

FOOD INNOVATORS HOLDINGS LIMITED

(Company Registration No.: 201938544H)
(Incorporated in the Republic of Singapore)



Innovator of Exciting and Delicious Cuisines

Invitation in respect of 14,000,000 new Shares comprising 1,000,000 Public Offer Shares at S\$0.22 each by way of a public offer in Singapore and 13,000,000 Placement Shares at S\$0.22 each by way of placement, payable in full on application



OFFER DOCUMENT DATED 9 OCTOBER 2024

(Registered by the Singapore Exchange Securities Trading Limited (the "SGX-ST"), acting as agent on behalf of the Monetary Authority of Singapore (the "Authority") on 9 October 2024)

This document is important. Before making any investment in the securities being offered, you should consider the information provided in this document carefully and consider whether you understand what is described in this document. You should also consider whether an investment in the securities being offered is suitable for you, taking into account your investment objectives and risk appetite. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser(s). You are responsible for your own investment choices.

THIS OFFER IS MADE IN OR ACCOMPANIED BY THIS OFFER DOCUMENT (THIS "OFFER DOCUMENT") THAT HAS BEEN LODGED WITH AND REGISTERED BY THE SGX-ST, ACTING AS AGENT ON BEHALF OF THE AUTHORITY ON 30 AUGUST 2024 AND 9 OCTOBER 2024 RESPECTIVELY. THE REGISTRATION OF THIS OFFER DOCUMENT BY THE SGX-ST, ACTING AS AGENT ON BEHALF OF THE AUTHORITY, DOES NOT IMPLY THAT THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, REQUIREMENTS UNDER THE CATALIST RULES, OR ANY OTHER LEGAL OR REGULATORY REQUIREMENTS, HAVE BEEN COMPLIED WITH.

Food Innovators Holdings Limited (our "Company") is offering 14,000,000 Invitation Shares for subscription by investors at the invitation price of S\$0.22 per Share (the "Invitation Price") (the "Invitation"). The Invitation comprises (i) an offering of 1,000,000 Public Offer Shares to the public in Singapore (the "Public Offer") and (ii) a placement of 13,000,000 Placement Shares to

investors (the "Placement"). Our Shares offered under the Public Offer and the Placement may be reallocated between the Public Offer and the Placement, at the discretion of PrimePartners Corporate Finance Pte. Ltd. ("PPCF", "Sponsor", "Issue Manager", "Underwriter" or "Placement Agent") (in consultation with our Company), subject to any applicable law. Please refer to the section entitled "Plan of Distribution" of this Offer Document.

An application has been made by the Sponsor, Issue Manager, Underwriter and Placement Agent to the SGX-ST for permission to deal in, and for listing and the quotation of, all the ordinary shares ("Shares") in the capital of our Company that are already issued (including PPCF Shares (as defined herein)) and the new Shares which are the subject of this Invitation (the "Invitation Shares"), the new Shares which may be issued upon the exercise of the Pre-IPO Options (as defined herein) (the "Pre-IPO Option Shares") on Catalist (as defined herein). Acceptance of applications will be conditional upon, *inter alia*, the issue of the Invitation Shares and permission being granted by the SGX-ST for the listing and quotation of all our existing issued Shares, including PPCF Shares (as defined herein), Invitation Shares and Pre-IPO Option Shares on Catalist.

Monies paid in respect of any application accepted will be returned if the admission and listing do not proceed. The dealing in and quotation of our Shares will be in Singapore dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Mainboard of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

This Invitation is made or accompanied by this Offer Document that has been registered with the SGX-ST, acting as agent on behalf of the Authority.

We have not lodged or registered this Offer Document in any other jurisdiction.

Investing in our Shares involves risks which are described in the section entitled "Risk Factors" of this Offer Document.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission to Catalist but relies on the Sponsor, Issue Manager, Underwriter and Placement Agent (as defined herein) confirming that our Company is suitable to be listed on Catalist and complies with the Catalist Rules (as defined herein). Neither the Authority nor the SGX-ST has in any way considered the merits of the shares or units of shares being offered for investment.

After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Document.

Sponsor, Issue Manager, Underwriter and Placement Agent

PRIMEⁿ
Partners

PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.
(Company Registration Number.: 200207389D)
(Incorporated in the Republic of Singapore)

WHO ARE WE?

One-stop solution provider for quality traditional Japanese and Japanese-inspired European cuisine restaurants

TWO COMPLEMENTARY BUSINESSES THAT COLLABORATIVELY DRIVE SUSTAINABLE SYNERGISTIC GROWTH



BUSINESS SEGMENTS

Restaurant Leasing and Subleasing Business (RLSB)

Lease restaurant premises from landlords and sublease them to restaurant tenants

Leverage our experience to acquire advantageous properties and tenants through our relationships with landlords and tenants

Food Retail Business (FRB)

Establish, operate, and manage restaurants, along with provision of F&B consulting

Capitalise on the know-how gained in the RLSB to run a successful food retail business



REVENUE MODELS



STABLE

Directly-Owned Restaurants (B2C)
Sale of food products at restaurant outlets

Collaboration Restaurants (B2C/B2B)
Profit sharing model

F&B Consulting and Operation Management Services (B2B)
Recurring income from provision of F&B consulting services

GROWTH

GEOGRAPHICAL FOOTPRINT



JAPAN

12 Restaurants
214 Subleased Properties



SINGAPORE

10 Restaurants



MALAYSIA

4 Restaurants
1 Bakery Café
1 Central Kitchen Facility



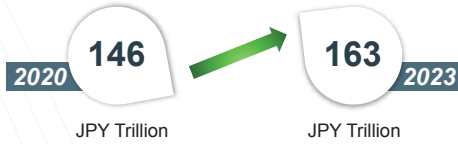
INDUSTRY OUTLOOK



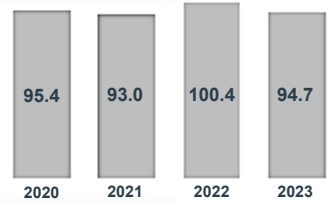
JAPAN

Restaurant leasing and subleasing to drive recurring returns

Real Estate
Retail Sales



No. of Restaurants
(YoY growth %)



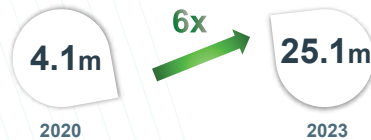
Positive long-term growth as restaurants benefit from macroeconomic factors

Foreign tourism post COVID-19

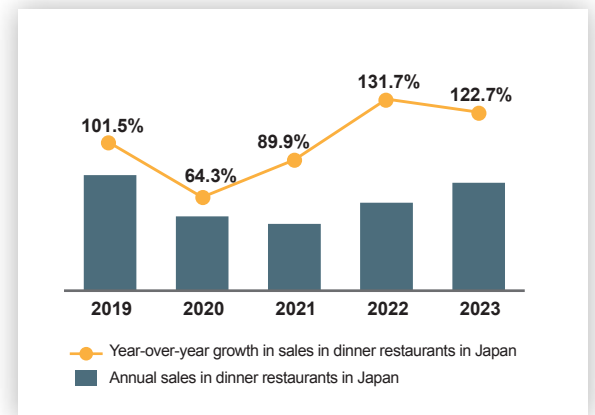
F&B spending increased sharply

Restaurant sales accelerated

No. of
Visitors



F&B Spending
(2023 vs 2019)



Note: * The dataset of annual sales in dinner restaurants in Japan is for illustrative purposes only.



MALAYSIA & SINGAPORE



FUTURE PLANS

Restaurant Leasing and Subleasing Business

Expand in Japan, focusing on the Tokyo Metropolitan Area and other major cities in Japan

Food Retail Business

Strategic overseas expansion through collaborations with local Japanese restaurant operators

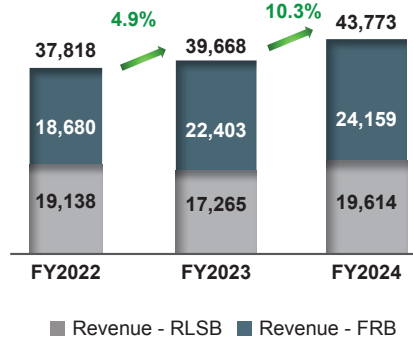
Introduce new Japanese food brands and concepts in Singapore and Malaysia to enhance offerings and capture wider group of customer segments

Enhance market presence of the "Moomin" brand in Japan, acquire operating rights of popular anime-themed restaurants and expand food retail business in Japan

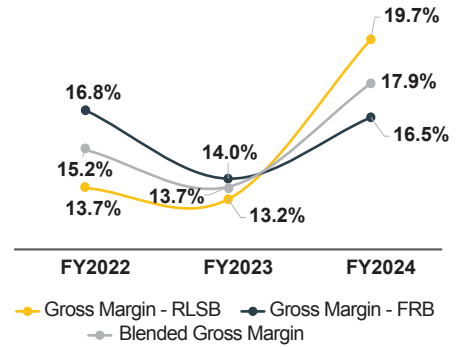
FINANCIAL HIGHLIGHTS

Robust growth in FRB complemented by the stability of RLSB to deliver double-digit revenue growth

Unit: S\$'000



Gross profit margin for both business segments is on a positive trajectory



Proposed Dividend Payout Ratio

20%

Of Net Profit After Tax For FY2025 and FY2026

COMPETITIVE STRENGTHS



One-stop solution: Two complementary businesses and ancillary services help us reap synergistic benefits



Strong tenant relationships facilitate identification of strategic locations and high occupancy



Ability to **expand Japanese brands to overseas markets** by identifying promising candidates



Comprehensive end-to-end consulting services ranging from leasing to support services for new ventures



Optimal site and location selection for restaurants and subleased properties



Strong in-house product development team innovates fresh dining experiences and interesting food concepts



Experienced and dedicated management team with an established track record with each management team member having more than 10 years each

TABLE OF CONTENTS

CORPORATE INFORMATION	5
DEFINITIONS	7
GLOSSARY OF TECHNICAL TERMS	17
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	18
SELLING RESTRICTIONS	21
DETAILS OF THE INVITATION	22
INDICATIVE TIMETABLE FOR LISTING	27
PLAN OF DISTRIBUTION	29
OFFER DOCUMENT SUMMARY	32
OUR COMPANY	32
OUR BUSINESS	32
SUMMARY OF OUR FINANCIAL INFORMATION	32
OUR COMPETITIVE STRENGTHS	34
OUR BUSINESS STRATEGIES AND FUTURE PLANS	34
OUR CONTACT DETAILS	35
EXCHANGE RATES	36
THE INVITATION	37
INVITATION STATISTICS	38
RISK FACTORS	40
RISKS RELATING TO OUR BUSINESS AND THE INDUSTRY	40
RISKS RELATING TO INVESTMENT IN OUR SHARES	67
USE OF PROCEEDS AND LISTING EXPENSES	71
DIVIDEND POLICY	73
SHARE CAPITAL	75
OWNERSHIP STRUCTURE	79
SHAREHOLDERS	79

TABLE OF CONTENTS

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP	82
MORATORIUM	82
DILUTION	89
GROUP STRUCTURE	91
SELECTED CONSOLIDATED FINANCIAL INFORMATION	94
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION	97
CAPITALISATION AND INDEBTEDNESS	121
WORKING CAPITAL	122
CREDIT FACILITIES	124
GENERAL INFORMATION ON OUR GROUP	128
HISTORY	128
BUSINESS OVERVIEW	135
MARKETING AND BUSINESS DEVELOPMENT	158
MAJOR CUSTOMERS	160
MAJOR SUPPLIERS	160
CREDIT MANAGEMENT	161
INVENTORY MANAGEMENT FOR FRB	163
RESEARCH AND DEVELOPMENT	164
ORDER BOOK	164
LICENCES, PERMITS, APPROVALS, ACCREDITATIONS AND GOVERNMENT REGULATIONS	164
PROPERTIES AND FIXED ASSETS	189
INTELLECTUAL PROPERTY RIGHTS	209
QUALITY MANAGEMENT IN RESPECT OF OUR FRB	213
INSURANCE	214
STAFF TRAINING	215

TABLE OF CONTENTS

SEASONALITY	215
AWARDS AND ACCOLADES	216
COMPETITION	216
COMPETITIVE STRENGTHS	217
PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS	221
PROSPECTS AND TREND INFORMATION	221
BUSINESS STRATEGIES AND FUTURE PLANS	243
INTERESTED PERSON TRANSACTIONS	245
INTERESTED PERSONS	245
PAST INTERESTED PERSON TRANSACTIONS	245
PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS	248
GUIDELINES AND REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS	252
POTENTIAL CONFLICTS OF INTEREST	254
DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES	257
DIRECTORS	257
INDEPENDENCE OF OUR INDEPENDENT DIRECTORS	260
EXPERIENCE AND TRAINING OF OUR DIRECTORS	262
EXECUTIVE OFFICERS	263
MANAGEMENT REPORTING STRUCTURE	267
REMUNERATION OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES .	268
EMPLOYEES	272
SERVICE AGREEMENTS	273
PRE-IPO OPTIONS	277
CORPORATE GOVERNANCE	283
DESCRIPTION OF OUR SHARES	293
EXCHANGE CONTROLS	298

TABLE OF CONTENTS

CLEARANCE AND SETTLEMENT	300
GENERAL AND STATUTORY INFORMATION	301
APPENDIX A INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024	A-1
APPENDIX B INDEPENDENT AUDITORS’ ASSURANCE REPORT AND THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024	B-1
APPENDIX C INDUSTRY REPORT	C-1
APPENDIX D SUMMARY OF SELECTED REGULATIONS OF OUR CONSTITUTION	D-1
APPENDIX E PRE-IPO OPTIONS	E-1
APPENDIX F TAXATION	F-1
APPENDIX G TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE	G-1

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Furukawa Kazuteru (Executive Chairman) Kubota Yasuaki (Chief Executive Officer) Shida Yukihiro (Lead Independent Director) Saito Kazuya (Independent Director) Faye Chong Wen Qi (Independent Director)
JOINT COMPANY SECRETARIES	:	Tan Zhi Wei, ACS, ACG Chai Li-Lin Charlene, FCA (Singapore)
REGISTERED OFFICE	:	6 Eu Tong Sen Street #09-17 The Central Singapore 059817
PRINCIPAL PLACE OF BUSINESS	:	Dai-3 Aiwa Building 5F 5-18-11 Nishi-Ikebukuro Toshima-ku, Tokyo, 171-0021 Japan
SHARE REGISTRAR AND SHARE TRANSFER OFFICE	:	Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632
SPONSOR, ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT	:	PrimePartners Corporate Finance Pte. Ltd. 16 Collyer Quay #10-00 Collyer Quay Centre Singapore 049318
AUDITORS AND REPORTING ACCOUNTANTS	:	Forvis Mazars LLP (Formerly known as Mazars LLP) 135 Cecil St #10-01 Singapore 069536 Partner-in-charge: Ooi Chee Keong (A member of the Institute of Singapore Chartered Accountants)
SOLICITORS TO THE INVITATION AND LEGAL ADVISER TO OUR COMPANY ON SINGAPORE LAW	:	RHTLaw Asia LLP 1 Paya Lebar Link #06-08 PLQ 2 Paya Lebar Quarter Singapore 408533
LEGAL ADVISER TO THE SPONSOR, ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT ON SINGAPORE LAW	:	Wong Tan & Molly Lim LLC 80 Robinson Road #17-02 Singapore 068898

CORPORATE INFORMATION

LEGAL ADVISER TO OUR COMPANY ON JAPANESE LAW	:	Anderson Mori & Tomotsune Otemachi Park Building 1-1-1 Otemachi, Chiyoda-ku, Tokyo 100-8136, Japan
LEGAL ADVISER TO OUR COMPANY ON MALAYSIAN LAW	:	Wong Beh & Toh Peti#30, Level 19, West Block, Wisma Golden Eagle Realty, 142-C Jalan Ampang 50450 Kuala Lumpur, Malaysia
INDEPENDENT MARKET RESEARCHER	:	Yano Research Institute Nakanosakaue Central Bldg. 2-46-2 Honcho Nakano-ku, Tokyo
PRINCIPAL BANKER	:	MUFG Bank, Ltd. 2 Chome-7-1 Marunouchi Chiyoda City Tokyo 100-0005, Japan
RECEIVING BANKER	:	The Bank of East Asia Limited 60 Robinson Road BEA Building Singapore 068892

DEFINITIONS

In this Offer Document and the accompanying Application Forms, the following definitions apply where the context so admits:

