961 and A$283,962 (2021: A$8,861,172 and A$281,721) were recognised for the year ended 30 June 2022 to write down STG Food Industries Pty Ltd, STG Entertainment Pty Ltd and GC (England) Pte. Ltd. (2021: STG Food Industries Pty Ltd and STG Entertainment Pty Ltd) respectively to their respective recoverable amounts of A$6,138,655, A$99,561 and A$Nil (2021: A$14,088,188 and A$150,522). The recoverable amounts of these investments in subsidiaries have been determined based on a value in use calculation using cash flow projections from forecasts approved by management covering a five-year period. The key assumptions for the value-in-use calculations are those regarding forecasted revenue growth rate, gross profit margin, growth rate used to extrapolate cash flows beyond the budgeted period and pre-tax discount rate as follows:

Key assumptions used in value-in-use calculation

	5 years average revenue growth rate %	5 years average gross profit margin %	Terminal value growth rate %	Discount rate (pre-tax) %
2022				
STG Food Industries Pty Ltd	14.0	66.0	2.0	14.6
STG Entertainment Pty Ltd	9.3	–*	2.0	12.5
GC (England) Pte. Ltd.	6.8	71.0	2.0	12.6#
2021				
STG Food Industries Pty Ltd	10.8	66.1	1.5	12.7
STG Entertainment Pty Ltd	10.5	–*	1.5	13.3

\# The discount rate used in the previous estimate of value-in-use is 12.7%.

* Not applicable

Notes To The Financial Statements

For the financial year ended 30 June 2022

14 INVESTMENT IN SUBSIDIARIES (CONT'D)

(d) **Company level - impairment review of investment in subsidiaries (cont'd)**

These key inputs and assumptions were estimated by management based on prevailing market, economic and other conditions at the end of the reporting period, and based on management's estimations of the recovery in business conditions amidst the current COVID-19 pandemic. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the subsidiaries. The average gross profit margin is based on past revenue growth trend and management's expectations of market development.

Sensitivity to changes in assumptions

With regards to the assessment of value in use for STG Food Industries Pty Ltd, a decrease in forecasted 5 years average gross profit margin by 2% would result in additional impairment loss on the investment in subsidiary of approximately A$3,890,000.

With regards to the assessment of value in use for STG Entertainment Pty Ltd, a decrease in forecasted 5 years average revenue growth by 2% would result in additional impairment loss on the investment in subsidiary of approximately A$8,000.

No sensitivity test has been performed for GC (England) Pte. Ltd. as the cost of investment has been written down to Nil in the current financial year.

However, the uncertainties surrounding the impact of the COVID-19 pandemic on the global economy may affect the actual outcome of these estimates and assumptions.

15 INVESTMENT IN ASSOCIATED COMPANY

The Group's investment in associated company is summarised below:

	Group	
	2022	**2021**
	A$	**A$**
Carrying amount:		
Beef Musketeers (Aust) Pty Ltd	46,378	36,889
Dividends received from associated company	21,920	–

Notes To The Financial Statements

For the financial year ended 30 June 2022

15 INVESTMENT IN ASSOCIATED COMPANY (CONT'D)

The following information relates to associated company of the Group:

Name of Company	Principal place of business/ Country of incorporation	Principal activity	Ownership interest held	
			2022	2021
			%	%
Held through subsidiary - ST Wholesale Pty Ltd				
Unquoted equity shares				
Beef Musketeers (Aust) Pty Ltd*	Australia	Wholesaling and retailing of beef products	32	32

* Audited by KST Partners Pty Ltd in Australia

The associated company was incorporated on 24 February 2021 and is measured using the equity method. The activities of the associated company are strategic to the Group.

The associated company is not restricted by regulatory requirements on the distribution of dividends.

The management does not consider the associated company to be material to the Group. Hence, the summarised financial information for the associated company and a reconciliation to the carrying amount of the investment are not disclosed in the consolidated financial statements.

16 INVESTMENT IN JOINT VENTURE

The Group's investment in joint venture is summarised below:

	Group	
	2022	2021
	A$	A$
Carrying amount:		
TST (Aust) Pty Ltd and its subsidiary	282,816	–

Notes To The Financial Statements

For the financial year ended 30 June 2022

16 INVESTMENT IN JOINT VENTURE (CONT'D)

The following information relates to investment in joint venture of the Group:

Name of Company	Principal place of business/ Country of incorporation	Principal activity	Group's ownership interest held	
			2022	2021
			%	%
Held through subsidiary - ST Wholesale Pty Ltd				
Unquoted equity shares				
TST (Aust) Pty Ltd*	Australia	Investment holding	50	–
Held through joint venture - TST (Aust) Pty Ltd				
Unquoted equity shares				
TST Caulfield Pty Ltd*	Australia	Operator of supermarkets	50	–

* Not audited as it is newly incorporated in January 2022

The joint venture was incorporated on 20 January 2022 and is measured using the equity method. The activities of the joint venture are strategic to the Group.

The management does not consider the joint venture to be material to the Group. Hence, the summarised financial information for the joint venture and a reconciliation to the carrying amount of the investment are not disclosed in the consolidated financial statements.

In accordance with the shareholders agreement, TST (Aust) Pty Ltd was incorporated on 20 January 2022 with capital of A$600,000 represented by 600,000 ordinary shares. ST Wholesale Pty Ltd is committed to invest a total of A$300,000 for 300,000 shares which represents 50% equity interest in TST (Aust) Pty Ltd. During the financial year, A$50 has been paid to subscribe for 50 shares for 50% equity interest in TST (Aust) Pty Ltd. ST Wholesale Pty Ltd also paid partial subscription amount of A$99,950 to TST (Aust) Pty Ltd in the current financial year. Subsequent to the financial year end, in September 2022, ST Wholesale Pty Ltd has further paid A$200,000, fulfilling its commitment in the shareholders' agreement.

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17 DEFERRED TAX ASSET

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:

	Group		Company	
	2022	2021	2022	2021
	A$	A$	A$	A$
Balance at beginning of the year	3,111,085	3,294,635	402,262	410,937
Tax credit/(charge) to profit or loss (Note 8)	2,550	(112,447)	4,310	(8,675)
Reclassified to held for sale (Note 9)	–	(35,583)	–	–
Currency translation differences	(22,240)	(35,520)	–	–
Balance at end of the year	3,091,395	3,111,085	406,572	402,262

The following are the major deferred tax assets recognised by the Group and the movements thereon, during the current and prior reporting periods.

	Provisions	Deferred income	Leases	Tax losses	Others	Total
	A$	A$	A$	A$	A$	A$
Group						
Balance at 1 July 2021	376,422	294,495	1,116,026	1,271,043	53,099	3,111,085
Credited/(charged) to profit or loss for the year	12,927	61,864	(171,475)	85,205	14,029	2,550
Currency translation differences	(3,990)	(2,174)	(11,077)	(5,978)	979	(22,240)
Balance at 30 June 2022	385,359	354,185	933,474	1,350,270	68,107	3,091,395
Balance at 1 July 2020	351,691	334,629	1,311,421	1,272,329	24,565	3,294,635
Credited/(charged) to profit or loss for the year	23,562	(1,718)	(175,749)	12,904	28,554	(112,447)
Reclassified to held for sale	–	(35,583)	–	–	–	(35,583)
Currency translation differences	1,169	(2,833)	(19,646)	(14,190)	(20)	(35,520)
Balance at 30 June 2021	376,422	294,495	1,116,026	1,271,043	53,099	3,111,085

Notes To The Financial Statements

For the financial year ended 30 June 2022

17 DEFERRED TAX ASSET (CONT'D)

	Tax losses	
	2022	2021
	A$	A$
Company		
Balance at beginning of the year	402,262	410,937
Charged to profit or loss for the year	4,310	(8,675)
Balance at end of the year	406,572	402,262

At the end of the reporting period, the Group and the Company have unutilised tax losses of A$5,140,000 and A$1,355,000 (2021: A$4,473,000 and A$1,341,000) respectively that are available for carry forward to offset against future taxable income 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. Deferred tax asset has been recognised in respect of such losses.

Unrecognised deferred tax assets

Deferred tax asset has not been recognised in respect of the following deductible temporary differences:

	Group		Company	
	2022	2021	2022	2021
	A$	A$	A$	A$
Provisions	115,177	–	–	–
Leases	844,308	–	–	–
Tax losses	3,037,154	976,952	113,596	453,054
Property, plant and equipment	523,147	–	–	–
	4,519,786	976,952	113,596	453,054

Deferred tax assets totalling A$1,142,000 and A$34,000 (2021: A$306,000 and A$155,000) have not been recognised with respect of the above for the Group and the Company respectively as it is not probable that future taxable profits will be available and/or sufficient to allow the related tax benefits to be realised.

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Australia are subject to requirements under the income tax legislation and guidelines issued by the tax authority.

Notes To The Financial Statements

For the financial year ended 30 June 2022

18 FIXED DEPOSITS

	Group		Company	
	2022	2021	2022	2021
	A$	A$	A$	A$
Fixed deposits (pledged)	2,488,162	2,370,019	–	–
Fixed deposits (unpledged)	–	998,233	–	998,233
	2,488,162	3,368,252	–	998,233
Represented by:				
Current	–	998,233	–	998,233
Non-current	2,488,162	2,370,019	–	–
	2,488,162	3,368,252	–	998,233

The fixed deposits of the Group and the Company are placed with banks and mature on varying dates within 1 to 12 months (2021: 1 to 12 months) from the end of the reporting period. The interest rates of these deposits at the end of the reporting period range from 0.03% to 2.75% (2021: 0.03% to 2.50%) per annum.

Certain fixed deposits are pledged to financial institutions for obtaining bank guarantees given to landlords of leased premises during the terms of the lease periods.