Group Companies

“Company”, “Food Innovators Holdings”, or “FIH”	:	Food Innovators Holdings Limited. The terms “we”, “our”, “our Company” or “us” have correlative meanings
“Group”	:	Our Company and its subsidiaries
“FIJ”	:	Food Innovators Japan Co., Ltd., our Japan subsidiary
“FIM”	:	F Innovators Malaysia Sdn. Bhd., our Malaysia subsidiary
“FIS”	:	F Innovators Singapore Pte. Ltd., our Singapore subsidiary
“FIT”	:	F Innovators Taiwan Co., Ltd, our Taiwan subsidiary previously
“Kurimen”	:	Kurimen Co., Ltd, our Japan subsidiary previously
“TMT”	:	Tomaatti Co., Ltd, our Japan subsidiary

Other Corporations, Agencies and Bodies

“AKIRA”	:	AKIRA Fusion Cuisine Co., Ltd.
“Amazing Food”	:	Amazing Food International Co., Ltd.
“Authority”	:	The Monetary Authority of Singapore
“CDP”	:	The Central Depository (Pte) Limited
“CPF”	:	The Central Provident Fund
“F-Holdings”	:	F-Holdings Co., Ltd.
“FIJ Investment”	:	FIJ Investment Co., Ltd.
“FIK”	:	FIK Co., Ltd
“Foodys”	:	Foodys Co., Ltd
“FRP”	:	Food Reproduction Pte. Ltd.
“Independent Market Researcher”	:	Yano Research Institute

DEFINITIONS

“Issue Manager”, “Placement Agent”, “Sponsor”, “Underwriter” or “PPCF”	:	PrimePartners Corporate Finance Pte. Ltd.
“Mynavi Bridge”	:	Mynavi Bridge Corporation
“Mynavi SPC”	:	FIJ Tenpo, LLC, a special purpose company incorporated and owned by Mynavi Bridge under the laws of Japan for the purposes of the Mynavi Restaurant Business Fund
“Receiving Banker”	:	The Bank of East Asia Limited
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“URA”	:	Urban Redevelopment Authority

Legislation and Regulations

“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“FIEA”	:	The Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended)
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SFR”	:	The Securities and Futures (Offer of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore, as amended, modified or supplemented from time to time

General

“Advisory and Consulting Services”	:	The restaurant management consulting and advisory services offered by our Group
“Application Forms”	:	The printed application forms to be used for the purpose of the Invitation and which form part of this Offer Document
“Application List”	:	The list of applications for subscription of the Invitation Shares

DEFINITIONS

“associate”	:	<p>As defined in the Catalist Rules,</p> <p>(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:</p> <p style="padding-left: 40px;">(i) his immediate family;</p> <p style="padding-left: 40px;">(ii) the trustee of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and</p> <p style="padding-left: 40px;">(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and</p> <p>(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more,</p> <p>or may, where the context so requires, having the meaning ascribed to it in the Fourth Schedule of the SFR</p>
“associated company”	:	<p>In relation to a company, means a company in which at least 20.0% but not more than 50.0% of its shares are held by the listed company or group, or such other definition as set out in the SFR</p>
“ATM”	:	<p>Automated teller machine of a Participating Bank</p>
“ATM Electronic Applications”	:	<p>The applications for the Public Offer Shares made through the ATMs of the Participating Banks</p>
“Audit Committee”	:	<p>The audit committee of our Company as at the date of this Offer Document and from time to time</p>
“Board” or “Board of Directors”	:	<p>The board of Directors of our Company as at the date of this Offer Document and from time to time</p>
“Catalist”	:	<p>The sponsor-supervised listing platform of the SGX-ST</p>
“CEO”	:	<p>The chief executive officer of our Company as at the date of this Offer Document and from time to time</p>

DEFINITIONS

“CFO”	:	The chief financial officer of our Company as at the date of this Offer Document and from time to time
“Constitution”	:	The constitution of our Company, as amended, supplemented or modified from time to time
“Controlling Shareholder”	:	As defined in the Catalist Rules: (a) a person who holds directly or indirectly 15.0% or more of the nominal amount of all the voting shares in our Company (unless otherwise determined by the SGX-ST); or (b) a person who in fact exercises control over our Company
“COVID-19”	:	Coronavirus disease 2019, an infectious disease caused by the SARS-CoV-2 virus
“Directly-Owned Restaurants”	:	The restaurants that are owned and managed under our Group
“Director(s)”	:	The director(s) of our Company as at the date of this Offer Document and from time to time
“Electronic Application”	:	The applications for the Public Offer Shares made through ATM Electronic Applications, Internet Electronic Applications and mBanking Applications
“Entity at Risk”	:	(a) Our Company; (b) a subsidiary of our Company that is not listed on the SGX-ST or an approved exchange; or (c) an associated company of our Company that is not listed on the SGX-ST or an approved exchange, provided that our Group, or our Group and our Interested Person(s), has control over the associated company
“EPS”	:	Earnings per Share
“Executive Director”	:	An executive director of our Company as at the date of this Offer Document and from time to time
“Executive Officer”	:	An executive officer of our Group as at the date of this Offer Document and from time to time

DEFINITIONS

“F&B Consulting and Operations Management Services”	:	The consulting services provided by our Group which includes (a) Advisory and Consulting Services and (b) Restaurant Operations Management Services
“Food Innovators Employee Share Option Scheme” or “Scheme”	:	The Food Innovators Employee Share Option Scheme, the terms of which are set out in “Appendix E – Pre-IPO Options” of this Offer Document
“FY”	:	Financial year ended or ending on the last day of February, as the case may be
“FRB”	:	Food Retail Business of our Group
“GST”	:	Goods and services tax
“IB”	:	Internet Banking
“Industry Report”	:	Industry report dated 29 August 2024 issued by the Independent Market Researcher
“Independent Director”	:	An independent director of our Company as at the date of this Offer Document and from time to time
“Interested Person”	:	(a) A Director, CEO or Controlling Shareholder of our Company; or (b) an associate of any such Director, CEO or Controlling Shareholder
“Interested Person Transaction”	:	A Transaction between an Entity at Risk and an Interested Person
“Internet Electronic Applications”	:	The applications for the Public Offer Shares made through the IB websites of the Participating Banks
“Invitation”	:	The Public Offer and the Placement
“Invitation Shares”	:	The Public Offer Shares and the Placement Shares
“Invitation Price” or “Issue Price”	:	S\$0.22 for each Invitation Share
“Latest Practicable Date”	:	19 August 2024, being the latest practicable date prior to the lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority
“Lead Independent Director”	:	The lead Independent Director of our Company as at the date of this Offer Document and from time to time

DEFINITIONS

“Licensing Agreements”	:	The two (2) licensing agreements entered into in relation to the licensing of “ <i>Moomin</i> ”, a Scandinavian cartoon character
“Listing”	:	The listing of our Company and the quotation of our Shares on Catalist
“Listing Date”	:	The date of commencement of dealing in our Shares on Catalist
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“mBanking”	:	Mobile banking
“mBanking Applications”	:	The applications for the Public Offer Shares made through the mBanking interface of Participating Banks
“Mynavi Restaurant Business Fund”	:	The fund focusing on the FRB which was set up by Mynavi Bridge as part of the partnership between FIJ and Mynavi Bridge
“NAV”	:	Net asset value
“Nominating Committee”	:	The nominating committee of our Company as at the date of this Offer Document and from time to time
“Non-Executive Director”	:	A non-executive director of our Company (including an Independent Director) as at the date of this Offer Document and from time to time
“NTA”	:	Net tangible assets
“Offer Document”	:	This offer document dated 9 October 2024 issued by our Company in respect of the Invitation
“Official List”	:	The list of issuers maintained by the SGX-ST in relation to Catalist
“One-Off Share Options”	:	The one-off share options granted to four (4) former employees of our Group, further details are set out in the section entitled “Pre-IPO Options – One-Off Share Option” of this Offer Document
“Option(s)”	:	The share option(s) which have been granted pursuant to the Food Innovators Employee Share Option Scheme
“Participant”	:	A person who is eligible and who is selected by the Committee to participate in the Scheme in accordance with Rule 4 of the Scheme

DEFINITIONS

“Participating Banks”	:	DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited
“PER”	:	Price earnings ratio
“Period Under Review”	:	The period which comprises FY2022, FY2023 and FY2024
“Placement”	:	The placement by the Placement Agent of the Placement Shares on behalf of our Company for subscription at the Invitation Price, subject to and on the terms and conditions set out in this Offer Document
“Placement Agreement”	:	The placement agreement dated 9 October 2024 entered into between our Company and the Placement Agent in connection with the Listing, details of which are set out in the section entitled “Plan of Distribution” and the subsection entitled “General and Statutory Information – Management, Underwriting and Placement Arrangements” of this Offer Document
“Placement Shares”	:	The 13,000,000 new Shares which are the subject of the Placement
“Pre-IPO Options”	:	The Options and One-Off Share Options, as described in the section entitled “Directors, Executive Officers and Employees – Remuneration of Directors, Executive Officers and Employees Remuneration – Pre-IPO Options” of this Offer Document
“Pre-IPO Investment”	:	The new capital injection which occurred prior to the Listing
“Pre-IPO Option Shares”	:	The new Shares which have been allotted and issued from time to time pursuant to the exercise of the Pre-IPO Options
“PPCF Shares”	:	The 568,000 new Shares allotted and issued by our Company to PPCF as part of PPCF’s management fees as the Sponsor, Issue Manager, Underwriter and Placement Agent after the date of lodgement of this Offer Document but before the registration of this Offer Document
“Public Offer”	:	The offer by our Company to the public in Singapore of the Public Offer Shares for subscription at the Invitation Price, subject to and on the terms and conditions of this Offer Document

DEFINITIONS

“Public Offer Shares”	:	The 1,000,000 new Shares for which our Company invites applications to subscribe, pursuant to the Public Offer, subject to and on the terms and conditions of this Offer Document
“Relevant Period”	:	The Period Under Review and the period from 1 March 2024 up to the Latest Practicable Date
“Remuneration Committee”	:	The remuneration committee of our Company as at the date of this Offer Document and from time to time
“Restructuring Exercise”	:	The restructuring exercise undertaken in 2020
“Restaurant Operations Management Services”	:	The provision of restaurant operations management services by TMT
“RLSB”	:	Restaurant Leasing and Subleasing Business of our Group
“Securities Account”	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
“Service Agreements”	:	The service agreements entered into by our Company with (a) our Executive Chairman, Furukawa Kazuteru; (b) our CEO, Kubota Yasuaki; and (c) our CFO, Tetsura Masao, details of which are set out in the sub-section entitled “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document
“SFRS(I)”	:	Singapore Financial Reporting Standards (International)
“SGXNET”	:	Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies or any other system networks prescribed by the SGX-ST
“Share(s)”	:	Ordinary share(s) in the capital of our Company
“Shareholder(s)”	:	The registered holder(s) of Shares, except where the registered holder is CDP, the term “Shareholder(s)” shall, in relation to such Shares, mean the Depositor(s) whose Securities Account(s) is/are credited with Shares
“Sponsorship, Management and Underwriting Agreement”	:	The sponsorship, management and underwriting agreement dated 9 October 2024 entered into between our Company and PPCF in connection with the Listing, details of which are set out in the section entitled “Plan of Distribution” and the sub-section entitled “General and Statutory Information – Management, Underwriting and Placement Arrangements” of this Offer Document

DEFINITIONS

“Store Assets Transfer Agreement”	:	The agreement entered into between FIJ and TMT dated 1 September 2023 in relation to the sale and purchase of store assets of FIJ
“Substantial Shareholder”	:	A person who has an interest in one or more voting shares, and the total votes attached to that share, or those shares, is not less than 5.0% of the total votes attached to all the voting shares (excluding treasury shares) in our Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers
“TMT Directly-Owned Restaurants”	:	The restaurants that are owned and managed under TMT (previously FIJ) namely, <i>TRATTORIA Niwa</i> , <i>Moomin Café Karuizawa</i> , <i>Nordics</i> and <i>LAGOM</i>
“Transaction”	:	Includes: (a) the provision or receipt of financial assistance; (b) the acquisition, disposal or leasing of assets; (c) the provision or receipt of goods or services; (d) the issuance or subscription of securities; (e) the granting of or being granted options; and (f) the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities)

Currencies, Units and Others

“NTD”	:	New Taiwan dollars, the lawful currency of Taiwan
“RM”	:	Malaysian ringgit, the lawful currency of Malaysia
“S\$” and “cents” or “SGD”	:	Singapore dollars and cents respectively, the lawful currency of Singapore
“sq ft”	:	Square feet
“¥” or “JPY” or “yen”	:	Japanese yen, the lawful currency of Japan
“%” or “per cent”	:	Per centum

DEFINITIONS

Any capitalised terms relating to the Food Innovators Employee Share Option Scheme which are not defined in this section of this Offer Document shall have the meanings ascribed to them as defined in “Appendix E – Pre-IPO Options” of this Offer Document.

The expressions “associated entity”, “controlling interest-holder”, “related corporation”, “related entity”, “subsidiary”, “subsidiary entity” and “substantial interest-holder” shall have the meanings ascribed to them respectively in the SFA, the SFR, the Companies Act and/or the Catalist Rules, as the case may be.

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Unless otherwise stated, any reference in this Offer Document and/or the Application Forms to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the SFA, the SFR, the Companies Act or any statutory modification thereof and used in this Offer Document and/or the Application Forms shall, where applicable, have the meaning ascribed to it under the SFA, the SFR, the Companies Act or any statutory modification thereto, as the case may be.

Any reference in this Offer Document and/or the Application Forms to Shares being allotted and issued to an applicant includes the allotment and issuance to CDP for the account of that applicant.

Any reference to a time of day in this Offer Document and/or the Application Forms is a reference to Singapore time, unless otherwise stated.

Any reference to “we”, “us”, “our”, “ourselves” or other grammatical variations thereof in this Offer Document is a reference to our Company, our Group, or any member of our Group, as the context requires.

Any discrepancies in the tables included herein between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

References in this Offer Document to Appendix or Appendices are references to an appendix or appendices respectively of this Offer Document.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of our business, the following glossary provides an explanation and description of some of the technical terms and abbreviations used in this Offer Document. The terms and abbreviations and their assigned meanings should not be treated as being definitive of their meanings, and may not correspond to standard industry or common meanings or usage, as the case may be, of these terms and abbreviations.

“central kitchen”	:	A food preparation facility that processes, prepares and supplies certain food ingredients and products to the outlets under the respective brands
“F&B”	:	Food and beverage
“Landlords”	:	The landlords of our RLSB pursuant to the Master Lease Agreements
“Master Lease Agreements”	:	The lease agreements (whether fixed-term building lease or ordinary building lease) entered into between Landlords and FIJ
“Mynavi Restaurant Operators”	:	Existing restaurant operators sourced by FIJ for Mynavi SPC which may require financing
“outlets”	:	F&B establishments comprising restaurants
“restaurant tenants”	:	The restaurant operators or prospective restaurant operators who are renting the subleased property
“Sublease Agreements”	:	The sublease agreements (whether fixed-term building lease or ordinary building lease) entered into between FIJ and restaurant tenants

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us, our Directors, Executive Officers, employees or authorised persons acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “expect”, “believe”, “plan”, “intend”, “predict”, “estimate”, “profit estimate”, “anticipate”, “may”, “will”, “would” and “could” or similar words and phrases. However, you should note that these words or phrases are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including without limitation, statements as to:

- (a) our revenue and profitability;
- (b) projections of capital expenditure in general and other financial items;
- (c) cost measures, planned strategy and anticipated expansion plans;
- (d) expected growth in demand and expected industry trends; and
- (e) any other matters discussed in this Offer Document regarding matters that are not historical fact, are only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, *inter alia*, the following:

- (a) the competitive environment that our Group operates in;
- (b) changes in political, social and economic conditions, the regulatory environment, laws and regulations and interpretation thereof in the jurisdictions where we conduct business or expect to conduct business;
- (c) the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;
- (d) changes in currency exchange or interest rates;
- (e) changes in the availability and prices of goods and services we need to operate our business;
- (f) changes in customer preferences and needs;
- (g) changes in technology;
- (h) changes in competitive conditions and our ability to compete under such conditions;
- (i) changes in our senior management team or loss of key employees;

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

- (j) changes in our future capital needs and the availability of financing and capital to fund these needs;
- (k) rising labour costs and labour shortages, and our ability to attract and retain skilled personnel;
- (l) infringement of the intellectual property rights that we own;
- (m) our insurance coverage may not be adequate to indemnify us against all possible liabilities;
- (n) we may seek opportunities for growth through acquisitions, joint ventures, investments and partnerships, but these may not be successful;
- (o) our Group's business and expansion plans in the future may be subject to our ability to raise capital and successfully implement our growth strategies;
- (p) lease renewal, increase in lease rental rates and risk of relocation, may cause disruption to our business operations;
- (q) disputes, legal and other proceedings arising out of our operations from time to time;
- (r) terrorist attacks, armed conflicts and increased hostilities, natural disasters and outbreak of communicable diseases; and
- (s) other factors beyond our control.

Some of these factors are discussed in greater detail in this Offer Document, in particular, but not limited to, the discussions under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document. These forward-looking statements are applicable only as at the date of this Offer Document.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on these statements which apply only as at the date of this Offer Document.

None of our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent or any other person represents or warrants to you that our actual future results, performance or achievements will be as discussed in those statements.

All forward-looking statements by or attributable to us, or persons acting on our behalf, contained in this Offer Document are expressly qualified in their entirety by such factors. Our actual future results may differ materially from those anticipated in those forward-looking statements as a result of the risks faced by us. Our Company, our Directors and the Sponsor, Issue Manager, Underwriter and Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

We are, however, subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosures. In particular, pursuant to Section 241 of the SFA, if after this Offer Document is registered with the SGX-ST, acting as agent on behalf of the Authority, but before the close of the Invitation, we become aware of:

- (a) a false or misleading statement in this Offer Document;
- (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA, the SFR or the Catalist Rules; or
- (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority, and would have been required by Section 243 of the SFA, the SFR or the Catalist Rules to be included in this Offer Document if it had arisen before this Offer Document was lodged,

and that is materially adverse from the point of view of an investor, we may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority.

SELLING RESTRICTIONS

SINGAPORE

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the Invitation Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation.

No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory authorities of, any jurisdiction, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit an offering of the Invitation Shares and the distribution of this Offer Document in Singapore.

The distribution of this Offer Document and the offering of the Invitation Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions.

Persons who may come into possession of this Offer Document are required by us and the Sponsor, Issue Manager, Underwriter and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us and the Sponsor, Issue Manager, Underwriter and Placement Agent.

Each person to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

By accepting this Offer Document, you agree to be bound by the foregoing limitations. No part of this Offer Document may be (a) copied, photocopied or duplicated in any form by any means; or (b) distributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose.

JAPAN

The Invitation Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “**FIEA**”) and may not be offered or sold, directly or indirectly, in Japan, or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any applicable laws, rules, regulations and governmental guidelines of Japan.

DETAILS OF THE INVITATION

LISTING ON CATALIST

A copy of this Offer Document has been lodged with and registered by the SGX-ST, acting as agent on behalf of the Authority. The registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, does not imply that the SFA, the Catalist Rules or any other legal or regulatory requirements, have been complied with. The SGX-ST, acting as agent on behalf of the Authority, has not, in any way, considered the merits of our Shares, being offered for investment. We have not lodged this Offer Document in any other jurisdiction.

An application has been made to the SGX-ST for permission to deal in, and for the listing and quotation of, all our Shares already issued (including the PPCF Shares), the Invitation Shares, which are the subject of the Invitation, as well as the Pre-IPO Option Shares on Catalist. Such permission will be granted when we have been admitted to the Official List of Catalist. Our acceptance of applications will be conditional upon, *inter alia*, the issue of the Invitation Shares and upon permission being granted by the SGX-ST for the listing and quotation of, all of our Shares including the PPCF Shares, the Invitation Shares, as well as the Pre-IPO Option Shares on Catalist. If the admission, listing and trading of our Shares do not occur or the said permission is not granted for any reason, monies paid in respect of any application accepted will be returned, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, and the applicant will not have any claim against us and the Sponsor, Issue Manager, Underwriter and Placement Agent.

No Shares will be allotted on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Mainboard of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission to Catalist but relies on the Sponsor to confirm that our Company is suitable to be listed and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has in any way considered the merits of our Shares being offered for investment.

Admission to the Official List of Catalist is not to be taken as an indication of the merits of the Invitation, our Company, our subsidiaries, our existing issued Shares (including the PPCF Shares), the Invitation Shares, or the Pre-IPO Option Shares.

Notification under Section 309B(1) of the SFA, as applicable: Our Shares, which are stocks or shares issued or proposed to be issued by a corporation or body unincorporate (other than a corporation or body unincorporate that is a collective investment scheme), are prescribed capital markets products (as defined in the Schedule of the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

DETAILS OF THE INVITATION

We are subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosure. In particular, if after the registration of this Offer Document, but before the close of the Invitation, we become aware of:

- (a) a false or misleading statement or matter in the Offer Document;
- (b) an omission from the Offer Document of any information that should have been included in it under the requirements of Section 243 of the SFA, the SFR or under the Catalist Rules; or
- (c) a new circumstance that has arisen since the Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority and which would have been required by Section 243 of the SFA to be included in the Offer Document if it had arisen before this Offer Document was lodged,

that is materially adverse from the point of view of an investor, we may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority.

In the event that a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Invitation shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the Invitation Shares and:

- (a) where the Invitation Shares have not been issued to the applicants, our Company shall either:
 - (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - (iii) (A) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled; and (B) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, pay to the applicants all monies the applicants have paid on account of their applications for the Invitation Shares; or

DETAILS OF THE INVITATION

- (b) where the Invitation Shares have been issued to the applicants, our Company shall either:
- (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the Invitation Shares which they do not wish to retain title in; and

(B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the Invitation Shares, which they do not wish to retain title in; or
 - (iii) (A) treat the issue of the Invitation Shares as void, in which case the issue of the Invitation Shares shall be deemed void; and (B) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, as the case may be, pay to the applicants all monies paid by them for the Invitation Shares.

Any applicant who wishes to exercise his option under paragraph (a)(i) or (a)(ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this, whereupon we shall, within seven (7) days from the receipt of such notification, pay to the applicant all monies paid by the applicant on account of the applicant's application for the Invitation Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk, and he will not have any claim against us and the Sponsor, Issue Manager, Underwriter and Placement Agent.

An applicant who wishes to exercise his option under paragraph (b)(i) or (b)(ii) to return the Invitation Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this and return all documents, if any, purporting to be evidence of title to those Invitation Shares to us, whereupon we shall, within seven (7) days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those Invitation Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the issue of those Invitation Shares shall be deemed to be void, and he will not have any claim against us and the Sponsor, Issue Manager, Underwriter and Placement Agent.

Pursuant to Section 242 of the SFA, the Authority may, in certain circumstances issue a stop order (the "**Stop Order**") to our Company, directing that no Shares or no further Shares to which this Offer Document relates, be allotted, issued or sold. Such circumstances will include a situation where this Offer Document (i) contains any statement or matter which, in the Authority's opinion, is false or misleading, (ii) omits any information that should have been included in it under Section 243 of the SFA, (iii) does not, in the Authority's opinion, comply with the requirements of the SFA, or (iv) the Authority is of the opinion that it is in the public interest to do so.

DETAILS OF THE INVITATION

In the event that the Authority issues a Stop Order and applications to subscribe for the Invitation Shares have been made prior to the Stop Order, then:

- (a) where the Invitation Shares have not been issued to the applicants, the applications for the Invitation Shares shall be deemed to have been withdrawn and cancelled and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the Invitation Shares; or
- (b) where the Invitation Shares have been issued to the applicants, the issue of the Invitation Shares shall be deemed to be void and our Company shall, (i) if no documents purporting to evidence title to those Invitation Shares have been issued to the applicants, within seven (7) days from the date of the Stop Order, return the applicants all monies the applicants have paid on account of their applications for the Invitation Shares, or (ii) if documents purporting to evidence title to those Invitation Shares have been issued to the applicants, within seven (7) days from the date of the Stop Order, inform the applicants to return such documents to our Company within 14 days from that date and within seven (7) days from the date of receipt of such documents or the date of the Stop Order, whichever is the later, return the applicants all monies the applicants have paid on account of their applications for the Invitation Shares.

Such monies paid in respect of an application will be returned to the applicants at their own risk, without interest or any share of revenue or other benefit arising therefrom, and they will not have any claims against our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent.

This Offer Document has been seen and approved by our Directors and they individually and collectively accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after having made all reasonable enquiries, that to the best of their knowledge and belief, there are no material facts the omission of which would make any statements in this Offer Document misleading, and that this Offer Document constitutes full and true disclosure of all material facts about the Invitation our Group and our Shares. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Offer Document in its proper form and context.

No representation, warranty or covenant, expressed or implied, is made by us, the Sponsor, Issue Manager, Underwriter and Placement Agent or any of our or their respective affiliates, directors, officers, employees, agents, representatives or advisers as to the accuracy or completeness of the information contained herein, and nothing contained in this Offer Document is, or shall, to the extent permitted by law, be relied upon as a promise, representation or covenant by us, the Sponsor, Issue Manager, Underwriter and Placement Agent or any of our or their respective affiliates, directors, officers, employees, agents, representatives or advisers.

Neither us, the Sponsor, Issue Manager, Underwriter and Placement Agent nor any other parties involved in the Invitation is making any representation to any person regarding the legality of an investment by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own professional or other advisers for business, legal or tax advice regarding an investment in our Shares.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by us or the

DETAILS OF THE INVITATION

Sponsor, Issue Manager, Underwriter and Placement Agent. Neither the delivery of this Offer Document and the Application Forms nor any documents relating to the Invitation, nor the Invitation shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change or development reasonably likely to create any change in our affairs, conditions or prospects, or the Invitation Shares or in the statements of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we may make an announcement of the same to the SGX-ST and/or the Authority and the public and if required, we may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority and will comply with the requirements of the SFA and/or any other requirements of the SGX-ST and/or Authority. All applicants should take note of any such announcements, or supplementary or replacement offer document and, upon the release of such an announcement, or supplementary or replacement offer document, shall be deemed to have notice of such changes.

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies. The Invitation Shares are offered for subscription solely on the basis of the information contained and representations made in this Offer Document.

This Offer Document has been prepared solely for the purpose of the Invitation and may not be relied upon by any other persons other than the applicants in connection with their application for the Invitation Shares or for any other purposes.

This Offer Document does not constitute an offer, solicitation or invitation of the Invitation Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or unauthorised, nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such offer, solicitation or invitation.

Copies of this Offer Document and the Application Forms may be obtained on request, subject to availability during office hours, from:

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Collyer Quay Centre
Singapore 049318

A copy of this Offer Document is also available on the SGX-ST website at <http://www.sgx.com>.

The Invitation will open from 9 October 2024 immediately upon the registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority (the “Registration”), and will remain open until 12.00 noon on 14 October 2024 or for such further period or periods as our Directors may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws and regulations. In the event a supplementary offer document or a replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for application of the Invitation Shares are set out in “Appendix G – Terms and Conditions and Procedures for Application and Acceptance” of this Offer Document.

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable for the Invitation and trading in our Shares is set out below for your reference:

Indicative Date/Time	Event
9 October 2024 (immediately upon registration of this Offer Document)	Commencement of the Invitation
14 October 2024 at 12.00 noon	Close of Application List
15 October 2024	Balloting of applications in the Public Offer, if necessary (in the event of an over-subscription for the Public Offer Shares). Commence refund of application monies to unsuccessful or partially successful applicants, if necessary
16 October 2024 at 9.00 a.m.	Commence trading on a “ready” basis
18 October 2024	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative as it assumes that the date of closing of the Application List will be on 14 October 2024, the date of admission of our Company to the Official List of Catalist will be on 16 October 2024, the SGX-ST’s shareholding spread requirement will be complied with and the Invitation Shares will be allotted and issued and fully paid-up prior to 16 October 2024. **The actual date on which our Shares will commence trading on a “ready” basis will be announced when it is confirmed by the SGX-ST. All dates and times referred to above are Singapore dates and times.**

The above timetable and procedure may be subject to such modification as the SGX-ST may, in its absolute discretion, decide, including the decision to permit commencement of trading on a “ready” basis and the commencement date of such trading. All persons trading in our Shares before their Securities Accounts with CDP are credited with the relevant number of Shares do so at the risk of selling Shares which neither they nor their nominees, as the case may be, have been allotted or are otherwise beneficially entitled to.

Investors should consult the SGX-ST’s announcement on the “ready” trading date posted on the internet at the SGX-ST’s website at <http://www.sgx.com> or check with their brokers on the date on which trading on a “ready” basis will commence.

We may, at our discretion, with the agreement of the Sponsor, Issue Manager, Underwriter and Placement Agent, subject to all applicable laws and regulations and the rules of the SGX-ST, agree to extend or shorten the period during which the Application List is open, provided that such period shall not be shorter than two (2) Market Days.

In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same through (a) an SGXNET announcement to be posted on the internet at the SGX-ST’s website at <http://www.sgx.com>; and/or (b) in a local English language newspaper(s) in Singapore.

We will provide details of the results of the Invitation (including the level of subscription for the Invitation Shares and the results of the distribution of the Invitation Shares pursuant to the Invitation), as soon as it is practicable, after the close of the Application List through the channels described in (a) and (b) above.

INDICATIVE TIMETABLE FOR LISTING

We reserve the right to reject or accept, in whole or in part, or to scale down any application for the Invitation Shares, without assigning any reason therefor, and no enquiry and/or correspondence on our decision will be entertained. In deciding the basis of allotment and/or allocation, due consideration will be given to the desirability of allotting and/or allocating the Invitation Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

Where an application is rejected, the full amount of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant at his own risk within 14 Market Days (or such shorter period as the SGX-ST may require) after the close of the Invitation (provided that such refunds are made in accordance with the procedures set out in “Appendix G – Terms and Conditions and Procedures for Application and Acceptance” of this Offer Document).

Where an application is accepted in full or in part only, any balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant at his own risk within 14 Market Days (or such shorter period as the SGX-ST may require) after the close of the Invitation (provided that such refunds are made in accordance with the procedures set out in “Appendix G – Terms and Conditions and Procedures for Application and Acceptance” of this Offer Document).

Where the Invitation does not proceed for any reason, the full amount of application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant at his own risk within five (5) Market Days (or such shorter period as the SGX-ST may require) after the Invitation is discontinued (provided that such refunds are made in accordance with the procedures set out in “Appendix G – Terms and Conditions and Procedures for Application and Acceptance” of this Offer Document).

PLAN OF DISTRIBUTION

THE INVITATION

The Invitation is for 14,000,000 Invitation Shares offered in Singapore comprising 1,000,000 Public Offer Shares and 13,000,000 Placement Shares offered for subscription in Singapore under the Public Offer and the Placement respectively at the Invitation Price.

Prior to the Invitation, there has been no public market for our Shares. The Invitation Price is determined by our Company, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, after taking into consideration, *inter alia*, prevailing market conditions and estimated market demand for the Invitation Shares determined through a book-building process. The Invitation Price is the same for all the Invitation Shares and is payable in full on application. The Invitation Shares may be re-allocated between the Placement and the Public Offer at the discretion of the Sponsor, Issue Manager, Underwriter and Placement Agent, in consultation with our Company, subject to any applicable laws and regulations.

Investors may apply to subscribe for any number of Invitation Shares in integral multiples of 1,000 Shares, subject to a minimum of 1,000 Shares. In order to ensure a reasonable spread of Shareholders, we have the absolute discretion to prescribe a limit to the number of Invitation Shares to be allotted and/or allocated to any single applicant and/or to allot and/or allocate Invitation Shares above or under such prescribed limit as we shall deem fit.

Subject to the terms and conditions set out in the Sponsorship, Management and Underwriting Agreement and the Placement Agreement entered into between our Company and PPCF, details of which are set out in the sub-section entitled “General and Statutory Information – Management, Underwriting and Placement Arrangements” of this Offer Document, our Company has appointed PPCF, and PPCF has agreed to act, as full sponsor for and to manage the Listing and to procure subscriptions for the Invitation Shares.

PUBLIC OFFER SHARES

Investors may apply to subscribe for any number of Public Offer Shares in integral multiples of 1,000 Shares, subject to a minimum of 1,000 Shares. The Public Offer Shares are made available to the members of the public in Singapore for subscription at the Invitation Price. Investors may apply for the Public Offer Shares by way of Application Forms, or by way of Electronic Applications. The terms, conditions and procedures for applications and acceptances are described in section entitled “Appendix G – Terms and Conditions and Procedures for Application and Acceptance” of this Offer Document”.

Pursuant to the terms and conditions contained in the Sponsorship, Management and Underwriting Agreement as disclosed in the sub-section entitled “General and Statutory Information – Management, Underwriting and Placement Arrangements” of this Offer Document, the Underwriter has agreed to procure subscriptions for, or failing which, to subscribe for, the Public Offer Shares not allocated to satisfy excess applications for the Placement Shares at the Invitation Price.