19 CONTRACT ASSETS AND CONTRACT LIABILITIES

The Group receives payments from new franchisees based on a billing schedule as established in agreements. Contract assets relate to the Group's rights to consideration for work completed but not billed at the reporting date on the Group's franchise business. Contract liabilities mainly consist of deferred income resulting from initial franchise fees paid by franchisees which are recognised on a straight-line basis over the term of the underlying franchise agreement and billings in excess of revenue recognised to-date for projects which are recognised as revenue as (or when) the Group satisfies the performance obligations under its agreements.

Notes To The Financial Statements

For the financial year ended 30 June 2022

19 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D)

The following table provides information about contract assets and contract liabilities from contracts with customers.

	Group		
	2022	**2021**	**1.7.2020**
	A$	**A$**	**A$**
Trade receivables from contracts with customers	3,162,206	2,462,850	2,218,752
Contract assets - current	108,000	98,000	65,115
Contract liabilities			
- Current	574,696	426,210	535,355
- Non-current	1,021,451	674,936	831,799
	1,596,147	1,101,146	1,367,154

Significant changes in the contract assets and the contract liabilities balances during the financial year are as follows:

	Contract assets		Contract liabilities	
	2022	**2021**	**2022**	**2021**
	A$	**A$**	**A$**	**A$**
Increase due to cash received, excluding amounts recognised as revenue during the year	–	–	1,049,993	406,711
Contract asset reclassified to trade receivables	98,000	65,115	–	–

20 INVENTORIES

	Group	
	2022	**2021**
	A$	**A$**
Raw materials and consumables	1,592,801	1,583,699
Finished goods	1,049,743	929,932
Stock in transit	547,798	–
	3,190,342	2,513,631

Notes To The Financial Statements

For the financial year ended 30 June 2022

21 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 A$	2021 A$	2022 A$	2021 A$
Non-current				
Rental bond	357,237	372,477	–	–
Lease receivables (Note 12(b))	565,366	769,214	–	–
Refundable deposits	251,965	239,821	–	–
	1,174,568	1,381,512	–	–
Current				
Trade receivables				
- Related parties	180,467	20,699	–	–
- Associate	165	–		
- Subsidiaries	–	–	2,844,366	1,747,682
- Third parties	3,157,074	2,522,151	–	–
	3,337,706	2,542,850	2,844,366	1,747,682
Less: allowance for impairment - third parties	(175,500)	(80,000)	–	–
	3,162,206	2,462,850	2,844,366	1,747,682
Accrued income	461,230	315,337	–	–
Sundry deposits	25,574	11,302	–	–
Prepayments	884,619	807,609	9,737	21,767
Sundry receivables	161,804	115,615	–	–
Grants receivable	–	25,000	–	–
Other current assets	10,546	23,316	–	–
Lease receivables (Note 12(b))	99,838	116,170	–	–
Amount due from related parties (non-trade)	–	16,000	–	–
Amount due from subsidiaries (non-trade)	–	–	11,993,269	11,266,201
	4,805,817	3,893,199	14,847,372	13,035,650
Less: allowance for impairment - amount due from subsidiaries (non-trade)	–	–	(4,472,645)	(1,667,575)
	4,805,817	3,893,199	10,374,727	11,368,075
	5,980,385	5,274,711	10,374,727	11,368,075

Included in the amount due from subsidiaries of A$2,532,350 (2021: A$2,757,350) is non-trade in nature, bears interest at 5% per annum (2021: 5%) and repayable on demand. The remaining amount of the amount due from subsidiaries and amount due from related parties are non-trade in nature, non-interest bearing and repayable on demand.

Impairment losses on amount due from subsidiaries (non-trade) recognised as an expense amounted A$2,805,070 (2021: A$100,000).

The fair values of non-current trade and other receivables approximate their respective carrying values computed based on cash flows discounted at market borrowing rates for similar financial assets at the end of the reporting period. This fair values measurement are categorised within Level 2 of the fair value hierarchy.

Notes To The Financial Statements

For the financial year ended 30 June 2022

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2022	2021	2022	2021
	A$	A$	A$	A$
Current				
Investment in fund	200,000	–	200,000	–

Investment in fund represents the Group's interest in private equity fund that focuses on investments in the construction industry. The Group expects to earn returns on the investment by way of distribution of income. Management has assessed the fair value based on the net asset value of the underlying income fund as at 31 December 2021. This fair value measurement is categorised in Level 3 of the fair value hierarchy (Note 31).

23 SHARE CAPITAL AND TREASURY SHARES

Ordinary shares

	Group and Company			
	Number of ordinary shares		Amount	
	2022	2021	2022	2021
			A$	A$
Issued and paid up				
At 1 July	243,146,000	242,703,500	57,200,620	57,200,620
Purchases of treasury shares	(1,345,400)	(226,500)	–	–
Purchase of assets	–	669,000	–	–
Treasury shares re-issued	3,802,200	–	–	–
At 30 June	245,602,800	243,146,000	57,200,620	57,200,620

Notes To The Financial Statements

For the financial year ended 30 June 2022

23 SHARE CAPITAL AND TREASURY SHARES (CONT'D)

Treasury shares

	Group and Company			
	2022		2021	
	Number of ordinary shares	Amount	Number of ordinary shares	Amount
		A$		A$
At the beginning of the year	(2,854,000)	(722,827)	(3,296,500)	(899,238)
Purchase of treasury shares	(1,345,400)	(163,653)	(226,500)	(15,681)
Treasury shares re-issued for purchase of assets (Note 11)	–	–	669,000	192,092
Treasury shares re-issued	3,802,200	838,227	–	–
At the end of the year	(397,200)	(48,253)	(2,854,000)	(722,827)

During the financial year, the Company purchased 1,345,400 (2021: 226,500) of its ordinary shares by way of on-market purchases and sold 3,802,200 (2021: utilised 669,000 for purchase of assets) of its treasury shares.

All ordinary shares (246,000,000) are issued and fully paid, have no par values, carry one vote each and have no right to fixed income.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

Notes To The Financial Statements

For the financial year ended 30 June 2022

24 OTHER RESERVES

	Foreign currency translation reserve	Merger reserve	Capital reserve	Gain or (loss) on reissuance of treasury shares	Fair value reserve	Total
	A$	A$	A$	A$	A$	A$
Group						
2022						
At 1 July 2021	95,098	(39,019,755)	(1,146,142)	(112,092)	(31,944)	(40,214,835)
Other comprehensive loss	(36,408)	–	–	–	–	(36,408)
Acquisition of non-controlling interest in subsidiary without change in control	–	–	(415,811)	–	–	(415,811)
Transfer of equity upon disposal of subsidiaries	–	–	393,081	–	–	393,081
Treasury shares re-issued	–	–	–	(367,110)	–	(367,110)
At 30 June 2022	58,690	(39,019,755)	(1,168,872)	(479,202)	(31,944)	(40,641,083)
2021						
At 1 July 2020	53,098	(39,019,755)	(510,483)	–	(31,944)	(39,509,084)
Other comprehensive income	46,837	–	–	–	–	46,837
Acquisition of non-controlling interests in subsidiaries without change in control	–	–	(635,659)	–	–	(635,659)
Reclassified to held for sale	(4,837)	–	–	–	–	(4,837)
Treasury shares re-issued for purchase of assets	–	–	–	(112,092)	–	(112,092)
At 30 June 2021	95,098	(39,019,755)	(1,146,142)	(112,092)	(31,944)	(40,214,835)

Notes To The Financial Statements

For the financial year ended 30 June 2022

24 OTHER RESERVES (CONT'D)

	Gain or (loss) on reissuance of treasury shares
	A$
Company	
2021	
At 1 July 2021	(112,092)
Treasury shares re-issued	(367,110)
At 30 June 2022	(479,202)
2021	
At 1 July 2020	–
Treasury shares re-issued for purchase of assets	(112,092)
At 30 June 2021	(112,092)

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Merger reserve

The merger reserve represents acquisition involving entities under common control. The reserve arises from the difference between the purchase considerations and the share capital of the subsidiaries acquired under common control.

Capital reserve

Capital reserve represents the premium paid for acquisition of non-controlling interests in certain subsidiaries.

Gain or loss on reissuance of treasury shares

This represents the gain or loss arising from purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of equity investment designated at FVOCI.

Notes To The Financial Statements

For the financial year ended 30 June 2022

25 BORROWINGS

	Group	
	2022	2021
	A$	A$
Non-current		
Bank loan 1 (secured)	57,772	157,776
Bank loan 3 (secured)	–	191,936
Bank loan 5 (secured)	438,366	–
Bank loan 6 (secured)	391,903	–
Bank loan 7 (secured)	243,014	–
	1,131,055	349,712
Current		
Bank overdrafts (secured)	–	147,823
Bank loan 1 (secured)	95,122	188,148
Bank loan 2 (unsecured)	–	62,914
Bank loan 3 (secured)	–	68,086
Bank loan 4 (secured)	1,000,000	–
Bank loan 5 (secured)	41,638	–
Bank loan 6 (secured)	42,097	–
Bank loan 7 (secured)	–	–
	1,178,857	466,971
Total borrowings	2,309,912	816,683

Notes To The Financial Statements

For the financial year ended 30 June 2022

25 BORROWINGS (CONT'D)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Interest rate per annum %	Year of maturity	Carrying amount A$
2022			
Secured bank loans			
- Bank loan 1 - fixed rate	6.21	2022 - 2024	152,895
- Bank loan 4 - floating rate	2.07	2024	1,000,000
- Bank loan 5 - floating rate	2.94	2024	480,003
- Bank loan 6 - floating rate	2.94	2024	434,000
- Bank loan 7 - floating rate	2.90	2024	243,014
			2,309,912
2021			
Secured bank loans			
- Bank loan 1 - fixed rate	6.21	2021 - 2024	345,924
- Bank loan 3 - floating rate	5.03	2026	260,022
Unsecured loan			
- Loan 2 - interest-free	N.A.	2022	62,914
			668,860

The secured bank loans are secured over corporate guarantee by certain subsidiaries, all assets of certain subsidiaries, certain fixed deposits and personal guarantee by certain directors of the Company and subsidiaries.

The secured bank overdrafts of the Group are secured over personal guarantee by certain directors of the Company and all assets of certain subsidiaries. Interest is payable at Nil% (2021: 5.59%) per annum.

Notes To The Financial Statements

For the financial year ended 30 June 2022

25 BORROWINGS (CONT'D)

(a) **Fair values**

The carrying amounts of current borrowings approximate their fair values at the end of the reporting period.

Based on the discounted cash flow analysis using a discount rate based upon market lending rate for similar borrowings which the management expects would be available to the Group at the end of the reporting period, the fair values of the fixed rate borrowings at the end of the reporting period approximate their carrying values as there are no significant changes in the market lending interest rates available to the Group at the end of the reporting period. The floating rate borrowings are instruments that are repriced to market interest rates on or near the end of the reporting period. Accordingly, the fair values of these borrowings, determined from discounted cash flow analysis using market lending rates for similar borrowings which the management expects would be available to the Group at the end of the reporting period, would approximate their carrying amounts at the end of the reporting period. This fair value measurement for disclosure purposes is categorised in the Level 3 of the fair value hierarchy.

(b) **Breaches of loan covenants**

Some of the Group's loan agreements are subject to covenant clauses, whereby the Group is required to meet certain key financial ratios.

In the current financial year, one of the subsidiaries, Papparich Australia Pty Ltd did not fulfil the "Leverage ratio is to be less than 1.40x at all times", "Debt service cover is to be greater than 2.50x at all times" and "Fixed change cover is to be greater than 1.50x at all times" covenant clauses as required in the contract for a term loan of A$1,000,000, of which the Group has fully drawn down. Due to this breach of the covenant clause, the bank is contractually entitled to request for immediate repayment of the outstanding loan amount of A$1,000,000. The outstanding balance was presented as a current liability as at 30 June 2022. The bank did not request for early repayment of the loan and the terms of the loans were not changed.

Subsequent to the financial year ended 30 June 2022, the Group had made full repayment of the outstanding loan amount of A$1,000,000 to the bank.

Notes To The Financial Statements

For the financial year ended 30 June 2022

25 BORROWINGS (CONT'D)

(c) **Reconciliation of movements of liabilities to cash flows arising from financing activities:**

	Bank loans A$	Lease liabilities A$	Amounts due to third parties/ former shareholders of subsidiaries/ non-controlling interests A$	Total A$
Group				
Balance at 1 July 2021	668,860	29,332,677	869,458	30,870,995
Changes from financing cash flows:				
- Proceeds	2,157,017	–	11,916	2,168,933
- Repayments	(512,944)	(4,865,965)	(253,221)	(5,632,130)
- Interest paid	(43,492)	(1,191,197)	–	(1,234,689)
- Lease incentives received	–	5,732	–	5,732
Non-cash changes:				
- Interest expense	43,492	1,258,972	–	1,302,464
- Additions of new leases	–	55,301	–	55,301
- Modification of lease liabilities	–	3,740,678	–	3,740,678
- Variable lease payments that depend on an index or rate	–	46,770	–	46,770
- COVID-19-related rent concessions	–	(1,399,288)	–	(1,399,288)
Effect of changes in foreign exchange rates	(3,021)	(387,760)	–	(390,781)
Balance at 30 June 2022	2,309,912	26,595,920	628,153	29,533,985
Balance at 1 July 2020	1,212,186	28,685,577	1,390,099	31,287,862
Changes from financing cash flows:				
- Proceeds	300,000	–	43,529	343,529
- Repayments	(822,953)	(3,948,858)	(237,092)	(5,008,903)
- Interest paid	(87,810)	(1,141,235)	–	(1,229,045)
- Lease incentives received	–	169,514	–	169,514
Non-cash changes:				
- Interest expense	87,810	1,440,169	–	1,527,979
- Additions of new leases	–	5,513,064	–	5,513,064
- Modification of lease liabilities	–	1,199,839	–	1,199,839
- Termination of leases	–	(1,110,581)	–	(1,110,581)
- Variable lease payments that depend on an index or rate	–	62,935	–	62,935
- COVID-19-related rent concessions	–	(1,576,294)	–	(1,576,294)
- Reclassified to liabilities directly associated with disposal group classified as held for sale	–	–	(327,078)	(327,078)
Effect of changes in foreign exchange rates	(20,373)	38,547	–	18,174
Balance at 30 June 2021	668,860	29,332,677	869,458	30,870,995

Notes To The Financial Statements

For the financial year ended 30 June 2022

26 TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	A$	A$	A$	A$
Trade creditors				
- third parties	1,820,192	1,940,587	953	–
- non-controlling interests	116,161	36,545	–	–
Other payables	2,335,584	2,074,912	325,260	18,959
Deposits	56,273	318,670	–	–
Franchise deposits received	437,188	710,666	–	–
Dividends payable	649	211	649	211
Accrued operating expenses	1,308,567	1,160,053	100,980	320,316
Subscription payable for investment in joint venture	200,000	–	–	–
Amounts due to				
- third parties	–	11,658	–	–
- former shareholders of subsidiaries	–	5,250	–	–
- non-controlling interests	628,153	852,550	–	–
Marketing fund liability	108,045	99,140	–	–
	7,010,812	7,210,242	427,842	339,486

Amounts due to third parties, former shareholders of subsidiaries and non-controlling interests are non-trade in nature, unsecured, interest-free and repayable on demand.

27 DIVIDENDS PAID/PAYABLE

	Group	
	2022	2021
	A$	A$
Ordinary dividends:		
ST Group Food Industries Holdings Limited		
Interim single tier tax exempt dividend of A$0.0017 per share	415,126	–
Interim single tier tax exempt dividend of A$0.0015 per share	–	363,714
Dividends paid/payable to equity holders of the Group	415,126	363,714
IPR (WA) Pty Ltd		
Interim single tier tax exempt dividend of A$1,000 per share	49,000	49,000
Dividends paid/payable to non-controlling interests of the Group	49,000	49,000
	464,126	412,714

The dividend per share is calculated based on the number of ordinary shares of the respective company in issue as at date of dividend declaration.

Notes To The Financial Statements

For the financial year ended 30 June 2022

28 RELATED PARTY TRANSACTIONS

(a) In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties, who are not members of the Group during the financial years on terms agreed by the parties concerned:

	2022 A$	2021 A$
Group		
With other related parties		
Income		
Supply chain revenue	–	825
Sales of goods	221	–
Franchise fees and royalty income	12,754	18,795
Other revenues	52,659	55,565
Management fee income	62,793	21,753
Expenses		
Variable rent	(195,933)	(119,763)
Others		
Payment for principal and interest of the lease liabilities	(589,441)	(566,770)
Rent concession received	–	6,000
Acquisition of a subsidiary	94	–
With associate		
Income		
Management fee income	42,014	–
Sales of goods	1,414	–
Dividend income	21,920	–
Expenses		
Purchases	(1,000)	–
With joint venture		
Income		
Management fee income	11,196	–
Other revenues	933	–
Company		
With subsidiaries		
Income		
Management fee income	1,345,818	1,166,322
Dividend income	701,000	401,000
Interest income	185,224	188,989
Others		
Advances to	(1,134,327)	(2,633,990)
Payments made on behalf of	(16,909)	(80,000)

Other related parties comprise mainly associated company, joint ventures and companies which are controlled or significantly influenced by the Group's key management personnel, controlling shareholders and their close family members.

Notes To The Financial Statements

For the financial year ended 30 June 2022

28 RELATED PARTY TRANSACTIONS (CONT'D)

(b) Key management personnel compensation

Total key management personnel compensation is analysed as follows:

	Group	
	2022	2021
	A$	A$
Salaries, allowances, bonuses	1,564,404	1,447,736
Employer's contributions to defined contribution plan	146,157	124,403
	1,710,561	1,572,139

29 COMMITMENTS

Capital commitments

Capital expenditures contracted for at the reporting date but not recognised in the financial statements are as follows:

	Group	
	2022	2021
	A$	A$
Capital commitments in respect of property, plant and equipment	999,000	–

30 FINANCIAL INSTRUMENTS

(a) **Categories of financial instruments**

Financial instruments at their carrying amounts at reporting date are as follows:

	Group		Company	
	2022	2021	2022	2021
	A$	A$	A$	A$
Financial assets				
Financial assets at amortised costs	14,873,340	16,239,354	11,805,106	13,616,255
Financial asset at fair value through profit or loss	200,000	–	200,000	–
Financial liabilities				
At amortised cost	33,062,068	34,263,682	101,934	107,810

Notes To The Financial Statements

For the financial year ended 30 June 2022

30 FINANCIAL INSTRUMENTS (CONT'D)

(b) **Financial risk management**

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk, liquidity risk and market price risk. The Group's overall risk management strategy seeks to minimise adverse effects from these financial risks on the Group's financial performance. The policies for managing each of these risks are summarised below. The directors review and agree policies and procedures for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which the Group manages and measures financial risk.

Foreign currency risk

The Group has currency exposures arising from transactions, assets and liabilities that are denominated in currency other than the respective functional currencies of entities in the Group. The foreign currency in which the Group's currency risk arises are mainly Singapore dollar ("**S$**") and British pound ("**GBP**").