The Underwriter will receive an underwriting commission of 4.0% of the aggregate Invitation Price for the total number of Public Offer Shares underwritten by the Underwriter but excluding the portion of the Public Offer Shares which have been applied to satisfy excess applications for Placement Shares. PPCF may, at its absolute discretion, appoint one or more sub-underwriters for the Public Offer Shares. Payment of the underwriting commission shall be made whether or not any allotment and issue of the Public Offer Shares is made to PPCF or its nominees.

PLAN OF DISTRIBUTION

In the event that not all the Public Offer Shares are validly applied for as at the close of the Application List, such number of Public Offer Shares not applied for shall be made available to satisfy excess applications under the Placement to the extent there are excess applications for the Placement Shares as at the close of the Application List. In the event of excess applications for the Public Offer Shares as at the close of the Application List and full or excess applications for the Placement Shares as at the close of the Application List, the successful applications under the Public Offer will be determined by ballot to be arranged by the Sponsor, Issue Manager, Underwriter and Placement Agent for and on behalf of our Company, in such manner as may reasonably be required by our Company and on such basis of allotment as may be determined by our Directors, after consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent.

No fee is payable by applicants for the Public Offer Shares, save for an administration fee of S\$2.00 for each application made through ATMs, the internet banking websites of the Participating Banks or the mobile banking interfaces of DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited.

PLACEMENT SHARES

Application for the Placement Shares may be made by way of Application Forms or such other forms of application as PPCF deem appropriate. The terms and conditions and procedures for application and acceptance are set out in “Appendix G – Terms and Conditions and Procedures for Application and Acceptance” of this Offer Document.

In the event that not all the Placement Share are validly applied for as at the close of the Application List, such number of Placement Shares not applied for shall be made available to satisfy excess applications under the Public Offer to the extent there are excess applications for the Public Offer Shares as at the close of the Application List.

SPONSORSHIP, MANAGEMENT AND UNDERWRITING AGREEMENT

Pursuant to the Sponsorship, Management and Underwriting Agreement entered into between our Company and the Sponsor, Issue Manager and Underwriter, details of which are set out in the sub-section entitled “General and Statutory Information – Management, Underwriting and Placement Arrangements” of this Offer Document, our Company has appointed PPCF, and PPCF has agreed to act, as sponsor for and to manage the Listing. PPCF will receive a management fee for its services rendered in connection with the Listing and the Invitation.

PLACEMENT AGREEMENT

Pursuant to the Placement Agreement entered into between our Company and the Placement Agent, details of which are set out in the sub-section entitled “General and Statutory Information – Management, Underwriting and Placement Arrangements” of this Offer Document, our Company has appointed PPCF to procure subscriptions for the Placement Shares on the terms and subject to the conditions set out in the Placement Agreement. The Placement Agent will receive a placement commission from our Company on the aggregate gross proceeds raised under the Placement of 4.0% for such services rendered. Subject to applicable laws and regulations, PPCF shall be at liberty at its own expense to make sub-placement arrangements for the Placement Shares upon such terms and conditions as PPCF may deem fit.

PLAN OF DISTRIBUTION

INTERESTS OF THE SPONSOR, ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT

In the reasonable opinion of our Directors, our Company does not have a material relationship with PPCF, save as disclosed below and in the sub-section entitled “General and Statutory Information – Management, Underwriting and Placement Arrangements” of this Offer Document:

- (a) PPCF is the Sponsor, Issue Manager, Underwriter and Placement Agent, in relation to the Listing;
- (b) PPCF will be the continuing sponsor of our Company for a period of not less than three (3) years from the date our Company is admitted to the Official List of Catalist; and
- (c) pursuant to the Sponsorship, Management and Underwriting Agreement and as part of PPCF’s fees as the Sponsor and Issue Manager, our Company allotted and issued 568,000 PPCF Shares at the Invitation Price to PPCF, representing approximately 0.5% of our Company’s issued and paid-up share capital excluding treasury shares and subsidiary holdings immediately after completion of the Invitation. After the expiry of the moratorium period as set out in the sub-section entitled “Ownership Structure – Moratorium” of this Offer Document, PPCF will be disposing its shareholdings in our Company at its discretion.

SUBSCRIPTION FOR INVITATION SHARES

To the best knowledge of our Company, our Chief Executive Officer, Kubota Yasuaki, intends to subscribe for 47,000 Invitation Shares, comprising approximately 0.04% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in our Company immediately after completion of the Invitation.

Save for the foregoing, to the best of the knowledge of our Company, none of our Directors and Substantial Shareholders intends to subscribe for the Invitation Shares. None of the members of our Company’s management or employees intends to subscribe for more than 5.0% of the Invitation Shares in the Invitation.

To the best of our knowledge and belief, as at the date of this Offer Document, we are not aware of any person who intends to subscribe for more than 5.0% of the Invitation Shares in the Invitation.

However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate an interest to subscribe for more than 5.0% of the Invitation Shares. If such person(s) were to make an application for more than 5.0% of the Invitation Shares and are subsequently allotted and/or allocated such number of Shares, we will make the necessary announcements at an appropriate time. The final allotment and allocation of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406 of the Catalist Rules.

No Shares may be allotted and issued and/or allocated on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

OFFER DOCUMENT SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information (including the notes thereto) appearing elsewhere in this Offer Document and should be read in conjunction with the full text of this Offer Document. As it is a summary, it does not contain all the information that prospective investors should consider before investing in our Shares. You should carefully consider all the information presented in this entire Offer Document, particularly the matters set out in the section entitled “Risk Factors” of this Offer Document before deciding to invest in our Shares.

OUR COMPANY

Our Company was incorporated in the Republic of Singapore on 14 November 2019 under the Companies Act as a private limited company, under the name of “Food Innovators Holdings Pte. Ltd.”. Our Company’s registration number is 201938544H. On 20 November 2020, our Company was converted into a public company and its name was changed to “Food Innovators Holdings Limited”.

OUR BUSINESS

We are principally engaged in (a) the RLSB, focusing on matching properties and tenants in the restaurant business in Japan, and (b) the FRB. From being a predominantly Japan-based company, we have expanded to various locations overseas and currently operate restaurants in Japan, Singapore and Malaysia.

As a restaurant operator, we establish, operate and manage restaurants specialising in different types of quality traditional Japanese and Japanese-inspired European cuisines. Our years of experience in the F&B industry has allowed us to develop good knowledge of and insights into the F&B industry, which we are able to share with our existing or prospective restaurant tenants. We believe that our ability to advise our restaurant tenants on their restaurant’s needs (e.g. property selection needs) distinguishes us from the other companies providing property subleasing services in Japan. Additionally, we are able to provide kitchen equipment leasing services and F&B Consulting and Operations Management Services, which directly complement both our RLSB and FRB. Overall, we consider ourselves as a one-stop solution provider for our existing and prospective restaurant tenants and an experienced restaurant operator with a focus on quality traditional Japanese and Japanese-inspired European cuisines.

Further details of our business are set out under the sub-section entitled “General Information on Our Group – Business Overview” of this Offer Document and our business strategies and future plans are set out under the sub-section entitled “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” of this Offer Document.

SUMMARY OF OUR FINANCIAL INFORMATION

The following tables present a summary of the financial highlights of our Group and should be read in conjunction with the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document and “Appendix A – Independent Auditors’ Report And The Audited Consolidated Financial Statements For The Financial Years Ended 28 February 2022, 28 February 2023 And 29 February 2024” and “Appendix B – Independent Auditors’ Assurance Report And The Compilation Of Unaudited Pro Forma Consolidated Financial Information Of Food Innovators Holdings Limited For The Financial Year Ended 29 February 2024” of this Offer Document.

OFFER DOCUMENT SUMMARY

Selected consolidated statements of comprehensive income of our Group

(S\$'000)	← Audited →		
	FY2022	FY2023	FY2024
Revenue	37,818	39,668	43,773
Profit/(Loss) before income tax	521	(3,244)	2,328
Profit/(Loss) for the financial year	403	(3,387)	1,405
Attributable to equity holders of our Company	403	(3,387)	1,405
Attributable to non-controlling interests	–	–	–
Pre-Invitation EPS/(LPS) (cents) ⁽¹⁾	0.41	(3.42)	1.42
Post-Invitation EPS/(LPS) (cents) ⁽²⁾⁽³⁾	0.36	(3.00)	1.24

Notes:

- (1) For illustrative purposes, the pre-Invitation (LPS)/EPS for the periods under review have been computed based on the total profit/(loss) attributable to equity holders of our Company and our Company's pre-Invitation issued and paid-up share capital of 99,045,444 Shares.
- (2) Had the Service Agreements (set out in the section entitled "Directors, Management and Employees – Service Agreements" of this Offer Document) been in place since 1 March 2023, our profit before income tax, profit attributable to equity holders of our Company and EPS for FY2024 computed based on our Company's post-Invitation issued and paid-up share capital of 113,045,444 Shares would have been approximately S\$2.2 million, S\$1.3 million and 1.16 cents respectively.
- (3) For illustrative purposes, the post-Invitation adjusted (LPS)/EPS for the periods under review have been computed based on the total profit/(loss) attributable to equity holders of our Company and our Company's post-Invitation issued and paid-up share capital of 113,045,444 Shares.

Selected consolidated statement of financial position of our Group

(S\$'000)	← Audited →		
	As at 28 February 2022	As at 28 February 2023	As at 29 February 2024
Non-current assets	52,229	42,688	51,868
Current assets	13,335	8,779	9,630
Total assets	<u>65,564</u>	<u>51,467</u>	<u>61,498</u>
Total non-current liabilities	39,593	33,304	34,994
Total current liabilities	24,042	19,697	24,132
Total liabilities	<u>63,635</u>	<u>53,001</u>	<u>59,126</u>
Total equity	<u>1,929</u>	<u>(1,534)</u>	<u>2,372</u>
Equity attributable to equity holders of our Company	<u>1,929</u>	<u>(1,534)</u>	<u>2,372</u>
NAV per Share (cents) ⁽¹⁾	1.95	(1.55)	2.39

Note:

- (1) NAV per Share is computed based on the equity attributable to equity holders of our Company and our Company's pre-Invitation issued and paid-up share capital of 99,045,444 Shares.

OFFER DOCUMENT SUMMARY

Please also refer to the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document for further details.

OUR COMPETITIVE STRENGTHS

Our Directors believe that the following competitive strengths have enabled and will continue to enable us to capitalise on the trends and opportunities in our business:

- (a) We are able to reap the synergistic benefits of operating two (2) complementary businesses to provide a one-stop solution for our customers’ restaurant management needs and introduce innovative brand concepts;
- (b) We have strong working relationships with our tenants;
- (c) We have the ability to expand Japanese brands to overseas markets;
- (d) We provide comprehensive end-to-end consulting services;
- (e) Our restaurants and subleased properties are optimally located in high-profile areas which are accessible to and highly frequented by a diverse crowd;
- (f) We continuously innovate and introduce fresh dining experiences and interesting food concepts to meet evolving customer preferences; and
- (g) We have an experienced and dedicated management team with an established track record.

Further details of our business strategies and future plans are set out under the sub-section entitled “General Information on Our Group – Competitive Strengths” of this Offer Document.

OUR BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans for the continued growth of our business are as follows:

- (a) Expanding our RLSB in Japan;
- (b) Increase our presence in countries we operate in outside of Japan and expand our footprint in new markets overseas through new collaborations with Japanese restaurant operators;
- (c) Innovate and introduce new Japanese food brands and concepts in Singapore and Malaysia; and
- (d) Enhance market presence and geographic expansion of the “Moomin” brand in Japan, acquisition of operating rights of themed restaurants of popular anime and other characters to open more themed restaurants in Japan, and expansion of our Group’s FRB in Japan.

Further details of our business strategies and future plans are set out under the sub-section entitled “General Information on Our Group – Business Strategies and Future Plans” of this Offer Document.

OFFER DOCUMENT SUMMARY

OUR CONTACT DETAILS

Our registered office is located at 6 Eu Tong Sen Street #09-17 The Central Singapore 059817, and telephone and facsimile numbers of our registered office are +65 6221 0512 and +65 6491 5512, respectively. Our principal place of business is located at Dai-3 Aiwa Building 5F, 5-18-11 Nishi-Ikebukuro, Toshima-ku, Tokyo, 171-0021 Japan, and the telephone and facsimile numbers of our principal place of business are +81 3 5396 7096 and +81 3 5396 7097 respectively. Our email address is info@fih.sg and our Company's website is <https://fih.sg/>. Information contained in our website does not constitute part of this Offer Document and should not be relied on.

EXCHANGE RATES

The following table sets out, for each of the financial years or period indicated, the highest and lowest exchange rates between S\$ and JPY, rounded to two decimal places. Where applicable, the exchange rates in the table below used for the translation of our Group's financial statements are disclosed elsewhere in this Offer Document. The exchange rates for S\$:JPY, as outlined in the tables below are presented solely for information only. The tables and figures below should not be construed as representations that those S\$ or JPY could have been, could be or would be, converted or convertible into the respective mentioned currencies at any particular rate, the rate stated below, or at all.

The following table sets out the highest and lowest exchange rates between JPY and S\$ for each of the last six (6) completed months prior to the Latest Practicable Date:

	S\$:JPY ⁽¹⁾	
	Highest	Lowest
February 2024	112.10	109.55
March 2024	112.91	110.46
April 2024	116.17	112.14
May 2024	116.59	113.20
June 2024	118.19	115.01
July 2024	119.93	113.37

Source: Bloomberg L.P.

The following table sets forth, for FY2022, FY2023, FY2024, the average and closing exchange rates between JPY and S\$. The average exchange rates for each financial period are calculated using the average of the closing exchange rates on the last day of each month during the relevant period.

	S\$:JPY ⁽¹⁾	
	Average	Closing
FY2022	83.08	84.97
FY2023	98.03	101.06
FY2024	106.79	111.43

Source: Monetary Authority of Singapore

Note:

- (1) The above exchange rates have been computed with reference to exchange rates quoted from Bloomberg L.P. and the Monetary Authority of Singapore and should not be construed as representations that the JPY or S\$ amounts (as the case may be) actually represent such JPY or S\$ amounts, or that the JPY or S\$ amounts (as the case may be) have been, or could be, converted into the JPY or S\$ (as the case may be) at the rate indicated, or at any other rate, or at all. Bloomberg L.P. and the Monetary Authority of Singapore have not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors and the Sponsor, Issue Manager, Underwriter and Placement Agent have taken reasonable action to ensure that the information is extracted accurately and correctly, and has been reproduced in this Offer Document in its proper form and context, they have not independently verified the accuracy and correctness of the relevant information.

As at the Latest Practicable Date, the exchange rate between S\$ and JPY was S\$: JPY111.71¹.

¹ Information obtained from <https://www.mas.gov.sg/statistics/exchange-rates> (last accessed on the Latest Practicable Date).

THE INVITATION

Invitation Size	:	14,000,000 Invitation Shares by way of the Invitation, comprising the Public Offer and the Placement. The Invitation Shares will, upon allotment and issue, rank <i>pari passu</i> in all respects with our existing issued Shares.
Invitation Price	:	S\$0.22 for each Invitation Share, payable in full on application.
The Public Offer	:	The Public Offer comprises an offer by our Company to the public in Singapore of 1,000,000 Public Offer Shares for subscription at the Invitation Price, subject to and on the terms and conditions of this Offer Document.
The Placement	:	The Placement comprises a placement by the Placement Agent on behalf of our Company of 13,000,000 Placement Shares at the Invitation Price, subject to and on the terms and conditions of this Offer Document.
Purpose of the Invitation	:	<p>Our Directors are of the view that the listing of our Company and quotation of our Shares on Catalist will enhance our corporate profile internationally and enable us to tap the capital and debt markets for the expansion of our business operations.</p> <p>The Invitation will also provide the members of the public, our management, employees and business associates who have contributed to our success with an opportunity to participate in the equity of our Company. In addition, the proceeds from the Invitation Shares will provide us with, <i>inter alia</i>, additional capital to finance our business expansion and for general working capital.</p>
Listing Status	:	Prior to the Invitation, there has been no public market for our Shares. Our Shares will be quoted on Catalist in Singapore dollars, subject to the admission of our Company to the Official List of Catalist and permission to deal in, and for the quotation of, our Shares being granted by the SGX-ST.
Risk Factors	:	Investing in our Shares involves risks which are set out in the section entitled “Risk Factors” of this Offer Document.
Use of Proceeds	:	Please refer to the section entitled “Use of Proceeds and Listing Expenses” of this Offer Document for more details.