At the end of the reporting period, the Group and the Company have the following financial assets and financial liabilities denominated in foreign currency based on information provided to key management:

Denominated in:	**S$**		**GBP**	
	2022	**2021**	**2022**	**2021**
	A$	**A$**	**A$**	**A$**
Group				
Cash and bank balances	1,178,067	1,115,104	21,880	22,856
Trade and other payables	(101,934)	(107,810)	–	–
Net financial assets denominated in foreign currencies	1,076,133	1,007,294	21,880	22,856
Company				
Trade and other receivables	2,437,954	2,344,401	–	–
Cash and bank balances	1,178,067	1,115,104	–	–
Trade and other payables	(101,934)	(107,810)	–	–
Net financial assets denominated in foreign currencies	3,514,087	3,351,695	–	–

30 FINANCIAL INSTRUMENTS (CONT'D)

(b) **Financial risk management (cont'd)**

Foreign currency risk (cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in the S$ and GBP exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant, of the Group's and the Company's results before tax:

	Group		Company	
	Increase/(decrease) in loss before tax		Increase/(decrease) in loss before tax	
	2022	2021	2022	2021
	A$	A$	A$	A$
S$/A$				
- strengthened 10% (2021: 10%)	(108,000)	101,000	(351,000)	(335,000)
- weakened 10% (2021: 10%)	108,000	(101,000)	351,000	335,000
GBP/A$				
- strengthened 10% (2021: 10%)	(2,200)	2,300	–	–
- weakened 10% (2021: 10%)	2,200	(2,300)	–	–

Interest rate risk

The Group's exposure to interest rate risk arises primarily from their fixed deposits placed with financial institutions and bank borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk (i.e. the risk that future cash flows of a financial instrument will fluctuate due to changes in market interest rates). Borrowings and fixed deposits at fixed rates expose the Group to fair value interest rate risk (i.e. the risk that the value of a financial instrument will fluctuate due to changes in market rates). For interest income from the fixed deposits, the Group manages the interest rate risks by placing fixed deposits with reputable financial institutions with varying maturities and interest rate terms. Interest expense from bank borrowings arises from term loans, lease liabilities and bank overdrafts.

Sensitivity analysis of the Group'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.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the directors based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the directors.

Notes To The Financial Statements

For the financial year ended 30 June 2022

30 FINANCIAL INSTRUMENTS (CONT'D)

(b) **Financial risk management (cont'd)**

Credit risk (cont'd)

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position.

As at the end of the reporting period, 66% (2021: 85%) of the Group's trade receivables are all due from debtors located in Australia. The Group's trade receivables comprise 1 debtor (2021: 2 debtors) that individually represented 2% to 14% (2021: 6% to 20%) of the trade receivables.

The Company has no significant concentration of credit risk except for the amounts due from subsidiaries as disclosed in Note 21.

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
Contractual payments 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
Contractual payments are more than 120 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	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.

30 FINANCIAL INSTRUMENTS (CONT'D)

(b) **Financial risk management (cont'd)**

Credit risk (cont'd)

Significant increase in credit risk (cont'd)

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and

- 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.

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

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 has determined the default events on a financial asset to be when there is evidence that the borrower is experiencing liquidity issues or when there is a breach of contract, such as a default of payment.

The Group considers the above 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.

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.

30 FINANCIAL INSTRUMENTS (CONT'D)

(b) **Financial risk management (cont'd)**

Credit risk (cont'd)

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

Trade receivables and contract assets

The Group had applied the simplified approach to measure the lifetime expected credit loss ("ECL") allowance for trade receivables and contract assets. Under the simplified approach, for trade receivables and contract assets that do not contain a significant financing component, the loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions affecting the ability of the customers to settle the receivables. In view of the current COVID-19 pandemic, the Group has considered the impact of the pandemic on the performance and liquidity of its trade receivables and in particular, whether there are significant decline in the repayment ability of its debtors. There has been no change in the estimation techniques or significant assumptions made during the current financial year. The Group's trade receivables and contract assets are substantially in the category of not past due to 30 days where credit loss experience is insignificant.

The movements in the allowance for impairment loss are as follows:

	Trade receivables	
	2022	**2021**
	A$	**A$**
Group		
Balance at 1 July	80,000	27,388
Loss allowance measured:		
Lifetime ECL		
- Simplified approach	95,500	80,000
Receivables written off as uncollectable	–	(27,388)
Balance at 30 June	175,500	80,000

Notes To The Financial Statements

For the financial year ended 30 June 2022

30 FINANCIAL INSTRUMENTS (CONT'D)

(b) **Financial risk management (cont'd)**

Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

The movements in the allowance for impairment loss are as follows (cont'd):

	Amount due from subsidiaries (non-trade)	
	2022 A$	2021 A$
Company		
Balance at 1 July	1,667,575	1,567,575
Loss allowance measured:		
Lifetime ECL		
- Credit-impaired	2,805,070	100,000
Balance at 30 June	4,472,645	1,667,575

Credit quality of financial assets

The table below details the credit quality of the Group's financial assets as at 30 June 2022 and 30 June 2021:

Group 2022	12-month or lifetime ECL	Gross carrying amount A$	Loss allowance A$	Net carrying amount A$
Trade receivables	Lifetime ECL	3,337,706	(175,500)	3,162,206
Other receivables	12-month ECL	1,461,784	–	1,461,784
Contract assets	Lifetime ECL	108,000	–	108,000
Fixed deposits	N.A. (Exposure limited)	2,488,162	–	2,488,162
Cash and bank balances	N.A. (Exposure limited)	7,761,188	–	7,761,188

Notes To The Financial Statements

For the financial year ended 30 June 2022

30 FINANCIAL INSTRUMENTS (CONT'D)

(b) **Financial risk management (cont'd)**

Credit risk (cont'd)

Credit quality of financial assets (cont'd)

The table below details the credit quality of the Group's financial assets as at 30 June 2022 and 30 June 2021 (cont'd):

Group 2021	**12-month or lifetime ECL**	**Gross carrying amount A$**	**Loss allowance A$**	**Net carrying amount A$**
Trade receivables	Lifetime ECL	2,542,850	(80,000)	2,462,850
Other receivables	12-month ECL	1,625,293	–	1,625,293
Amount due from related parties	12-month ECL	16,000	–	16,000
Contract assets	Lifetime ECL	98,000	–	98,000
Fixed deposits	N.A. (Exposure limited)	3,368,252	–	3,368,252
Cash and bank balances	N.A. (Exposure limited)	8,766,959	–	8,766,959

The table below details the credit quality of the Company's financial assets as at 30 June 2022 and 30 June 2021:

Company 2022	**12-month or lifetime ECL**	**Gross carrying amount A$**	**Loss allowance A$**	**Net carrying amount A$**
Trade receivables	Lifetime ECL	2,844,366	–	2,844,366
Amount due from subsidiaries	12-month ECL	3,165,783	–	3,165,783
	Lifetime ECL	8,827,486	(4,472,645)	4,354,841
Cash and bank balances	N.A. (Exposure limited)	1,440,116	–	1,440,116

Company 2021	**12-month or lifetime ECL**	**Gross carrying amount A$**	**Loss allowance A$**	**Net carrying amount A$**
Trade receivables	Lifetime ECL	1,747,682	–	1,747,682
Amount due from subsidiaries	12-month ECL	4,795,409	–	4,795,409
	Lifetime ECL	6,470,792	(1,667,575)	4,803,217
Fixed deposits	N.A. (Exposure limited)	998,233	–	998,233
Cash and bank balances	N.A. (Exposure limited)	1,271,714	–	1,271,714

Notes To The Financial Statements

For the financial year ended 30 June 2022

30 FINANCIAL INSTRUMENTS (CONT'D)

(b) **Financial risk management (cont'd)**

Credit risk (cont'd)

Amount due from subsidiaries

For the amount due from subsidiaries where impairment loss allowance is measured using 12 months ECL, the Company assessed the latest performance and financial position of the respective counterparties, adjusted for COVID-19 impact consideration and the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant. For the amount due from subsidiaries where impairment loss allowance is measured using lifetime ECL, the Company considered the expected manner of recovery to measure ECL. The Company recognised ECL of A$2,374,419, A$1,667,575 and A$430,651 due from subsidiaries in Singapore, Malaysia and United Kingdom respectively (2021: A$1,667,575 due from a subsidiary in Malaysia) which it is in financial difficulty. For the remaining amount of A$4,354,841 (2021: A$4,803,217), the Company determined that the ECL is insignificant.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. In managing its liquidity, management monitors and reviews the Group's and the Company's forecasts of liquidity reserves (comprise cash and bank balances and available credit facilities) based on expected cash flows of the respective operating companies of the Group.

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

	1 year or less A$	Within 2 to 5 years A$	Over 5 years A$	Total A$
Group				
2022				
Trade and other payables	4,156,236	–	–	4,156,236
Borrowings	1,246,277	1,162,327	–	2,408,604
Lease liabilities	7,756,029	16,605,287	6,625,562	30,986,878
	13,158,542	17,767,614	6,625,562	37,551,718
2021				
Trade and other payables	4,114,322	–	–	4,114,322
Borrowings	494,571	375,514	–	870,085
Lease liabilities	8,064,433	19,359,612	5,030,519	32,454,564
	12,673,326	19,735,126	5,030,519	37,438,971

30 FINANCIAL INSTRUMENTS (CONT'D)

(b) **Financial risk management (cont'd)**

Liquidity risk (cont'd)

	1 year or less A$	Within 2 to 5 years A$	Over 5 years A$	Total A$
Company				
2022				
Trade and other payables	101,934	–	–	101,934
2021				
Trade and other payables	107,810	–	–	107,810

31 FAIR VALUES 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:

a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

b) 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

c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

b) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

These are current trade and other receivables, trade and other payables and current borrowings. The carrying amounts of these financial assets at amortised costs and financial liabilities are reasonable approximation of fair values due to their short-term nature.