INVITATION STATISTICS

Invitation Price 22.00 cents

NAV

NAV per Share based on the unaudited pro forma consolidated statement of financial position of our Group as at 29 February 2024 after adjusting for the allotment and issue of the PPCF Shares (“**Pro Forma NAV**”):

(a) before adjusting for the estimated net proceeds from the allotment and issue of the Invitation Shares and based on our Company’s pre-Invitation issued and paid-up share capital of 99,045,444 Shares 2.87 cents

(b) after adjusting for the estimated net proceeds from the allotment and issue of the Invitation Shares and based on our Company’s post-Invitation issued and paid-up share capital of 113,045,444 Shares 3.50 cents

Premium of Invitation Price over the Pro Forma NAV per Share as at 29 February 2024:

(a) before adjusting for the estimated net proceeds from the allotment and issue of the Invitation Shares and based on our Company’s pre-Invitation issued and paid-up share capital of 99,045,444 Shares 666.6%

(b) after adjusting for the estimated net proceeds from the allotment and issue of the Invitation Shares and based on our Company’s post-Invitation issued and paid-up share capital of 113,045,444 Shares 528.6%

EPS

Audited EPS of our Group for FY2024 and our Company’s post-Invitation issued and paid-up share capital of 113,045,444 Shares 1.24 cents

Audited EPS of our Group for FY2024 and our Company’s post-Invitation issued and paid-up share capital of 113,045,444 Shares, assuming that the Service Agreements had been in place since 1 March 2023 1.16 cents

PER

PER based on the Invitation Price, the EPS for FY2024 and our Company’s post-Invitation issued and paid-up share capital of 113,045,444 Shares 17.7 times

PER based on the Invitation Price, the EPS for FY2024 and our Company’s post-Invitation issued and paid-up share capital of 113,045,444 Shares, assuming that the Service Agreements had been in place since 1 March 2023 19.0 times

INVITATION STATISTICS

Net operating cash flow

Net operating cash flow per Share based on the audited consolidated statement of cash flows of our Group for FY2024 and our Company's post-Invitation issued and paid-up share capital of 113,045,444 Shares 14.85 cents

Net operating cash flow per Share based on the audited consolidated statement of cash flows of our Group for FY2024 and our Company's post-Invitation issued and paid-up share capital of 113,045,444 Shares, assuming that the Service Agreements had been in place since 1 March 2023 14.76 cents

Price to net operating cash flow

Ratio of Invitation Price to net operating cash flow per Share for FY2024 based on our Company's post-Invitation issued and paid-up share capital of 113,045,444 Shares 1.5 times

Ratio of Invitation Price to net operating cash flow per Share for FY2024 based on our Company's post-Invitation issued and paid-up share capital of 113,045,444 Shares, assuming that the Service Agreements had been in place since 1 March 2023 1.5 times

Market Capitalisation

Market capitalisation based on the Invitation Price and our Company's post-Invitation issued and paid-up share capital of 113,045,444 Shares S\$24.9 million

RISK FACTORS

An investment in our Shares involves a number of risks, some of which, including market, liquidity, credit, operational, legal and regulatory risks, could be substantial and are inherent in our business.

Prospective investors should carefully consider and evaluate each of the following considerations and all the other information set forth in this Offer Document (including the financial statements and the notes thereto) before deciding to invest in our Shares. Some of the following considerations relate principally to the industry in which we operate and our business in general. Other considerations relate principally to general economic, political and regulatory conditions, the securities markets and ownership of our Shares, including possible future dilution in the value of our Shares. These are not the only risks we face. Some risks are not yet known to us and there may be others which we currently believe are not material but may subsequently turn out to be so. Factors that affect the price of our Shares may change, and the following should not be construed as a comprehensive listing of all the risk factors. Prospective investors are advised to apprise themselves of all factors involving the risks of investing in our Shares from their professional advisers before making any decision to invest in our Shares.

If any of the following considerations, risks and uncertainties develops into actual events, our financial position, financial performance, cash flows, results of operations, business operations, prospects and/or any investment in our Shares could be, directly or indirectly, materially and adversely affected. In the event that this occurs, the trading price of our Shares could fluctuate or decline due to any of these considerations, risks and uncertainties and investors may lose all or part of their investment in our Shares.

This Offer Document also contains forward-looking statements having direct and/or indirect implications on our future performance. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks and uncertainties faced by us described below and elsewhere in this Offer Document, including the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document.

RISKS RELATING TO OUR BUSINESS AND THE INDUSTRY

(a) General Risks

We have recorded net losses and negative working capital in recent years and may continue to experience losses and record a negative working capital position in the future

We have reported net losses of approximately S\$3.4 million for FY2023. The net loss recorded was primarily due to the decrease in government subsidies, recognition of extraordinary losses such as bad debt loss or impairment loss, and increase in labour costs in FY2023. A majority of the bad debts pertain to the full write off of S\$0.4 million due from two customers as of 28 February 2023 who had experienced financial difficulties as a result of the COVID-19 pandemic. Additionally, there was an impairment loss of S\$0.5 million in relation to the Sanji and Suzuki trademarks. Our Group has ceased all transactions with customers whose receivables have been written off as of 28 February 2023.

RISK FACTORS

We have also recorded a negative working capital position for the Period Under Review, of approximately S\$10.7 million, S\$10.9 million and S\$14.5 million as at 28 February 2022, 28 February 2023 and 29 February 2024 respectively. One of the reasons as to our negative working capital position is because the current portion of lease liabilities is recorded as current whereas the right-of-use assets are recorded as non-current. Had the current portion of lease liabilities of S\$13.3 million been excluded from our Group's current liabilities and taking into consideration the Pro Forma adjustment of S\$0.5 million on the share capital injection, the working capital as at 29 February 2024 would be at S\$0.8 million. Please refer to the section entitled "Management's Discussion of and Analysis of Financial Position and Results of Operation" of this Offer Document for further details.

In addition, there can be no assurance that we will be able to remain profitable in the foreseeable future. We may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. The size of our future net losses and negative working capital will depend, in part, on our ability to generate revenue and manage expenses and expenditure. If we are unable to achieve profitability in the future, we may have to reduce the scale of our operations, which may impact our business growth and adversely affect our business, financial condition, results of operations and prospects.

We may be unable to obtain future financing on favourable terms, or at all, to fund expected capital expenditure, potential opportunistic acquisitions and working capital requirements

To the extent that funds generated from our operations have been exhausted, we may have to raise additional funds to meet new financial requirements including, amongst others, funding for capital expenditure, potential opportunistic acquisitions or working capital requirements in the future. The actual amount and timing of future financing may depend on several factors, including but not limited to, new business opportunities, opportunities for inorganic growth, regulatory changes, economic conditions, technological changes and market developments. Our sources of additional funding, if required, may include the incurrence of debt or the issue of equity or debt securities or a combination of both.

In the event that we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and this could have a significant effect on our profitability, gearing and cash flows and we may be subject to additional restrictive covenants with respect to dividends, future fund-raising exercises and other financial and operational matters. Please refer to the risk factors entitled "Risk Factors – Any increase in interest rates, and general uncertainty regarding interest rates may negatively impact our Group's business, financial condition, results of operations and prospects" and "Risk Factors – We may not be able to refinance our indebtedness on favourable terms and our leverage could adversely limit our operational flexibility" of this Offer Document for further details.

We may also raise additional funds through equity, either by way of a placement or by further rights offering (which would be subject to Shareholders' approval if necessary). In the event that new Shares are issued, Shareholders who are unable or unwilling to participate in such fund-raising will suffer a dilution in their investment. Furthermore, if we fail to utilise the new equity to generate a commensurate increase in earnings, our EPS will be diluted, and this could lead to a decline in the price of the Shares.

RISK FACTORS

Similarly, our working capital requirements may increase due to various factors, including growth in our business, increases in rental and manpower cost and longer payment schedules negotiated by restaurant tenants. In the event there is insufficient cash flow to meet our working capital requirements, we are unable to arrange the same from other sources or there is a delay in the disbursement of arranged funds, our business, financial condition, results of operations and prospects may be materially and adversely affected. These factors may result in us having to raise funds by way of short-term borrowings. If there is any increase in the interest rates for such borrowings, our business, financial condition, results of operations and prospects may similarly be materially and adversely affected. A disproportionate increase in our working capital requirements may result in us incurring borrowing costs, which may have a material and adverse effect on our business, financial condition, and results of operations.

Further, our ability to arrange for additional funds to be raised on acceptable terms is subject to a variety of uncertainties, including future results of operations, financial condition and cash flow, economic and political conditions and market demand for our services, costs of financing, liquidity and overall condition of financial and capital markets in Singapore and internationally, receipt of applicable business licences, approvals and other risks associated with our businesses; and limitations on our ability to raise capital in capital markets. Any inability to raise funds on such acceptable terms could have a material and adverse effect on our business, financial condition, and results of operations.

We may not be able to successfully implement our business and growth strategies and/or future plans or replicate our business model in other geographic markets

As set out in the sub-section entitled “General Information on Our Group – Business Strategies and Future Plans” of this Offer Document, for our FRB, we intend to expand and strengthen our presence through new collaborations with Japanese restaurant operators whether local operators in the countries we operate in or international companies. Such future plans are based on our current intentions and assumptions and our long-term success is dependent on the successful implementation of our business strategies. Such an expansion would require our management’s attention and the diversion of significant resources away from our core business areas. Our business strategies may be hindered by a myriad of external factors beyond our control, such as general market conditions, government policies relevant to our industry, our ability to maintain our existing competitive advantages and new market entrants. There is no assurance that we will be able to implement our business strategies and/or future plans effectively. If we fail to do so, our business, financial condition, results of operations and prospects may be materially and adversely affected.

As we continue to grow our business, we may face challenges in managing our growth including but not limited to:

- (a) effectively obtaining and managing leases with landlords and restaurant tenants;
- (b) effectively managing the development and introduction of new brands;
- (c) effectively managing the opening of new restaurants;
- (d) effectively managing the daily operations of the new restaurants;
- (e) controlling costs in a competitive environment;
- (f) retaining existing customers and attracting new customers;

RISK FACTORS

- (g) keeping up with changing consumer tastes and preferences;
- (h) remaining competitive in our industry;
- (i) effectively managing our supply chain and ensuring our third-party suppliers continue to meet our quality and standards and satisfy our future operational needs;
- (j) attracting, training and retaining sufficient workers to support our growing operations amidst a labour shortage in the geographic markets that we are currently operating in and seeking to expand into; and
- (k) ensuring full compliance with relevant laws and regulations.

Please refer to the risk factor entitled “Risk Factors – Our continued success and sustainability of growth will depend on our ability to expand and manage our restaurants” of this Offer Document for further details.

Any of the foregoing challenges may delay or obstruct our growth strategies, which may hinder our growth, lengthen our breakeven or investment payback periods or cause us to incur losses. We may incur significant expenses in our pursuits to expand and strengthen our market position in Japan, Singapore, Malaysia and other countries. If we fail to manage our expansion in a cost-effective manner or if the costs incurred in implementing our business strategies and future plans do not result in expected returns, our business, financial condition, results of operations and prospects may be materially and adversely affected.

In alignment with our future objectives, we aim to bolster our growth and earnings through the expansion of our RLSB in Japan as well as our FRB in Japan, Singapore and Malaysia and new overseas markets. However, realising these aspirations necessitates significant capital investments and resources. The success of our expansion plans hinges on various factors beyond our control, including economic conditions, regulatory barriers, and cultural differences in new jurisdictions. Transplanting our business model into unfamiliar territories presents challenges such as differing legal frameworks, cultural norms, and market landscapes, potentially impeding our ability to achieve profitability and consistent service quality. Such uncertainties underscore the importance of prudent management and strategic decision-making to mitigate risks and ensure successful expansion endeavours. Any missteps in this regard could have detrimental effects on our business, financial condition, results of operations and prospects.

We may enter into new business ventures or franchising arrangements, such as new F&B concepts in which we have little or no experience, on our own or with our business partners, which may cause a material change to the risk profile of our Group. If we are unable to execute such growth strategies and future plans successfully, our performance in such business ventures or investments could fall short of expectations. We may also be required, from time to time, to revise our growth strategies and future plans to adapt to the market conditions, as well as any other unforeseen challenges we may encounter in the future. In the event that we are unable to implement our business strategies and future plans successfully and in a cost-effective manner, our business, financial condition, results of operations and prospects may be materially and adversely affected.

RISK FACTORS

We may be unable to find suitable franchisors, franchisees, acquisitions or investment targets or business partners

Our Group may enter into negotiations or agreements relating to potential strategic partnerships (leading up to franchising agreements or otherwise), investments or acquisitions in the future. If we are unable to identify suitable targets and execute the transactions as planned or at all, there could be a material and adverse effect on our business, growth rates and results of operations. Even if we do identify appropriate partners or targets, the success of any material partnership, acquisition or investment will depend on a number of factors, including but not limited to:

- (a) our ability to acquire businesses or investments on a cost-effective basis;
- (b) our ability to manage regulatory and compliance risks associated with the acquisition or investments or strategic partnerships into new industries or jurisdictions;
- (c) our ability to integrate acquired personnel, operations, products and technologies into our organisation effectively;
- (d) our ability to retain and motivate key personnel and to retain the customers of the acquired businesses;
- (e) our ability to influence the management of such companies in a way that is favourable to our business and growth strategies; and
- (f) whether such businesses may generate operating and financial results and/or synergies as we expected.

Any acquisition, investment or strategic partnerships may require a significant commitment of management time, capital investment and other resources. We may be unable to consummate such transactions, we may not be able to effectively integrate an acquired business or we may be required to incur restructuring related expenses alongside other costs to complete a transaction. There is no assurance that we will be able to successfully maintain or increase our market share or grow our business successfully after carrying out such acquisitions, investments or strategic partnerships. Further, there may be unforeseen or hidden liabilities or costs that follow from such acquisitions, investments or strategic partnerships. As a result, our business, financial condition, results of operations and prospects may be materially and adversely affected. In addition, if we use our equity securities as consideration for such transactions, we may dilute the value of our Shares held by our Shareholders.

Our Group may also face the potential risk of dependency on existing business partners and challenges in finding suitable replacements, which could impact our ability to pursue strategic partnerships, investments, or acquisitions effectively in the future. Relying too heavily on a limited number of partners may limit our flexibility in negotiations and expose us to risks such as supply chain disruptions, inconsistent service, or increased costs. Additionally, the challenge of identifying alternative partners within the F&B industry could impede our plans for diversification and business expansion.

RISK FACTORS

We depend on the continued service of our management team and other key employees

Our continued success is dependent to a large extent on our ability to retain our key management personnel and Executive Directors who are responsible for formulating and implementing our growth, corporate development and overall business strategies. To mitigate the risk of our dependency on the continued service of our management team and other key employees, the management team of our Group remains in close communication so that the know-how of running our Group's foreign operations is shared among the team. In addition, our Group places high value on our employees and believes in appropriate remuneration by way of competitive salaries and granting of employee stock options to further align employees' interest with that of our Shareholders.

The demand for such experienced personnel is intense and the search for personnel with the relevant expertise and calibre can be time-consuming. Consequently, the loss of the services of any of our key personnel without timely replacement, or the inability to attract and retain such qualified personnel, will have a material and adverse effect on our business, financial condition, results of operations and prospects.

We are subject to regulatory requirements for our operations

We are subject to the laws and regulations governing the real estate brokerage industry in Japan, as well as the F&B industry in Japan, Singapore and Malaysia. These include the laws and regulations relating to the operation of the real estate brokerage business, food safety, handling and storage, hygiene standards, and the operation of restaurants. In this regard, we are required to obtain and maintain certain licences, permits, approvals and certificates from relevant authorities.

Regulatory licences and/or exemptions are required for the operation of our RLSB in Japan, and our FRB in Japan, Singapore and Malaysia. Certain licences are granted for fixed periods of time and must be renewed upon expiry. There is no assurance that our licences will be granted or renewed in time or at all. In addition, licences are generally subject to conditions and/or applicable laws, rules and regulations. Further, in Singapore, we are dependent on our business partners such as K2 Operation Singapore Pte. Ltd. and Lizhi Pte. Ltd. in maintaining and renewing the relevant FRB licences. If our business partners fail to obtain, maintain or renew these licences, it could have a material and adverse effect on our business, financial condition, and results of operations. Notwithstanding that the restaurant licences are owned by K2 Operation Singapore Pte. Ltd. and Lizhi Pte. Ltd., our Group has put in place a monitoring system to track the expiry of such licences and will notify K2 Operation Singapore Pte. Ltd. and Lizhi Pte. Ltd. to renew the licences if such renewal does not take place within two (2) months of expiry.

If we are found to be in breach of any applicable laws, rules, regulations or conditions, the relevant government or regulatory authority may take action against us, such as issuing warnings, imposing penalties, suspending the licences, reducing the term of the licences, imposing additional conditions or restrictions and/or revoking the licences. Any failure to obtain, maintain or renew any of the licences could have a material and adverse effect on our business, financial condition, and results of operations.