Notes To The Financial Statements

For the financial year ended 30 June 2022

31 FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

c) ***Movements in Level 3 assets measured at fair value***

The following table shows a reconciliation from the beginning balance to the ending balance for Level 3 fair value measurements.

	Investment in fund	
	2022	**2021**
	A$	**A$**
Group and Company		
Balance at beginning year	–	–
Additions	200,000	–
Balance at end of financial year	200,000	–
Total gains for the year included:		
Profit or loss		
Fair value gain with respect to financial assets at FVTPL	–	–

d) ***Determination of fair values***

Non-current trade and other receivables, financial assets at fair value through profit or loss and borrowings

The basis of determining fair values for disclosure at the end of the reporting period is disclosed in Notes 21, 22 and 25 respectively to the financial statements.

32 SEGMENT INFORMATION

The Group is organised into business units based on its business segments purposes. The reportable segments are food and beverage retails, supply chain and franchise which are described below. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

(i) Food and beverage retails segment includes operations with respect to all franchise and Group-owned restaurants and stores.

(ii) The supply chain segment primarily includes the manufacturing, procurement and distribution of food, equipment and supplies to restaurants and stores from the Group's supply chain center operations in Australia.

(iii) The franchise segment primarily includes operations related to the Group's franchising business.

Notes To The Financial Statements

For the financial year ended 30 June 2022

32 SEGMENT INFORMATION (CONT'D)

The segment information provided to the management for the reportable segments are as follows:

	Food and beverage retails A$	Supply chain A$	Franchise A$	Others A$	Eliminations A$	Consolidation total A$
2022						
Segment revenue						
Sales to external customers	31,349,427	10,096,963	5,315,362	210,181	–	46,971,933
Intersegment sales	–	4,192,046	864,845	–	(5,056,891)	–
Total revenue from continuing operations	31,349,427	14,289,009	6,180,207	210,181	(5,056,891)	46,971,933
Share of results of associated company	–	–	–	31,409	–	31,409
Share of results of joint venture	–	–	–	(17,184)	–	(17,184)
Tax (expense)/credit	(277,636)	453,510	(277,259)	(4,766)	–	(106,151)
Net (loss)/profit from continuing operations, net of tax	(1,471,714)	(1,044,229)	988,042	(13,756,189)	14,111,941	(1,172,149)
Net profit from discontinued operations, net of tax	–	–	–	–	–	252,436
Loss for the year						(919,713)
Depreciation of property, plant and equipment and amortisation of intangible assets	2,897,888	224,821	325,627	98,563	(33,692)	3,513,207
Depreciation of right-of-use assets	4,551,909	658,198	2,469	–	–	5,212,576
Impairment losses on trade and other receivables	–	–	170,769	10,268	–	181,037
Impairment losses on property, plant and equipment	260,726	–	–	–	–	260,726
Impairment losses on right-of-use assets	532,157	–	–	–	–	532,157
Property, plant and equipment written off	73,279	16,498	–	–	–	89,777
Interest expense	1,179,863	130,011	57,191	151,832	(215,234)	1,303,663
Interest income	44,532	7,895	22,490	191,112	(215,235)	50,794
Segment assets	36,563,656	15,899,391	11,426,262	56,225,953	(63,643,284)	56,471,978
Unallocated assets						1,292,305
Total assets						57,764,283
Segment assets include:						
Additions to:						
- Property, plant and equipment	973,096	269,040	6,878	–	–	1,249,014
- Right-of-use assets	–	–	72,086	–	–	72,086
- Intangible assets	–	–	179,690	–	–	179,690
- Investment in joint venture	300,000	–	–	–	–	300,000
- Financial asset at fair value through profit or loss	–	–	–	200,000	–	200,000
Segment liabilities	37,826,912	7,993,196	7,248,660	24,388,990	(41,278,965)	36,178,793
Unallocated liabilities						1,960,585
Total liabilities						38,139,378

Notes To The Financial Statements

For the financial year ended 30 June 2022

32 SEGMENT INFORMATION (CONT'D)

The segment information provided to the management for the reportable segments are as follows (cont'd):

	Food and beverage retails A$	Supply chain A$	Franchise A$	Others A$	Eliminations A$	Consolidation total A$
2021						
Segment revenue						
Sales to external customers	30,359,418	8,856,645	5,397,643	269,646	–	44,883,352
Intersegment sales	–	3,857,063	1,394,130	–	(5,251,193)	–
Total revenue from continuing operations	30,359,418	12,713,708	6,791,773	269,646	(5,251,193)	44,883,352
Share of results of associated company	–	–	–	20,889	–	20,889
Tax (expense)/credit	(180,924)	152,043	(662,531)	(150,441)	–	(841,853)
Net profit/(loss) from continuing operations, net of tax	287,218	(482,439)	1,490,725	(8,490,119)	8,784,402	1,589,787
Net loss from discontinued operations, net of tax						(865,143)
Profit for the year						724,644
Depreciation of property, plant and equipment and amortisation of intangible assets	2,583,941	220,172	316,061	117,364	(8,600)	3,228,938
Depreciation of right-of-use assets	4,429,590	633,780	–	–	–	5,063,370
Impairment losses on trade and other receivables	–	–	113,999	(1,048)	–	112,951
Impairment losses on property, plant and equipment	67,172	–	–	–	–	67,172
Impairment losses on right-of-use assets	91,027	–	–	–	–	91,027
Property, plant and equipment written off	61,659	–	–	–	–	61,659
Interest expense	1,359,466	192,542	50,670	69,540	(188,989)	1,483,229
Interest income	59,870	1,193	5,170	189,705	(188,989)	66,949
Right-of-use assets written off	42,870	–	–	–	–	42,870
Gain on disposal of property, plant and equipment	(9,160)	–	–	–	–	(9,160)
Gain on termination of leases	(43,112)	–	–	–	–	(43,112)
Intangible assets written off	–	–	7,487	–	–	7,487
Segment assets	45,059,283	11,244,503	9,547,723	66,228,769	(71,433,469)	60,646,809
Unallocated assets						1,713,412
Disposal group assets classified as held for sale						672,034
Total assets						63,032,255
Segment assets include:						
Additions to:						
- Property, plant and equipment	4,136,744	21,106	17,082	–	–	4,174,932
- Right-of-use assets	4,848,769	424,870	–	–	–	5,273,639
- Intangible assets	32,888	–	145,583	–	–	178,471
- Investment in associated company	–	–	–	16,000	–	16,000
Segment liabilities	44,000,865	3,762,043	6,572,621	20,036,782	(35,340,996)	39,031,315
Unallocated liabilities						1,185,206
Liabilities directly associated with disposal group classified as held for sale						759,172
Total liabilities						40,975,693

Notes To The Financial Statements

For the financial year ended 30 June 2022

32 SEGMENT INFORMATION (CONT'D)

Segment results

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Sales between operating segments are on terms agreed by the group companies concerned.

Segment assets

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments other than deferred tax asset, goods and services tax receivable, sundry receivables and designated bank account for marketing fund of the respective master franchisee entity which are classified as unallocated assets.

Segment liabilities

The amounts provided to the management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than current tax payable, payroll tax payable, borrowings and goods and services tax payable of the respective master franchisee entity. These liabilities are classified as unallocated liabilities.

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	2022 **A$**	**2021** **A$**
Sales to external customers		
Australia	33,352,686	32,192,117
New Zealand	9,987,105	11,276,969
United Kingdom	3,632,142	1,414,266
	46,971,933	44,883,352
Non-current assets		
Australia	21,923,148	23,237,043
New Zealand	8,596,479	10,326,299
United Kingdom	4,425,184	5,664,241
	34,944,811	39,227,583

Non-current assets information presented above are non-current assets as presented on the statements of financial position excluding deferred tax asset and financial instruments.

Notes To The Financial Statements

For the financial year ended 30 June 2022

32 SEGMENT INFORMATION (CONT'D)

Information about major customers

The Group did not have any single customer contributing 10% or more to its revenue for the financial years ended 30 June 2022 and 30 June 2021.

33 CAPITAL MANAGEMENT

The Group's objectives when managing capital are 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.

The capital structure of the Group mainly consists of equity and borrowings and the Group's overall strategy remains unchanged from financial year ended 30 June 2021.

34 AUTHORISATION OF FINANCIAL STATEMENTS

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 2022 were authorised for issue in accordance with a resolution of the directors dated 12 October 2022.

Shareholders' Information

As At 15 September 2022

Class of shares	:	Ordinary shares
Issued and fully paid-up capital	:	SGD10,003,377.27 and AUD47,222,062.67
Number of Shares issued	:	74,686,500 shares fully paid-up in Singapore Dollars and 171,313,500 shares fully paid-up in Australia Dollars
Number of Shares issued (excluding Treasury Shares)	:	245,602,800
Number (Percentage) of Treasury Shares	:	397,200 (0.16%*)
Voting rights (excluding Treasury Shares)	:	One vote per share

* *Percentage is calculated based on the total number of issued shares, excluding treasury shares.*

The Company does not hold any subsidiary holdings.

STATISTICS OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	0	0.00	0	0.00
100 - 1,000	14	6.64	7,700	0.00
1,001 - 10,000	67	31.75	373,500	0.15
10,001 - 1,000,000	99	46.92	12,369,350	5.04
1,000,001 and above	31	14.69	232,852,250	94.81
	211	**100.00**	**245,602,800**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 15 SEPTEMBER 2022

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Saw Tatt Ghee(1)(2)	3,253,300	1.32	65,268,400	26.57
STG Investments Pty Ltd(2)	57,773,600	23.52	7,494,800	3.05
Saw Lee Ping(2)(3)	7,175,200	2.92	23,651,800	9.63
Leong Weng Yu(2)(4)	5,290,400	2.15	10,522,900	4.28
Ng Yee Siang(2)(5)	5,859,100	2.39	11,117,800	4.53
Pang Kher Chink(2)(6)	5,290,400	2.15	10,678,400	4.35
Tan Tee Ooi(2)(3)	5,574,000	2.27	18,077,800	7.36
Saw Tatt Jin(7)	13,069,800	5.32	3,499,000	1.42
Caprice Development (S) Pte. Ltd.	15,756,000	6.42	–	–
Chou Geok Lin(8)	–	–	15,756,000	6.42

Shareholders' Information (Cont'd)

As At 15 September 2022

Notes:

(1) Mr. Saw Tatt Ghee is treated as having an interest in 7,494,800 shares in the capital of the Company ("**Shares**") held by Centurion Equity Pty Limited (please see note 2) and 57,773,600 Shares held by STG Investments Pty Ltd.

Mr. Saw Tatt Ghee is the sole shareholder and director of STG Investments Pty Ltd. STG Investments Pty Ltd holds Shares as the trustee of the Tatt Ghee Saw Family Trust, a discretionary trust, and the beneficiaries of the Tatt Ghee Saw Family Trust are (a) Mr. Saw Tatt Ghee's spouse, Ms. Lee Siow Mei, (b) her children, which includes Ms. Emily Saw Zi Yi and Ms. Kaylee Saw Zi Yen, her spouse, Mr. Saw Tatt Ghee, and her parents, siblings and grandchildren, (c) spouses, children and grandchildren of the beneficiaries in (b), (d) any trustee of a trust which the beneficiaries in (a) and (b) have an interest in, (e) any entity which the beneficiaries in (a) and (b) or the trustee in (d) owns or holds, (f) any person or entity nominated by the appointor, and (g) any charity. The appointor of the Tatt Ghee Saw Family Trust is Mr. Saw Tatt Ghee, who has the power to, inter alia, remove and appoint a new trustee. The settlor of the trust is Mr. Saw Kee Guan, an unrelated third party, who is not entitled to any benefit under the trust. By virtue of Section 4 of the Securities and Futures Act (Cap. 289) ("SFA"), the beneficiaries of the Tatt Ghee Saw Family Trust are deemed to have an interest in the Shares held by STG Investments Pty Ltd.

(2) Mr. Saw Tatt Ghee is the sole director and sole shareholder of Centurion Equity Pty Limited. Centurion Equity Pty Limited is the trustee of the Centurion Equity Trust, a fixed unit trust, and holds the Shares in trust for the unitholders. The unitholders of the Centurion Equity Trust are (a) STG Investments Pty Ltd (as trustee for the Tatt Ghee Saw Family Trust) which holds 51% of the units, (b) Ms. Saw Lee Ping (as trustee for the Tian & Young Family Trust) which holds 19% of the units, (c) Ricgo Pty Ltd which holds 6% of the units, (d) JL Lee Investments Pty Ltd which holds 5% of the units, (e) KCPLP Investments Pty Ltd which holds 6% of the units, (f) Lemy Pty Ltd which holds 6% of the units, (g) YSN Investments Pty Ltd which holds 6% of the units, and (h) Alpine Investments Pty Ltd which holds 1% of the units. By virtue of Section 4 of the SFA, the unitholders of the Centurion Equity Trust are deemed to have an interest in the Shares held by Centurion Equity Pty Limited.

Ms. Saw Lee Ping holds the units in Centurion Equity Trust as trustee for the Tian & Young Family Trust. The settlor of the Tian & Young Family Trust is Mr. Tan Tee Ooi, her spouse, and the beneficiaries are (a) the corpus beneficiaries, which comprise Ms. Saw Lee Ping and her children, Ms. Tan Xin Tian and Mr. Tan Jet Young, (b) the related beneficiaries of the corpus beneficiaries, which includes her spouse, Mr. Tan Tee Ooi, (c) any company which the beneficiaries in (b) is a shareholder or director of, and (d) any trust of which the beneficiaries in (b) or the company in (c) is entitled to a benefit under the trust. By virtue of Section 4 of the SFA, the beneficiaries of the Tian & Young Family Trust are treated as having an interest in the units of Centurion Equity Trust held by Ms. Saw Lee Ping.

(3) Ms. Saw Lee Ping is treated as having an interest in 7,494,800 Shares held by Centurion Equity Pty Limited (please see note 2), 10,583,000 Shares held by Tan & Saw Investments Pty Ltd and 5,574,000 Shares held by Mr. Tan Tee Ooi.

Ms. Saw Lee Ping is the director of Tan & Saw Investments Pty Ltd and holds 50% of its issued and paid-up share capital while her spouse, Mr. Tan Tee Ooi, holds the remaining 50% of its issued and paid-up share capital. Tan & Saw Investments Pty Ltd is the trustee of the Tan & Saw Family Trust, a discretionary trust, and the named beneficiaries are Ms. Saw Lee Ping, Mr. Tan Tee Ooi and their children, Ms. Tan Xin Tian and Mr. Tan Jet Young. The beneficiaries have no entitlement to any part of the trust fund, and the trustee has the absolute discretion to distribute the income of the trust fund to the beneficiaries. The appointor of the trust is Ms. Saw Lee Ping, who has the power to, inter alia, remove and appoint a new trustee. The settlor of the trust is Mr. Saw Kee Guan, an unrelated third party, who is not entitled to any benefit under the trust. By virtue of Section 4 of the SFA, the beneficiaries of the Tan & Saw Family Trust are deemed to have an interest in the Company's shares held by Tan & Saw Investments Pty Ltd.

By virtue of Section 133(1) read with Section 133(4)(a) of the SFA, Ms. Saw Lee Ping is deemed to have an interest in the Shares held by her spouse, Mr. Tan Tee Ooi.

(4) Mr. Leong Weng Yu is treated as having an interest in 7,494,800 Shares held by Centurion Equity Pty Limited (please see note 2) and 3,028,100 Shares held by Lemy Pty Ltd.

Mr. Leong Weng Yu is the sole director and sole shareholder of Lemy Pty Ltd which is the trustee of the Gnoel Trust, a discretionary trust. He is the sole named beneficiary under the trust, and the classes of eligible beneficiaries include, inter alia, (a) parents, spouse, children, grandchildren, siblings of Mr. Leong Weng Yu, (b) schools, universities, colleges and other educational bodies within or outside Australia, (c) companies of which the beneficiaries are a shareholder of, and (d) trustees of any trust in which the beneficiaries have an interest. The appointor of the trust is Mr. Leong Weng Yu, who has the power to, inter alia, remove and appoint a new trustee. The settlor of the trust is Mr. Kasem Ozaferovic, an unrelated third party who is not entitled to any benefit under the trust. By virtue of Section 4 of the SFA, the beneficiaries of the Gnoel Trust are deemed to have an interest in the Shares held by Lemy Pty Ltd.

Shareholders' Information (Cont'd)

As At 15 September 2022

(5) Mr. Ng Yee Siang is treated as having an interest in 7,494,800 Shares held by Centurion Equity Pty Limited (please see note 2) and 3,623,000 Shares held by YSN Investments Pty Ltd.

Mr. Ng Yee Siang is the sole director and sole shareholder of YSN Investments Pty Ltd which is the trustee of the Ng Family Trust, a discretionary trust. The primary beneficiaries of the trust are Mr. Ng Yee Siang and Ms. Yi Han ("Primary Beneficiaries"), and the general beneficiaries include, inter alia, (a) the parents, siblings, spouse, grandparents and any descendant of the Primary Beneficiaries, (b) any educational body which a beneficiary attends or has attended, (c) any company in which a beneficiary has a shareholding interest, (d) any other trust under which a beneficiary is a beneficiary, and (e) any charity or religious body nominated by the trustee. The initial appointor of the trust is Mr. Ng Yee Siang, who has the power to, inter alia, remove and appoint a new trustee. The settlor of the trust is Mr. Saw Kee Guan, an unrelated third party, who is not entitled to any benefit under the trust. By virtue of Section 4 of the SFA, the beneficiaries of the Ng Family Trust are deemed to have an interest in the Shares held by YSN Investments Pty Ltd.

(6) Mr. Pang Kher Chink is treated as having an interest in 7,494,800 Shares held by Centurion Equity Pty Limited (please see note 2) and 3,183,600 Shares held by KCPLP Investments Pty Ltd.

Mr. Pang Kher Chink is the sole director and sole shareholder of KCPLP Investments Pty Ltd which is the trustee of the KCPLP Family Trust, a discretionary trust. The beneficiaries under the trust include, inter alia, the primary beneficiaries, comprising Mr. Pang Kher Chink and his spouse, Ms. Thanh Ngoc Le Pang ("Specified Beneficiaries") and the classes of eligible beneficiaries include, inter alia, (a) parents, spouse, children, grandchildren, siblings of the Specified Beneficiaries, (b) schools, universities, colleges and other educational bodies within or outside Australia, (c) companies of which the beneficiaries are a shareholder of, and (d) trustees of any trust which the beneficiary has an interest. The appointor of the trust is Mr. Pang Kher Chink, who has the power to, inter alia, remove and appoint a new trustee. The settlor of the trust is Mr. Saw Kee Guan, an unrelated third party who is not entitled to any benefit under the trust. By virtue of Section 4 of the SFA, the beneficiaries of the KCPLP Family Trust are treated as having an interest in the Shares held by KCPLP Investments Pty Ltd.