In addition, if our landlords fail to comply with requisite laws, rules and regulations, our leases may be affected, which may disrupt our business and operations. As at the Latest Practicable Date, our Group has not encountered any such incidents that had a material adverse impact on our Group's operations and financial performance.

RISK FACTORS

We may also be required to comply with further and/or stricter requirements if there are changes to the laws, regulations or policies applicable to our businesses, which may restrict or hamper our business or operations or result in higher operating costs. If we are unable to pass on any increased operating costs to our customers, our business, operations and financial performance may be materially and adversely affected. In addition, there can be no assurance that we will continue to be able to comply with the requirements of new applicable laws, regulations and policies. As at the Latest Practicable Date, there were no past incidents which had a material adverse impact on our Group's operations and/or financial performance.

We are exposed to risk of accidents and occupational health and safety incidents, including those relating to fire safety and food safety, at our restaurant outlets, central kitchen facility and subleased properties

Accidents and health and safety incidents of varying levels of severity may occur at our outlets or subleased properties. In addition to fire outbreaks and power failures, which have the potential to result in serious personal injury, death or losses or damage to property, other notable health and safety incidents that could occur at our premises include defective building works, utility leaks as well as slippery, uneven or rough surfaces which can lead to slips, trips and falls. In the event that we are found to have been responsible for any lapses or inadequacy in safety measures which resulted in such accidents and/or incidents, we may be subject to regulatory sanctions or civil law suits. We may also be subject to personal injury claims from our employees or other persons such as customers involved in the accidents at our outlets or subleased properties.

In respect of our FRB, we are subject to food safety risks, in particular relating to food-borne illnesses, allergen reactions, contamination or spoilage of fresh produce as a result of inadequate storage or refrigeration, and the potential cost and disruption stemming from a product recall or withdrawal. Should any such incident occur, we could face reputational damage, litigation and significant costs. Please refer to the risk factor entitled "Risk Factors – We may face food contamination and tampering risks and our business may be adversely affected if there is bad publicity" of this Offer Document for further details.

If we suffer any accidents and/or incidents at our central kitchen facility or any of our restaurant outlets or subleased properties, our business, financial performance and reputation may be materially and adversely affected. As at the Latest Practicable Date, there were no past incidents which had a material adverse impact on our Group's operations and/or financial performance. While we maintain insurance policies such as property all risks insurance, public liability insurance and fire insurance, there can be no assurance that our insurance coverage will be sufficient to cover all of our losses in all events. Please refer to the section entitled "Risk Factors – Our insurance coverage may not be adequate" of this Offer Document for more details.

We may be affected by the cost and impact of future disputes and/or litigation

During the Period Under Review and as at the Latest Practicable Date, our Group is not engaged in any material disputes or subject to any material litigation in connection with our RLSB and/or FRB.

We may be subject to disputes, claims and complaints, lawsuits including adversarial actions, by our customers, tenants, landlords, salespersons, employees, suppliers, insurers, or any other third parties which we may collaborate with, and others in the ordinary course of business. Relevant regulators and governmental authorities may also bring administrative or other enforcement actions against us. In the event of disputes of, *inter alia*, any successful product liability claim or series of claims brought against us, we may become involved in disputes and

RISK FACTORS

litigation in the future. Managing disputes and/or litigation can be expensive and disruptive to normal business operations and requires management input as time and resources are required to respond to and address any dispute and/or litigation. An unfavourable outcome of any particular matter or any future legal proceedings or costs related to the settlement of any such proceedings could have a material adverse effect on our Group's business, financial condition and results of operations. In addition, adverse publicity arising from any litigation or adverse judgment against us could negatively impact our reputation, even if we are not found liable, which could in turn have a material adverse effect on our business, prospects, results of operations and financial performance.

In February 2024, our subsidiary, FIM, was involved in an employment dispute stemming from perceived unfair employment practices instituted by our collaboration partner. FIM diligently intervened to rectify the situation, ensuring that the allegedly unfair policies were replaced with employment guidelines based on the advice of the Malaysian labour authorities. Following this amendment, the revised template employment agreements were submitted to the labour authorities in Malaysia and no further inquiries or objections were raised by the Malaysian labour authority regarding the revised template employment agreements. As at the Latest Practicable Date, there were no penalties and/or fines imposed on FIM by the Malaysian labour authorities. Our collaboration partner will periodically review their employment contracts against the employment law and labour regulations of Malaysia to prevent a reoccurrence of such incidents. FIM will also engage in monthly meetings with our collaboration partner in Malaysia to discuss any issues regarding the operation and management of the restaurants. To the best of our Directors' knowledge and belief, the abovementioned measures are adequate and effective.

Our insurance coverage may not be adequate to indemnify us against all possible liabilities

We maintain insurance coverage that our management deems sufficient, prudent and customary for the businesses in which we operate, and to the extent insurance is available on reasonable terms. As far as we are aware, our insurance coverage and requirements are in line with industry practice. We have taken out insurance coverage in respect of, amongst others, general business liability, all leased properties, office and restaurant premises, plant and equipment, cash on premises and in transit, our employees (such as travel insurance and workmen injury compensation), keymen insurance, fire insurance and public liability. There are, however, certain types of risks that are not covered or not adequately covered by such insurance policies, including accidents in our premises, fraud, confiscation by investigating authorities or misconduct committed by our employees or third parties, severe weather conditions, earthquakes, fire, eruption, flooding, tsunami, power outages, acts of war, riot act and outbreaks of contagious diseases. Please refer to the sub-section entitled "General Information on Our Group – Insurance" of this Offer Document for further details of our insurance coverage. Certain risks might become uninsurable (or not economically insurable) in the future. In addition, there can be no assurance that such insurance can be obtained on commercially reasonable terms or at all, or that any such coverage will sufficiently cover any losses suffered by us.

With respect to losses that are covered by our insurance policies, it may take time to recover such losses from the relevant insurers. In addition, we may not be able to recover the full amount from the insurer and there could be a shortfall between the amount of loss suffered and the maximum caps on our insurance coverage.

The occurrence of a significant event or adverse claim in excess of the insurance coverage that we maintain, or that is not covered by our insurance, could result in our Group having to pay compensation or damages and/or incur loss of revenue and could have a material adverse effect on our financial condition and results of operations. Our insurance premiums may also increase

RISK FACTORS

substantially due to claims made. As at the Latest Practicable Date, our Group has not encountered any such incidents that had a material adverse impact on our Group's operations and financial performance.

Any increase in interest rates, and general uncertainty regarding interest rates may negatively impact our Group's business, financial condition, results of operations and prospects

In recent months, the Bank of Japan has increased its interest rate and higher nominal and real interest rates increase the borrowing costs of corporates including our Group. Continued increases in interest rates may impact the debt servicing ability of highly leveraged corporates and lead to an increased pace of defaults.

Such higher borrowing costs could strain our ability to maintain competitive leasing rates for restaurant tenants, potentially leading to decreased demand for our properties. Additionally, elevated interest rates may deter potential lessees from committing to long-term leasing agreements, resulting in higher vacancy rates and reduced rental income. Moreover, the impact on property valuations could undermine our ability to leverage assets for future financing needs.

Increased risks of inflation and tighter monetary policy leave the global economy more vulnerable and raise the risk of a global recession.

These developments, or the perception that any of them could occur or be protracted, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our Group's access to capital.

Uncertainties in global financial markets and global economic conditions, including concerns that the worldwide economy may enter into a prolonged recessionary period, may make it difficult for our Group to raise additional capital or obtain additional credit, when needed, on acceptable terms or at all.

We may be affected by unfavourable exchange rate fluctuations

Our Group has transactional currency exposure arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the entities within our Group, being SGD, RM and JPY. We currently do not have any formal policy for hedging against foreign exchange exposure and have not undertaken any hedging activities during the Period Under Review. To the extent that our revenue, purchases and operating costs are not sufficiently matched in the same currency and to the extent that there are timing differences between receipt and payment, our Group will be exposed to any adverse fluctuations in exchange rates. Any restrictions over the conversion or timing of conversion of foreign currencies may also expose our Group to adverse fluctuations in exchange rates. As a result, our Group's results of operations may be adversely affected.

In addition, as our reporting currency is in SGD, the financial results of our foreign subsidiaries must be translated to SGD for consolidation purposes. As such, any material fluctuations in foreign exchange rates may result in translation losses on consolidation and will be recorded as translation deficits as part of our Shareholders' equity.

RISK FACTORS

We may face general risks associated with doing business overseas

There are risks which are inherent in doing business overseas, such as unexpected changes in legislation, regulatory requirements and government policies, economic downturns, difficulties in staffing and managing foreign operations, social and political instability, controls and fluctuations in currency exchange and interest rates, potentially adverse tax consequences, legal uncertainty regarding liability, tariffs and other trade barriers, investment restrictions, variable and unexpected changes in local laws and barriers to the repatriation of capital or profits, any of which could affect our overseas operations and, consequently, our business, results of operations, financial condition and prospects.

Currently, we operate in Japan, Singapore and Malaysia. We may also expand into other countries in which we currently do not have a business presence. Our business and future growth in these countries is dependent on the economic, political, legal, regulatory, social and other conditions in these countries. We have no control and can provide no assurance over such conditions and developments and any such changes that are detrimental to our business could adversely affect our operations, financial performance and future growth in these countries.

Our business may be affected by macroeconomic factors and fluctuations in the economy beyond our control

Our business may be affected by macroeconomic factors, such as general economic conditions, market sentiment and consumer confidence in the various countries where we operate. Various factors may influence these macroeconomic conditions, including without limitation, unemployment rates, real disposable income, inflation, tax policy, recession, stock market performance, the interest rate environment, the availability of consumer credit, and regulatory (including fiscal and other governmental policies), social or political changes, all of which are beyond our control. Negative developments in geo-political events such as the wars in Ukraine and Gaza, terrorist attacks, war or other acts of violence may materially and adversely affect the global financial markets, business and consumer confidence. The effect of such macroeconomic factors is hard to predict and may bring uncertainty to the global economy. Any adverse macroeconomic conditions may lead to consumers becoming more budget conscious and price sensitive, which may result in a decrease in consumer spending and changes in consumer preferences. Due to the above factors, we may also be compelled to lower the menu prices offered at our restaurants which may cause our profit margins and profitability to decrease. There is no assurance that we will be able to grow our business, or that we will be able to react promptly to any change in macroeconomic conditions. In the event that we fail to react promptly to the changing economic conditions, our business, financial condition and results of operations could be materially and adversely affected. In addition, unforeseeable circumstances and factors such as power outages, labour disputes, severe weather conditions, environmental factors such as air pollution and haze, and natural or other catastrophes, in particular, earthquakes, may directly or indirectly disrupt our supply chains to our restaurants and cause loss and damage to our business. If any of these events occur, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to refinance our indebtedness on favourable terms and our leverage could adversely limit our operational flexibility

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. There is no assurance that we will be able to maintain a level of cash flow from operating activities

RISK FACTORS

sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. As at 29 February 2024, we had a cash balance of approximately S\$1.2 million and current assets of approximately S\$9.6 million. As at 29 February 2024, our Group's current liabilities of approximately S\$24.1 million, which includes S\$13.3 million of the current portion of lease liabilities, exceeded our current assets by approximately S\$14.5 million. There had been no breach of any loan covenants during the Period Under Review. As a general note, the corresponding right of use assets are reported in the non-current assets. For details, please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document.

We may also find it necessary or prudent to refinance our outstanding indebtedness with longer-maturity debt or at a higher interest rate. Our ability to refinance our indebtedness on favourable terms, or at all, is directly affected by current global economic and financial conditions as well as our credit position. In addition, our ability to arrange for external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in us, the success of our businesses, provisions of tax and securities laws that may be applicable to our efforts to raise capital and political and economic conditions. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or obtained on terms favourable to us.

Our leverage may increase in the future, which could have important consequences, including:

- increasing our vulnerability to downturns or adverse changes in general economic, industry or competitive conditions and adverse changes in government regulations;
- requiring a portion of our cash flows from operations to be dedicated to the payment of principal, premium, if any, and interest on our indebtedness, therefore reducing our ability to use our cash flows to fund our operations, capital expenditures and future business opportunities;
- exposing us to the risk of being unable to maintain sufficient levels of cash flows to permit us to pay the principal, premium, if any, and interest on our indebtedness;
- limiting our ability to pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments;
- requiring lenders' consent to any change of control or changes in shareholding, as defined in the applicable loan agreement; and
- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes.

If new indebtedness is added to our current debt levels, the related risks that we face could intensify and may have a material adverse effect on our business, prospects, results of operations and financial condition.

RISK FACTORS

We may be subject to damage and disruptions in our IT systems

We rely on our information technology (“IT”) systems for our operations and the timely exchange of business information within our Group. These systems are important to our business operations. There can be no assurance that our IT systems will operate without interruption or will not malfunction.

It may be difficult or costly to keep our IT systems up-to-date or to implement system maintenance and upgrades. Disruptions to our IT systems may lead to disruptions to our businesses, thereby incurring expenses or losses. Disruptions to our systems may also occur due to security breaches, damage to data centres, or external interruptions in technology infrastructure. Any system disruption or failure could reduce our productivity, customer satisfaction, and/or materially and adversely affect our business, financial condition and results of operations.

We are subject to regulations regarding the use of personal data

We are subject to regulations in the jurisdictions in which we operate in relation to the use of personal data. We collect, store and process personal data from our customers, business contacts and employees as part of our business operations, as well as other personal information. Therefore, we must comply with the relevant data protection and privacy laws in the jurisdictions we operate. Those laws generally impose certain requirements on our Group in respect of the collection, retention, use and processing of such personal data. Notwithstanding our efforts, our Group is exposed to the risk that this personal data could be wrongfully appropriated, lost, disclosed, retained, stolen or processed in breach of such data protection laws. Failure to operate effective data processing practices and controls could potentially lead to regulatory censure, fines, reputational and financial costs which could materially and adversely affect our business, financial condition and results of operations.

(b) RLSB

We are subject to significant competition

We operate in a highly competitive landscape, particularly in the RLSB in Japan. We face considerable competition from other real estate companies that offer restaurant leasing and subleasing as an ancillary businesses. Our key competitors are Tenpo Ryutsu Net, Inc., Tenpo Innovation Inc., G-Factory Co., Ltd. and ABC Tenpo Inc.. We may also face competition from new market entrants, or as a result of consolidation by our existing competitors. Increased competition may decrease both the number of transactions that our agents handle and the commissions and price levels that our agents are able to charge, which may in turn adversely impact our business, prospects, results of operations and financial condition. Please refer to the sub-section entitled “General Information of Our Group – Competition – RLSB” of this Offer Document for more information.

There is also substantial competition in securing properties in prime, high-traffic areas. Based on our experience, such premises in good locations which are also suitable for the operation of restaurants are scarce and frequently in high demand. If we are unable to successfully compete against our competitors to secure leases over suitable properties in desirable locations, we may not be able to attract new customers or attract existing customers to lease more properties from us. This may materially and adversely affect our Group’s financial performance.

RISK FACTORS

We also face competition for restaurant tenants for our subleased properties. Our competitors may be able to offer potential tenants other properties in similar or better locations. If we are unable to compete effectively against such offers, we may not be able to grow, or face loss of market share. This will in turn adversely affect our RLSB, results of operations, financial condition and prospects.

We are dependent on the health of the F&B industry and the property industry in Japan

We focus on the subleasing of properties for the operation of restaurants in Japan. As such, a substantial portion of our Group's revenue is dependent on the health of the F&B industry and the property industry in Japan, in particular the rental market. The F&B industry and the property industry is in turn highly dependent on the performance of the Japan economy. An economic decline in Japan could adversely affect demand for our subleased properties, and as a result negatively impact on our Group's results of operations.

In addition, the Japan economy is affected by global economic conditions. Global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. These events could adversely affect our Group insofar as they result in, *inter alia*, a negative impact on the ability of restaurant tenants to pay their rents in a timely manner or continue their leases; a decline in the demand for leased space for commercial purposes across Japan and the rents that can be charged when leases are renewed or new leases are entered into, as compared to rents that are currently charged; access to capital markets becoming more difficult, expensive or impossible resulting in tenants being unable to service or obtain debt or equity capital to fund their operations, meet their obligations, rent additional properties or otherwise conduct their businesses; and/or an increase in counterparty risk.