(7) Mr. Saw Tatt Jin is treated as having an interest in 3,499,000 Shares held by Huizhet Investment Pty Ltd.

Mr. Saw Tatt Jin is a director and holds 25% of the entire issued and paid-up share capital of Huizhet Investment Pty Ltd. The remaining shares are held by his spouse, Ms. Lim Sze Nam, who is also a director of Huizhet Investment Pty Ltd, and his children, Mr. Saw Ken Hui and Mr. Saw Ken Zhet in equal proportions. Huizhet Investment Pty Ltd is the trustee for the HZ Family Trust, which is a direct lineal relatives trust. The named beneficiaries are Mr. Saw Tatt Jin, Ms. Lim Tze Nam, Mr. Saw Ken Hui and Mr. Saw Ken Zhet ("Named Beneficiaries"), and the classes of eligible beneficiaries include the parents, children and grandchildren of the Named Beneficiaries. The appointor of the trust is Mr. Saw Tatt Jin, who has the power to, inter alia, remove and appoint a new trustee. The settlor of the trust is Mr. Saw Kee Guan, an unrelated third party, who is not entitled to any benefit under the trust. By virtue of Section 4 of the SFA, the beneficiaries of the HZ Family Trust are deemed to have an interest in the Shares held by Huizhet Investment Pty Ltd.

(8) Ms. Chou Geok Lin is the director and sole shareholder of Caprice Development (S) Pte. Ltd. By virtue of Section 4 of the SFA, Ms. Chou Geok Lin is deemed to have an interest in the Shares held by Caprice Development (S) Pte. Ltd.

Shareholders' Information (Cont'd)

As At 15 September 2022

TWENTY LARGEST SHAREHOLDERS AS AT 15 SEPTEMBER 2022

No.	Name of Shareholders	Number of Shares	%
1	STG INVESTMENTS PTY LTD	57,773,600	23.52
2	UOB KAY HIAN PRIVATE LIMITED	54,330,630	22.12
3	OCBC SECURITIES PRIVATE LIMITED	13,392,400	5.45
4	TAN & SAW INVESTMENTS PTY LTD	10,583,000	4.31
5	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	8,040,900	3.27
6	SAW LEE PING	7,175,200	2.92
7	SAW TATT JIN	6,834,900	2.78
8	NG YEE SIANG	5,859,100	2.39
9	DB NOMINEES (SINGAPORE) PTE LTD	5,802,900	2.36
10	LEONG WENG YU	5,290,400	2.15
11	PANG KHER CHINK	5,290,400	2.15
12	ALPINE INVESTMENTS PTY LTD	4,594,100	1.87
13	CITIBANK NOMINEES SINGAPORE PTE LTD	4,000,900	1.63
14	YSN INVESTMENTS PTY LTD	3,623,000	1.48
15	CREATIVE FOX PTY. LTD.	3,543,120	1.44
16	CHUA KENG HIANG	3,521,800	1.43
17	HUIZHET INVESTMENT PTY LTD	3,499,000	1.42
18	SAW TATT GHEE	3,253,300	1.32
19	KCPLP INVESTMENTS PTY LTD	3,183,600	1.30
20	JL LEE INVESTMENTS PTY LTD	3,154,200	1.28

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company and to the best knowledge of the Directors, approximately 28.34% of the Company's shares are held in the hands of the public as at 15 September 2022. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

Notice of Annual General Meeting

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED

(Company Registration No. 201801590R)
(Incorporated in Singapore)

This Notice has been made available on the home page of the Company's corporate website (www.stgroup.net.au) and SGXNET. A printed copy of this Notice will not be despatched to members of the Company.

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**" or "**Meeting**") of ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED (the "**Company**") will be by way of electronic means on Monday, 31 October 2022 at 1.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2022 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors retiring pursuant to Regulation 110 of the Company's Constitution:

   Mr Peter Sim Swee Yam **(Resolution 2)**
   Mr Saw Tatt Ghee **(Resolution 3)**

   *Mr Peter Sim Swee Yam will, upon re-election as a Director of the Company, remain as an Independent Director, members of the Audit and Remuneration Committees, and will be considered independent for the purposes of Rule 704(7) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").*

   The information relating to Mr Peter Sim Swee Yam and Mr Saw Tatt Ghee as required under Rule 720(5) of the Catalist Rules is set out on pages 13 to 14 of the Annual Report.

3. To approve the payment of Directors' fees of S$99,600 for the financial year ending 30 June 2023, to be paid quarterly in arrears (FY2022: S$99,600). **(Resolution 4)**

4. To re-appoint Baker Tilly TFW LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

5. To transact any other ordinary business which may be transacted at an Annual General Meeting.

Notice of Annual General Meeting

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. **AUTHORITY TO ALLOT AND ISSUE SHARES**

That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and Rule 806 of the Catalist Rules, the Directors of the Company be authorised and empowered to:

(a) (i) allot and issue shares in 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) options, 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 of the Company 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 Instruments made or granted by the Directors of the Company while this Resolution was in force,

Provided always that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (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 shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (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) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules;

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

Notice of Annual General Meeting

(4) unless revoked or varied by the Company in a general meeting, such authority 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 earlier.

[See Explanatory Note (i)] **(Resolution 6)**

7. **AUTHORITY TO GRANT AWARDS AND TO ALLOT AND ISSUE SHARES UNDER THE ST GROUP PERFORMANCE SHARE PLAN**

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to grant awards under the prevailing ST Group Performance Share Plan (the "**Scheme**") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of shares issued and/or issuable pursuant to the Scheme shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, 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 earlier.

[See Explanatory Note (ii)] **(Resolution 7)**

8. **THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company (the "**Directors**") of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "**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 but not exceeding the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) ("**Market Purchase(s)**") on the SGX-ST transacted through the SGX-ST trading system; and/or

(ii) off-market purchase(s) ("**Off-Market Purchase(s)**") (if effected otherwise than on the SGX-ST as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless revoked or varied by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held;

(ii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Company at a general meeting (if so varied or revoked prior to the next annual general meeting); and

(iii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

Notice of Annual General Meeting

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs during the relevant five (5) Market Day period and the day on which the purchases are made;

"**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 holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Market Day**" means a day on which the SGX-ST is open for securities trading;

"**Maximum Percentage**" means that number of issued Shares representing 10.0% of the issued Shares as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed 105.0% of the Average Closing Price of the Shares (for both Market Purchases and Off-Market Purchases); and

(d) the Directors and/or any of them be and are and/or is hereby authorised and empowered 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 (iii)] **(Resolution 8)**

By Order of the Board

Toh Li Ping, Angela
Company Secretary

14 October 2022

Explanatory Notes:

(i) Resolution 6 in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and outstanding or subsisting at the time when this Ordinary Resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and any subsequent bonus issue, consolidation or subdivision of shares.

Notice of Annual General Meeting

(ii) Resolution 7 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the vesting of awards granted or to be granted under the Scheme up to a number not exceeding in aggregate (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

(iii) Resolution 8 proposed in item 8 above, if passed, will empower the Directors from the date of the passing of this Resolution until the date the next AGM is to be held or is required by law to be held, whichever is earlier, to make purchases (whether by way of On-Market Share Purchases or Off-Market Share Purchases on an equal access scheme) from time to time of up to 10% of the total number of issued Shares excluding any Shares which are held as treasury shares of the Company at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate are set out in greater details in the Appendix accompanying this Notice.

Notes:

General

1. 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 (as amended from time to time), the AGM will be held by way of electronic means and members will NOT be allowed to attend the AGM in person.

2. There will be no despatch of printed copies and this Notice of AGM together with the following documents are made available to members on 14 October 2022 via SGXNet at the following URL: https://www.sgx.com/securities/company-announcements and the Company's website at the following URL: www.stgroup.net.au:

   (a) Annual Report; and
   (b) Proxy Form in relation to the AGM.

3. Alternative arrangements are instead put in place to allow members/proxies to participate in the AGM by:

   (a) watching or listening to the AGM proceedings via a Live Webcast (as defined below). Members/proxies who wish to participate as such will have to pre-register in the matter outlined in Notes 4 to 8 below;

   (b) submitting questions ahead of or "live" at the AGM. Please refer to the Notes 9 to 11 below for further details; and

   (c) voting (i) "live" by the members or by their duly appointed proxy(ies) (other than the Chairman of the AGM); or (ii) by appointing the Chairman of the AGM as proxy to vote on their behalf at the AGM. Please refer to Notes 12 to 19 below for further details.

Participation in AGM proceedings via "live webcast"

4. A member of the Company, their proxy(ies) or their corporate representatives (in the case of a member which is a legal entity) will be able to watch or listen to the proceedings of the AGM through a live webcast via mobile phone, tablet or computer ("**Live Webcast**"). In order to do so, the member/proxy(ies) must pre-register by 1.00 p.m. on 28 October 2022, being seventy-two (72) hours before the time appointed for the AGM ("**Registration Cut-Off Time**"), at the following URL: https://conveneagm.sg/stgroupfoodagm2022 ("**Pre-Registration Website**"), to create an account.

5. Following authentication of his/her/its status as a member or proxy(ies) of the member of the Company, such member/proxy(ies) will receive an email on their authentication status and will be able to access the Live Webcast using the account created.

6. Members/proxies who have registered by the Registration Cut-Off Time in accordance with paragraph (4) above but do not receive an email response by 5.00 p.m. on 29 October 2022 may contact the Company's live webcast provider by 10.00 a.m. on 30 October 2022 for assistance at the following email address: support@conveneagm.com, with the following details included:

   (a) the member's/proxy's full name;

   (b) his/her/its identification/company registration number; and

   (c) the manner in which the shares are held (e.g. via The Central Depositor (Pte) Limited ("**CDP**"), Central Provident Fund ("CPF") Investment Scheme, or Supplementary Retirement Scheme ("**SRS**")).

Notice of Annual General Meeting

7. Non-CPF/SRS holders whose shares are registered under Depository Agents ("**DAs**") must also contact their respective DAs to indicate their interest in order for their respective DAs to make the necessary arrangements for them to participate in the Live Webcast of the AGM proceedings.

8. Corporate shareholders must also submit the Corporate Representative Certificate to Share Registrar at AGM.TeamE@Boardroomlimited.com, in addition to the registration procedures as set out in paragraph (4) above, by the Registration Cut-Off Time, for verification purpose.

Submission of questions ahead of the AGM

9. Members (including CPF and SRS Investors) may also submit questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations ahead of the AGM. To do so, all questions must be submitted by 1.00 p.m. on 22 October 2022 through any of the following means:

   (a) in physical copy by depositing the same at the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or

   (b) by email to Mr Saw Tatt Ghee, the Executive Chairman and Chief Executive Officer of the Company, at the following email address: ir@stgroup.net.au.

   If the questions are submitted by post, be deposited at the registered office of the Company or sent via email, and in either case not accompanied by the completed and executed Proxy Form, the following details must be included with the submitted questions: (i) the member's full name; and (ii) his/her/its identification/registration number for verification purposes, failing which the submission will be treated as invalid.

10. The Company will address all substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations by publishing its responses to such questions, if any, on the Company's corporate website at the following URL: www.stgroup.net.au and on SGXNET at the following URL: https://www.sgx.com/securities/company-announcements at least 48 hours prior to the deadline for submission of Proxy Forms. Should there be subsequent clarification sought, or follow-up questions after the deadline of the submission of questions, the Company will address those substantial and relevant questions prior to the AGM through publication on SGXNET, or at the AGM.

Submission of questions "live" at the AGM

11. Members (including CPF and SRS Investors) may submit textual questions "live" at the AGM in the following manner:

   (a) Members (including CPF and SRS Investors) or where applicable, their appointed proxy(ies) who have pre-registered and are verified to attend the AGM can ask questions relating to the ordinary resolutions tabled for approval at the AGM "live" at the AGM, by typing in and submitting their questions through the "live" ask-a-question function via the webcast platform during the AGM.

   (b) Members who wish to appoint a proxy(ies) (other than the Chairman of the AGM) to ask questions "live" at the AGM on their behalf must, in addition to completing and submitting a Proxy Form, ensure that their proxy(ies) pre-register separately via the registration link that will be sent to the appointed proxy(ies) via email upon verification of the Proxy Form(s).

   (c) Members (including CPF and SRS Investors) or, where applicable, their appointed proxy(ies) must access the AGM proceedings via the "live" webcast platform in order to ask questions "live" at the AGM.

   (d) The Company will, during the AGM itself, address the substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) which have not already been addressed prior to the AGM, as well as those received "live" at the AGM itself, as reasonably practicable. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.

Submission of Proxy Form, or voting "live" at the AGM

12. Members who wish to exercise their voting rights at the AGM may:

   (a) (where such members are individuals) vote "live" via electronic means at the AGM or (where such members are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the AGM)* to vote "live" via electronic means at the AGM on their behalf; or

   *For the avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the AGM) to vote "live" at the AGM on their behalf.

   (b) (where the member is an individual or corporate) 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 (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment for that resolution will be treated as invalid.

   A proxy need not be a member of the Company.

Notice of Annual General Meeting

13. A member of the Company who is not a relevant intermediary entitled to attend the meeting and vote is entitled to appoint one or two proxies to attend and vote in his/her stead. Where a member who is not a relevant intermediary appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

14. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

    "Relevant intermediary" means:

    (a) a banking corporation licensed under the Banking Act 1970 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 2001 and who holds shares in that capacity; or

    (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, 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 Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

15. Subject to Note 18 below, completion and return of Proxy Form shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Live Webcast of the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.

16. The completed and signed Proxy Form must be submitted to the Company in the following manner:

    (a) by depositing a hard copy (whether in person or by post) at the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or

    (b) by sending a scanned PDF copy by email to AGM.TeamE@Boardroomlimited.com,

    in either case **by no later than 1.00 p.m. on 28 October 2022, being seventy-two (72) hours before the time appointed for the AGM.**

    A member who wishes to submit a Proxy Form must first **download, complete and sign the Proxy Form**, before submitting it by depositing to the address provided above, or scanning and sending it by email to the email address provided above.

17. The Proxy Form must be signed by the appointer or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

18. Investor who holds shares under the CPF Investment Scheme and/or the SRS (as may be applicable) and wishes to appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. 19 October 2022 at 5.00 p.m.).

19. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (including any related attachment) (such as in the case where the appointor submits more than one Proxy Form). In addition, in the case of Shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By pre-registering for the Live Webcast, submitting a Proxy Form appointing the proxy(ies) and/or representative(s) to vote at the AGM and/or any adjournment thereof, and/ or submitting questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis and facilitation by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Co. Reg. No: 201801590R)

ANNUAL GENERAL MEETING
PROXY FORM

IMPORTANT:
1. The Annual General Meeting ("**AGM**" or "**Meeting**") is being convened 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 Order 2020.
2. A member will not be able to attend the AGM in person. Alternative arrangements relating to the attendance of the AGM through electronic means, as well as conduct of the AGM and relevant guidance with full details are set out in the Notice of AGM dated 14 October 2022 which has been uploaded on SGXNET at the URL at: https://www.sgx.com/securities/company-announcements on the same day. The announcement and the Notice of Annual General Meeting can also be accessed at the Company's corporate website (www.stgroup.net.au). **Printed copies of this Proxy Form and the Notice of AGM will not be sent to members.**
3. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") and wishes to vote should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes to appoint the Chairman of the AGM as their proxy, at least seven (7) working days before the AGM (i.e. 19 October 2022 at 5.00 p.m.).
4. **This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.**

I/We*, ______________________ (Name), NRIC/Passport number/Co Regn. No.* ______________________

of ____ (Address)

being a member/members of ST Group Food Industries Holdings Limited (the "**Company**"), hereby appoint(s):

Name	**Address**	**Email Address**	**NRIC/ Passport No.**	**Proportion of Shareholdings**	
				No. of Shares	**%**

and/or (delete as appropriate)

Name	**Address**	**Email Address**	**NRIC/ Passport No.**	**Proportion of Shareholdings**	
				No. of Shares	**%**

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM of the Company to be held by way of electronic means on Monday, 31 October 2022 at 1.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	**Ordinary Resolutions relating to:**	**For****	**Against****	**Abstain****
1	Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2022			
2	Re-election of Mr Peter Sim Swee Yam as a Director			
3	Re-election of Mr Saw Tatt Ghee as a Director			
4	Approval of Directors' fees amounting to S$99,600 for the financial year ending 30 June 2023, to be paid quarterly in arrears			
5	Re-appointment of Baker Tilly TFW LLP as Auditors of the Company			
6	Authority to allot and issue shares			
7	Authority to grant awards and to allot and issue shares under the ST Group Performance Share Plan			
8	The proposed renewal of the Share Buyback Mandate			

* Delete where inapplicable

** If you wish to use all your votes "For", "Against" or "Abstain", please indicate with an "√" within the box provided. Otherwise, please indicate number of votes "For", "Against" or "Abstain" for each resolution within the box provided. If you mark "√" in the "Abstain" box for a particular resolution, you are directing your proxy(ies) not to vote on that resolution.

Dated this _________ day of October 2022

Total number of Shares in:	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

____

Signature of Member(s)
or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ 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 (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. 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 of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the Proxy Form shall be deemed to relate to all the Shares held by you.

2. Members will not be able to attend the AGM in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it may:

   (a) (where the member is an individual) vote "live" via electronic means at the AGM or (where the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the AGM)*** to vote "live" via electronic means at the AGM on his/her/its behalf; or

   *** For the avoidance of doubt, CPF Investors and SRS Investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the AGM) to vote "live" at the AGM on their behalf.

   (b) (where the member is an individual or corporate) 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 (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment for that resolution will be treated as invalid.

   A proxy need not be a member of the Company.

3. A member of the Company who is not a relevant intermediary entitled to attend the meeting and vote is entitled to appoint one or two proxies to attend and vote in his/her stead.

4. Where a member who is not a relevant intermediary appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

5. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act 1970 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 2001 and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, 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 Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

6. Subject to paragraph 9 below, completion and return of this Proxy Form shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Live Webcast of the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.

7. The completed and signed Proxy Form must be submitted to the Company in the following manner:

   a. by depositing a hard copy (whether in person or by post) at the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or

   b. by sending a scanned PDF copy by email to AGM.TeamE@Boardroomlimited.com,

   in either case **by no later than 1.00 p.m. on 28 October 2022, being seventy-two (72) hours before the time appointed for the AGM**.

   A member who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by depositing to the address provided above, or scanning and sending it by email to the email address provided above.

8. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

9. Investor who holds shares under the CPF Investment Scheme and/or the SRS (as may be applicable) and wishes to appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. 19 October 2022 at 5.00 p.m.).

PERSONAL DATA PRIVACY:

By submitting a Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 October 2022.

GENERAL:

The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

STGROUP

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED

An F&B group with diversified portfolio of internationally popular brands

120 Turner Street, Port Melbourne, VIC 3207, Australia

www.stgroup.net.au

This annual report has been prepared by ST Group Food Industries Holdings Limited (the "**Company**") and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.

This annual report has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report. The contact person for the Sponsor is Mr. David Tham, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza, 1 Singapore 048624, Telephone: +65 6533 9898.