We may not be able to continue or renew the existing leases on our subleased properties

Our subleased properties are leased from our landlords. We enter into two (2) types of master lease agreements namely, (a) ordinary building leases; and (b) fixed-term building leases with our landlords for leasing of such properties. The fixed-term building leases with our landlords are entered typically for terms of five (5) to ten (10) years and are not renewable while the ordinary building leases with our landlords are entered typically for terms of at least two (2) years. The nature of the sublease agreement (whether a fixed-term building lease or ordinary building lease) entered into by our Group with our sub-tenants (being the restaurant tenants) is contingent upon the terms stipulated in the respective master lease agreements with the landlords. As at the Latest Practicable Date, approximately 73.4% and 26.6% of our master lease agreements with our landlords are ordinary building leases and fixed-term building leases, respectively. Correspondingly, 73.4% of our Sublease Agreements with our restaurant tenants ordinary building leases and 26.6% are fixed-term building leases as at the Latest Practicable Date.

Under Japanese law, ordinary building leases will be renewed automatically, by operation of law, on conditions identical to the existing lease agreement, save for terms relating to the duration of the lease. Notwithstanding that the rent remains the same, parties may, under specific circumstances and in accordance with the Act on Land and Building Leases (“**LBLA**”), request for a reasonable increase or decrease in rent. If the landlord wishes to terminate an ordinary building lease, it must give the tenant an advance notice of at least six (6) months but not earlier than one (1) year prior to the expiry of the lease term provided there is a justifiable ground for the termination. The existence of justifiable grounds is determined by the courts in Japan taking into consideration the following factors: (i) necessity of use of the building by the landlord and tenant (including any restaurant tenant); (ii) history of the building lease; (iii) current use and condition

RISK FACTORS

of the leased building and (iv) any offer of payment by the landlord to the tenant as a condition or in exchange for the tenant vacating the building. Any provision in an ordinary building lease agreement that is inconsistent with the requirements (including those set out above) under the Japanese law governing the ordinary lease will be invalid. Notwithstanding this, if a landlord decides to terminate or refuse the renewal of an existing ordinary building lease and there is any dispute as to the termination or refusal of renewal, we may have to incur additional time and costs arising from such dispute and our RLSB will be disrupted. Please refer to the sub-section entitled “General Information on Our Group – Licences, Permits, Approvals, Accreditation and Government Regulations – Material Laws and Regulations – Japan – Act on Land and Building Leases” of this Offer Document for more information in respect of the laws on ordinary building lease and fixed-term building lease.

Unlike ordinary building leases, fixed-term building leases cannot be renewed on, and will terminate upon expiry of the initial term, and the lessor need not provide any justification for refusing to renew the lease, provided that certain prescribed formalities under the Japanese law are met. Such formalities include the lessor explaining to the lessee the fixed-term nature of the lease and prior to entry into a fixed-term building lease, the lessor delivering an explanation in writing to the tenant stating that the lease is not renewable and will terminate upon expiry of the term. If the landlord does not comply with the prescribed formalities, the fixed-term building lease will be void and the lease will be deemed an ordinary building lease. Our fixed-term building leases may be terminated by landlords upon the occurrence of certain termination events in accordance with the terms of the fixed term building lease agreements. However, the landlord and tenant are not prohibited from entering into a new lease after the original lease term expires. There is no assurance that we will be able to reach an agreement with the landlords on such new leases after the expiry of our fixed-term building leases on acceptable terms or at all.

If we are unable to secure new leases or continue or renew existing leases on acceptable terms or at all, or if our leases are prematurely terminated, our RLSB, operations and financial performance may be materially and adversely affected.

During the Period Under Review, we have not encountered any dispute of a material nature with our landlords with respect to the termination or renewal of leases.

We may be exposed to losses if we are unable to secure a suitable tenant after our entry into the master lease agreement or during any period a leased property is vacant

Under our existing RLSB model, we typically secure a tenant before we enter into a master lease agreement with the landlord. However, in certain circumstances, for example where a property is particularly desirable, or where the rent requested is exceptionally low for the particular property, or if a property in the area is particularly difficult to secure, we may enter into the master lease agreement with the landlord before securing a suitable tenant. This may result in us incurring expenditures including rent paid to the landlord and/or utilities expenses before any revenue can be generated from the subleasing out of such property. There is no assurance that we will be able to recover all or any of such expenditure.

If our subleased properties are vacant due to any reasons such as early termination by our tenants by giving us prior notice in accordance with the Sublease Agreements, we will incur expenditures in the form of rent payable to the landlord and additional costs such as marketing costs to secure new tenants in respect of those properties.

RISK FACTORS

If we are unable to secure suitable tenants for our subleased properties in a timely manner and/or pass on any incurred expenditure to the tenants, we may incur losses for the period during which the subleased property is untenanted, and the results of the operations of our Group may be adversely affected. As at the Latest Practicable Date, there were no past incidents which had a material adverse impact on our Group's operations and/or financial performance.

We may face potential claims from our landlords in the event that our tenants' or our actions and omissions result in any breaches of the terms of our master lease agreements and we may also be liable for our tenants' non-compliance with governmental and regulatory requirements, and such losses are not covered by insurance

The master lease agreements which we enter into with our landlords typically include provisions governing the usage and maintenance of the leased premises. In addition, the master lease agreements will also typically include a provision which requires the lessee to be liable for any property damage or injury to a third party that is caused by a wilful or negligent act of the lessee. In the event there is any damage to our subleased premises or injury to a third party caused by a wilful or negligent act of our tenant, we may be subject to claims for property damage and personal injury under the master lease agreements and incur additional costs that will adversely affect our earnings and profit margin, thereby materially and adversely affecting our RLSB, results of operations, financial condition and prospects. To reduce the risk of any breaches occurring, we typically incorporate key terms of the master lease agreements into the relevant Sublease Agreements with our tenants, and explain the effect of such terms to our tenants so that they are fully aware of their contractual obligations. Additionally, as a condition within our sublease agreement, we would require the restaurant tenants to take out adequate insurance coverage at their own costs for the subleased properties. For the avoidance of doubt, neither our Company nor FIJ (being the master tenant) is the beneficiary of the insurance coverage taken out by the respective restaurant tenants. In the event of any claims by the landlord or a third party, the necessary insurance claims will be filed by the respective restaurant tenants, and any amounts recovered will be used to pay the landlord or the third party (as the case may be).

We have, in the past, experienced complaints from our landlords due to the conduct of our tenants such as improper maintenance of the subleased properties by our tenants. Such complaints were resolved amicably through negotiations with our landlords and did not lead to early termination of master lease agreements. Our Group has not experienced any severe tenant breaches which have resulted in our Group terminating the lease contract prematurely and/or materially and adversely impacted our Group's financials or reputation. The standard subleasing contracts our Group signed with the lessees includes clauses that prohibit calls to action that may be interpreted as a violation of the ordinance and any antisocial forces-related activities or links to mitigate the risk of being liable for our tenant's breaches. Notwithstanding this, there is no assurance that we will be successful in resolving such complaints or any disagreements between our landlords and our tenants in the future. We may also face risk of claims by our landlords which may adversely affect our financial position if there is any dispute with our landlords in the event of an early termination of the master lease agreements by us or our failure to comply with the terms of the master lease agreements.

In addition, our tenants' use of the subleased properties and the conduct of their business may be subject to governmental and regulatory requirements such as the requirement to obtain the requisite licences and approvals for the use of the subleased properties or the conduct of their business. Any occurrence of such non-compliance with the relevant regulations by our tenants may result in, amongst others, the imposition of fines on us and/or the termination of our master lease agreements. In the event that any of our master lease agreements are terminated prematurely and we are unable to secure new subleased properties on terms which are favourable

RISK FACTORS

to us and/or are unable to find suitable replacement subleased properties, our normal business operation would be disrupted. This may cause us to suffer additional costs which can have a material and adverse effect on our RLSB, results of operations, financial condition and prospects. As at the Latest Practicable Date, our Group has not encountered any such incidents that had a material adverse impact on our Group's operations and financial performance.

We do not have insurance coverage in respect of such property damage and personal injury claims and/or liabilities as a result of our tenants' wilful or negligent act and non-compliance with the relevant regulations by our tenants. Should there be any such property damage and personal injury claims and/or liabilities as a result of our tenants' wilful or negligent act and non-compliance with the relevant regulations by our tenants, we are liable to pay for such amounts to the landlord but are able to separately claim for such amounts against our tenant. Notwithstanding the insurance taken out by our Group, the security deposits of six (6) to eight (8) months collected from our tenants as well as the credit and background checks performed on our tenants, there is no assurance that these safeguards will prevent the occurrence of our tenants' wilful or negligent acts and non-compliance with the relevant regulations and cover any material uninsured loss associated with such events. Any material uninsured loss could have a material and adverse effect on our RLSB, results of operations, financial condition and prospects. As at the Latest Practicable Date, there have been no such claims brought against us. We do not have insurance coverage in respect of cash in transit for our Group's RLSB as the rental fees paid by FIJ to the Landlords or restaurant tenants to FIJ are all done via electronic funds transfers.

Our RLSB is partially regulated under the real estate brokerage laws of Japan

In Japan, the provision of intermediary or agency services in respect of building leases is regulated under the Japan Real Estate Brokerage Act and is subject to licensing requirements. Please refer to sub-section entitled "General Information on Our Group – Material Laws and Regulations – Japan" of this Offer Document for details on the relevant requirements. In our RLSB, we rent properties from landlords and sublease the properties to restaurant tenants, which does not constitute the provision of intermediary or agency services for the leasing of properties carried out in the course of business under the Japan Real Estate Brokerage Act. Therefore, a Real Estate Brokerage License is not required for the purposes of the operations of our RLSB. However, in the event that it would be more commercially advantageous for us to broker a transaction where a direct lease is entered into between the landlord and the tenant as lessee and tenant, we may act as an intermediary. In such cases, we will be subject to the regulatory requirements of the Japan Real Estate Brokerage Act. We currently hold the requisite licence required to act as an intermediary. However, this only accounts for approximately 1.0% of our Group's FRB in Japan and does not form a significant portion of our business.

We are exposed to credit risk from our restaurant tenants and subject to defaults and/or delays in payments by restaurant tenants

Depending on the creditworthiness of our tenants, we are exposed to payment delays and defaults by our tenants. We depend on the prompt payment of, among other things, the rental of the subleased properties.

Notwithstanding that rent is payable in advance and a security deposit of six (6) to eight (8) months is collected, there is no assurance that we will be able to successfully and/or promptly collect payments from our tenants, or we will not experience cashflow problems in the event of such defaults in payments. Should these develop into actual events, or in the event there is an increase in the number of such defaults in payment, our cashflow and financial position may be adversely affected. As part of our Group's new risk management strategy adopted during

RISK FACTORS

COVID-19, our Group mandates that restaurant tenants who are new clients to our Group execute agreements with lease guarantor companies upon leasing our subleased properties. This contractual arrangement ensures that the guarantor companies fulfill the financial obligations of the tenants in the event of the tenants' default. Please refer to the sub-sections entitled "General Information of Our Group – Credit Management" and "General Information of Our Group – Business Overview – RLSB Process" of this Offer Document for an analysis of our Group's credit management and details of the arrangements with the lease guarantors respectively.

As at the Latest Practicable Date, there were no past incidents which had a material adverse impact on our Group's operations and/or financial performance.

Our right to terminate or opt for non-renewal of a Sublease Agreement may be restricted

In Japan, the courts will generally only allow a lessor to terminate a lease agreement for the lessee's breach of contract if the lessee had committed a material breach that resulted in the destruction of the "trust relationship" between the parties. A termination of the lease agreement by the lessor for non-material reasons, including non-payment of rent for an insubstantial period of time will likely be adjudged invalid by a Japanese court. The same applies to the termination of a sublease agreement. Accordingly, our ability to terminate a sublease agreement on a timely basis arising from, *inter alia*, a restaurant tenant's failure to pay rent may be restricted.

Additionally, under Japanese law, a lessor would only be permitted to refuse the renewal of an ordinary building lease if the non-renewal is based on justifiable grounds. In determining whether justifiable grounds exist, the courts in Japan will consider the following factors: (i) the need, on the part of each of the lessor and lessee, to use the building (with the need of any restaurant tenant to use the building being considered the lessee's need), (ii) the history of the building lease, (iii) the status as to how the building is used, (iv) the current conditions of the building, and (v) any offer of payment by the lessor to the lessee as a condition or in exchange for the lessee's surrender of the building. The same applies to the renewal of Sublease Agreements. Accordingly, we may not be able to refuse the renewal of a sublease agreement, even if renewal is against the interests of our Company. As at the Latest Practicable Date, our Group has not encountered any such incidents that had a material adverse impact on our Group's operations and financial performance.

We may not be able to pass on any higher rent requested by landlords to the restaurant tenants

Our RLSB in Japan is regulated by LBLA, which changes certain basic rules of the Civil Code as applied to building leases, for the purpose of protecting building lessees. Among other things, a landlord has a statutory right that, if not precluded by the terms of the relevant master lease agreement, allows it to request for a higher rent, regardless of the amount of rent agreed upon. This right can be triggered when the rent becomes disproportionate (i) as a result of increases in tax and dues, (ii) as a result of a rise in property prices, or fluctuations in other economic circumstances, or (iii) in comparison to the rent for similar buildings in the vicinity. Similarly, a lessee has a statutory right to request for rent reduction when the rent becomes disproportionate. If the parties cannot reach an agreement on the amount of rent increase or reduction, a court would determine the appropriate amount, and such increased or reduced amount will take effect from the time the request for increase or reduction was made.

RISK FACTORS

Accordingly, our RLSB has been and will be subject from time to time to rent increase requests from landlords. However, under the terms of our Sublease Agreements with restaurant tenants and the provisions of the LBLA, we have no right to automatically pass on the burden of increased rent to restaurant tenants. Similarly, we have no right to an automatic reduction in the rent we pay to our landlords should there be a downward adjustment in the rent we receive from our restaurant tenants. If our Company fails to successfully negotiate (i) an increase in rent with its restaurant tenants following an increase in the rent we have to pay under the master lease agreement, or (ii) a reduction in rent payable under the master lease agreement when the rent payable to us by our restaurant tenants has been reduced, the profitability of our RLSB may be adversely affected. As at the Latest Practicable Date, our Group has not encountered any such incidents that had a material adverse impact on our Group's operations and financial performance.

We may fail to successfully renew our Real Estate Brokerage Licence applicable to our RLSB

We are subject to the current regulatory framework, which requires us to apply for and renew our Real Estate Brokerage Licence issued by the Governor of Tokyo every five (5) years. Our current Real Estate Brokerage Licence will be subject to renewal upon its expiry on 5 August 2026. While we have not had any issues in renewing our Real Estate Brokerage Licence in the past and to the best of our Directors' knowledge and belief, our Directors are not aware of any facts or circumstances which would cause such licences, permits and approvals to be suspended, revoked or cancelled as the case may be, or for any applications for, or renewal of any of these licences, permits and approvals to be rejected by the relevant authorities, there is no assurance that we will be able to renew Real Estate Brokerage Licence in the future under the current regulatory framework. In the event that we are unable to renew Real Estate Brokerage Licence, it would affect our ability to continue to carry on the RLSB, and our business, prospects, results of operations and financial performance may be adversely affected. Please refer to the sub-section entitled "General Information on Our Group – Licences, Permits, Approvals, Accreditations and Government Regulations – Material Licences, Permits, Approvals and Accreditations – Japan" of this Offer Document for details on our regulatory licences, permits and approvals.

We may be liable for representations made by us, or our salespersons and other property agents which we collaborate with

From time to time, dissatisfied customers may lodge complaints or take legal action against us for certain representations which we or our salespersons may have made in the course of promoting property developments, marketing new and resale properties for other developers and our marketing activities. While our Company and our salespersons are covered under professional indemnity insurance which may help to mitigate economic losses, any such occurrence could materially and adversely impact our reputation and goodwill, cause loss of customer confidence in us and loss of customers, which could in turn have a material adverse effect on our business, prospects, results of operations and financial performance. As at the Latest Practicable Date, we have not received and/or are aware of any complaint or dispute against our Group which may adversely affect our financial performance.

As a result of such complaints lodged or legal action taken against us, we may be held liable for any damages suffered by our customers, and our financial conditions or results of operations may be materially affected depending on the quantum of damages payable. Even if we are not held liable for any damages, the negative publicity arising from any such complaints to the press or any governmental authorities may adversely affect our reputation, business, prospects, results of operations and financial performance.

RISK FACTORS

There may be occasions where the landlords' consent to sublease is only granted verbally

While the landlords' consent to sublease is generally granted in writing, in rare circumstances, it may be granted verbally only.

Under the Civil Code of Japan, a lessee can only sublease a property it has leased from the lessor with the lessor's consent. Additionally, some master lease agreements expressly prohibit subleasing of the relevant property without the lessor's consent. There is, however, no formal requirement for the giving of such consent. As a result, such consent may be provided verbally.

In our RLSB, while most of the landlords have granted such consent for subleasing in writing, in the form of explicit provisions in the master lease agreements or separate memoranda, one or a very few have only provided their verbal consent. If verbal consent is provided by the landlords, we will make reasonable efforts to follow up with the landlord to obtain a written record of their consent to the subleasing. In the event that a landlord disputes the existence or scope of such verbal consent, and our Company is unable to prove otherwise, the master lease agreement may be terminated by the landlord, and our Company's subleased property may have to be surrendered to the landlord.

(c) FRB

The nature of our FRB is highly competitive

Competition in the F&B industry is intense, and barriers to entry are relatively low. We compete on the basis of, *inter alia*, location, overall dining experience, taste, quality, price of food offered, customer service, and ambience. While we attempt to differentiate our restaurants in terms of concepts, themes and designs, we are aware that there are other restaurants that operate similar concepts. Our competitors include a large and diverse group of Japanese restaurant chains and individual Japanese restaurants. In addition, we compete with other restaurants for site locations and employees. Many of our competitors are well-established and some of our competitors may have greater financial, marketing and other resources than we do.

The entrance of new competitors into our markets or into the immediate areas surrounding our existing restaurants could affect the business and turnover of our restaurants. In the event we are unable to compete effectively in the F&B industry, our financial performance and profitability will be materially and adversely affected. There is no assurance that we can continue to compete against our competitors successfully in the future. If our competitors are able to offer, for example, better quality food at lower prices, our sales and market share will be materially and adversely affected. Competition also exerts downward pressure on our prices which may result in an erosion of our profit margins.

Please refer to the sub-section entitled "General Information on Our Group – Competition" of this Offer Document for further details of the competition we face and our competitors.

We may not be successful in operating our restaurants effectively

The financial performance of our restaurants is dependent on various factors including:

- (i) our ability to maintain and enhance the quality of our products and services;
- (ii) our ability to retain existing customers and attract new customers;

RISK FACTORS

- (iii) our ability to implement new initiatives to drive sales and to continuously increase same store sales;
- (iv) our ability to seize market opportunities and to adapt to changing consumer tastes and preferences;
- (v) our ability to maintain good relationships with third-party suppliers, service providers and business partners;
- (vi) our ability to hire, train and retain talented employees;
- (vii) our ability to manage costs of our operations; and
- (viii) decrease in the number of customers visiting the stores due to baseless/malicious complaints, malicious rumours, and malicious word of mouth.

If we are unable to successfully manage the foregoing factors, some of which may be beyond our control, the operations of our restaurants may be disrupted, resulting in a material and adverse effect on our business, financial condition, results of operations and prospects.

We may not be able to secure new strategic locations to expand our FRB

The growth and sustainability of our FRB is dependent on our restaurants being located at strategic locations which allow us to reach out to a wide base of customers. Our restaurants are currently located at easily accessible locations with high footfall, thus facilitating high volume of sales of our products. To maintain our competitiveness in the F&B industry, we must constantly seek new strategic locations to expand our FRB. However, there can be no assurance that we will be able to continue to secure strategic locations for our new restaurants at reasonable rates. Any failure to secure strategic locations for new restaurants may result in a loss of potential business and will present opportunities to competitors to increase their market share by opening their restaurants at such strategic locations, thereby affecting our FRB and financial performance.

We lease premises for our restaurant outlets and there is no assurance that we will be able to continue or renew existing leases on terms acceptable to us or at all or secure leases on new premises

As at the Latest Practicable Date, all premises used by our restaurant outlets under our brands in Japan, Singapore and Malaysia are leased.

We usually enter into leases with tenures of between two (2) to seven (7) years. During the negotiation or renewal of the leases, the landlord may seek to revise the terms and conditions of the lease, and we may face the possibility of an increase in rental rates, or not being able to renew the lease on terms and conditions acceptable to us or at all. In addition, on occasion, the landlord may, at the end of the tenure of the existing lease, put such premises up for open tender or solicit alternative bids. There is no assurance that we will be able to win such tenders or be more competitive than any alternative bids submitted.

During the Period Under Review, we have not encountered any dispute of a material nature with our landlords with respect to termination or renewal of leases for our restaurants.

RISK FACTORS

Some of our leases contain provisions that may be less favourable to our Group, including the landlord's right to terminate all other leases entered with us in the event we or our tenants fail to comply with the terms of a lease with the landlord. There can be no assurance that we will not breach such terms and conditions in the future and/or will be able to ensure that our tenants comply with such terms and conditions. In such event, our lease of the relevant property for our restaurants may be terminated. Our business and operations will be disrupted and we will incur time and expenses in sourcing for and renovating new premises.

If we are unable to lease new premises or renew existing leases on acceptable terms or at all, or if our leases are prematurely terminated, our FRB, operations and financial performance may be materially and adversely affected.

In addition, if our landlords fail to comply with requisite laws, rules and regulations, our leases may be affected, which may in turn disrupt our FRB and operations. As at the Latest Practicable Date, our Group has not encountered any such incidents that had a material adverse impact on our Group's operations and financial performance.

In addition, in the event a landlord is of the opinion that our manner of occupation or operations are not consistent with the landlord's terms or conditions for the use of the premises, we may be subject to inspections, be required to adapt or curtail our operations, and/or our lease of such premises may be terminated. The termination or non-renewal of our leases or renewal upon less favourable terms may have a material and adverse effect on our business, operations and financial performance as we may have to seek alternative premises for existing outlets, and there can be no assurance that alternative premises will be available at comparable locations or leased on comparable terms.

Our continued success and sustainability of growth will depend on our ability to expand and manage our restaurants

We intend to establish more restaurants in Japan, Singapore and Malaysia and other countries overseas as part of our growth strategy. Please refer to the sub-section entitled "Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans" of this Offer Document for more details.

Our expansion plans will require us to, *inter alia*, secure additional suitable premises and will require substantial working capital and capital expenditure. A good location possesses characteristics such as ease of accessibility with high footfall, reasonable rental costs, a safe and conducive environment for dining and close proximity to patrons. Premises in good locations suitable for our restaurants are scarce and frequently in high demand. There is no assurance that we will be able to continue to secure good locations to expand our restaurants, and this may affect our business, financial condition and results of operations. Further, our new restaurants may not achieve their expected profitability for a prolonged period of time or at all, due to various factors, such as the effectiveness of our business and marketing strategies or other factors beyond our control, such as global and local economic conditions, market sentiment and market competition.

Further, while we have experience in establishing restaurants in Japan, Singapore, Malaysia and previously Taiwan, we do not have experience in establishing restaurants outside of the jurisdictions where we are currently operating in and therefore, such further expansion may present a heightened risk in countries where we are unfamiliar with the markets, competitive landscape and regulatory environments. In such new markets, consumers may also not be familiar with our portfolio of brands and we may face difficulties in establishing our business and brands there and may incur higher costs in doing so. In the event that revenue generated by our new

RISK FACTORS

restaurants is lower than expected, the costs associated with such new restaurants are higher than expected, and/or if we are unable to effectively manage the increased requirements of our expanded network of restaurants, we may be unable to recover our investment and/or suffer losses. If any of these events occur, our business, financial condition and results of operations may be materially and adversely affected.

We rely on skilled and experienced personnel and we are subject to labour and immigration laws and policies that govern the employment of foreign workers

Our business is labour-dependent and reliant on skilled and experienced personnel which are in short supply within the F&B industry. In particular, experienced and skilled Japanese chefs are scarce and competition for such personnel is intense. For our operations in Singapore and Malaysia, we rely on skilled and experienced local and foreign employees. We may experience shortage of manpower from time to time due to several factors which affect our supply of both foreign and local workers. As at the Latest Practicable Date, our Group has 111 full-time employees of which approximately 40.0% are foreign workers in Singapore and Malaysia.

Our ability to serve our customers quality food and provide good customer service depends on our ability to secure adequate and suitable employees for our operations. There is no assurance that we will continue to be able to employ adequate and suitable employees, that our employees will perform up to our expectations, or that we will not experience a high attrition rate due to factors beyond our control. In such situations, the quality of our food and/or customer service may decline, and our business, financial condition and results of operations may be materially and adversely affected.

Moreover, competition for qualified personnel may result in us having to pay higher wages to attract and retain our personnel, which may increase our expenses related to employee benefits in a manner that materially and adversely affects our business, financial condition and results of operations.

We are also required to comply with the conditions stipulated in work permits issued to our foreign employees, the contravention of which may result in a statutory penalty, a curtailment in our foreign employees' quota and/or a ban by the Ministry of Manpower of Singapore or Immigration Department of Malaysia on our applications and renewals of work permits for foreign employees. The imposition of any or a combination of these penalties may result in the disruption of our operations and/or an increase in our operating costs, which may materially and adversely affect our business, financial condition and results of operations. While our workforce currently is sufficient for our scale of operations and we are in compliance with all the prescribed conditions under the labour laws of Singapore and Malaysia, there is no assurance that we will continue to be able to do so or that such measures will attract and retain sufficient local workers to meet any shortfall in foreign workers. There is also no assurance that the implementation of new laws, regulations, and policies in relation to hiring foreign workers will not affect our operations and operating costs. If we are unable to employ sufficient workers on terms acceptable to us or at all while complying with all the prescribed conditions under the labour laws of Singapore and Malaysia, our business, financial condition and results of operations may be materially and adversely affected.

RISK FACTORS

We depend on the strength of our and our business partners' reputation, brands and intellectual property

We believe that we have established a reputation as a leading F&B establishment in Japan, Singapore and Malaysia, with key brand names recognisable by the general public. Consumer perception of our brands depends on various factors, such as the quality of our food and service, the physical condition, ambience and cleanliness of our restaurants and word-of-mouth references, as well as our advertising, public relations and marketing activities. If our brand image deteriorates or our marketing and other activities are less effective than expected, our business, financial conditions and results of operations may be materially and adversely affected.

We also engage in collaborations with other restaurant operators and/or F&B businesses. The actions of these business partners are outside of our direct control. If they engage in practices that harm their reputation, including without limitation, food safety violations, labour disputes or ethical scandals, our reputation, brand image and customer trust may be negatively affected by association.

It is possible that third parties may adopt trade service names similar to our trademarks which are registered or pending registration. It is also possible that third parties may register trademarks identical or similar to ours in countries that we are currently not operating in, which may create barriers to entry in such markets for our Group in the future. If any of our trademarks is infringed or if our trademark applications are challenged or revoked or if we are unsuccessful in enforcing our intellectual property rights in legal proceedings at a reasonable cost, or at all, or if such legal proceedings result in monetary liability in the form of damages and/or prevent us from further using our trademarks, our business, financial condition and results of operations may be materially and adversely affected.

Unauthorised or incorrect use of our brands, trademarks or variants by our business partners or other third parties, may harm our reputation, and if any of our trademarks is infringed, or if our trademark applications are challenged or revoked, we may not be able to succeed in legal proceedings to enforce our intellectual property rights at a reasonable cost or at all. As a result, the reputation and trust associated with our brands may be eroded and our business, financial condition and results of operations may be materially and adversely affected.

Our franchising business is reliant on the reputation, brands and intellectual property (including trademarks) of our franchisors. For example, the intellectual property of the “*Moomin*” brand under which we operate our *Moomin Café Karuizawa* is licensed to us by a brand licensing agent. In the event there is any failure by our franchisors to defend its intellectual property against infringements in legal proceedings or otherwise, or if our franchisors suffer any reputational damage, the brand image of our franchised restaurants may deteriorate, and our business, financial condition and results of operations may be adversely affected.

Additionally, we depend on the licences of popular anime and other characters such as “*Moomin*” that our Group has secured from the master licensors to operate restaurants and/or cafes and for the sale of merchandise. For restaurants that our Group provides Restaurant Operations Management Services, we depend on our collaboration partners to secure the licences of popular anime and other characters under their licensing agreements.

RISK FACTORS

We will be affected by any failure to maintain the quality of the food products and services we offer

In the F&B industry, it is essential that the quality of our food products remains consistent. Any inconsistency in the quality of our food products may result in customer dissatisfaction and a corresponding decrease in patronage of our restaurants. While we conduct frequent quality control checks on the ingredients we purchase, there is no assurance that the quality control measures we undertake will completely prevent any inconsistency in the quality of our food products.

In addition, high staff turnover, shortage of staff, failure to retain staff without finding suitable replacements in a timely manner or the lack of proper supervision may also affect the consistency and quality of our food products and the standard of service at our restaurants. This risk is especially pertinent with respect to our operations in Singapore since we employ experienced Japanese chefs for some of our restaurants in Singapore, who will receive training on our recipes and whose role is, amongst others, to ensure consistency in quality of our food, as well as in the quality of the dining experience. In the event there is a need to replace the chef for any reason, the incoming chef will first be trained by the outgoing chef. If there are any changes in government policies or regulations relating to foreign workers (for example, in relation to permitted dependency ratios of local to foreign workers in our industry), this may affect our ability to secure work permits and visas for these Japanese chefs to be employed by us.

In the event there is any form of dissatisfaction from customers with the quality of our food products or services, their patronage at our restaurants may be reduced and our FRB and financial performance will be adversely affected. Please also refer to the risk factors entitled “Risk Factors – We face food contamination and tampering risks”, and “Risk Factors – We may be exposed to negative publicity, customer complaints and potential litigation” in this section of this Offer Document.

As at the Latest Practicable Date, our Group has not encountered any such incidents that had a material adverse impact on our Group’s operations and financial performance.

We may be affected by any outbreak of food-related diseases, spread of contagious or virulent diseases in livestock, food scares and/or other types of contagious disease

We are susceptible to the outbreak of food-related diseases, the spread of contagious or virulent diseases in livestock, food scares and/or other types of diseases in the region or around the world, such as the avian influenza H7N9 virus (also known as “bird flu”) or bovine spongiform encephalopathy (also known as “mad cow disease”). Any such outbreak may lead to a reduction in consumption of the affected type of meat or food by consumers, and require us to reduce or eliminate the use of such ingredient of the offerings at our restaurants, and there is no assurance that we would be able to adapt our recipes to reduce or eliminate the use of such ingredients without affecting the quality of, or our customers’ satisfaction with, our offerings. This may lead to declined patronage at our restaurants and result in material and adverse effect on our FRB and financial performance. A loss in consumer confidence concerning any particular ingredient may lead to a reduction in consumption of the affected type of meat or food, and force us to reduce or eliminate the use of that ingredient in our outlets. Certain ingredients from particular countries may be restricted or banned by the government in Singapore or elsewhere, and scarcity of supplies may lead to price increases for those ingredients, thereby affecting our ability to serve certain dishes at our outlets. In addition, in the event of disease outbreaks, consumer sentiments may also be adversely affected, and consumers may be less willing to dine out or patronise F&B outlets. In the event that any of these events occur, our FRB, operations and financial performance may be materially and adversely affected.

RISK FACTORS

Further, sources of supply for the affected types of food ingredients may also be reduced or the government in Singapore, Malaysia or other jurisdictions where our restaurants may be located may ban the import of the affected types of food ingredients from particular countries as a result of outbreaks of diseases. This reduction in supply of such food ingredients may lead to an increase in the prices of such affected food ingredients which we may not be able to pass on to our customers, or a shortage in supply of the affected food ingredients will affect our ability to supply our restaurants with the necessary food ingredients for operations. Any increase in prices or shortage in supply of the food ingredients required for our restaurants will adversely affect our profitability and financial performance.

During the Period Under Review and up to the Latest Practicable Date, save for COVID-19, we have not experienced any disease outbreak that has materially affected our FRB, operations and financial performance. There can be no assurance that the effects of disease outbreaks will not occur in the future.

We may face food contamination and tampering risks and our business may be adversely affected if there is bad publicity

Food contamination and tampering is a risk inherent to F&B operations. Our ingredients are mainly fresh seafood, meat and vegetables, which are procured from various suppliers. Fresh ingredients are perishable and susceptible to contamination and tampering if not properly stored or packed. They may also be contaminated during the food preparation process as a result of lapses in food handling hygiene or cleanliness of our restaurants. Contaminated ingredients may result in customers falling ill and may give rise to bad publicity, and we may be ordered by the relevant authorities to suspend or cease all or part of our FRB operations, which will materially and adversely affect our FRB and financial performance.

Our restaurants and central kitchen facility can be subject to negative allegations from our customers, complaints of illnesses and injuries incurred on our premises. There can be no assurance that such occurrences, whether with merit or groundless, will not arise in the future. We may be subject to malicious or groundless rumours that may easily be transmitted through social media. Such events may generate negative publicity concerning our food quality or hygiene standards, reduce customers' confidence in our food products, tarnish our reputation and/or reduce patronage of our restaurants. As a result, our business, profitability and financial performance may be adversely affected and we may also have to incur additional costs in placating customers and/or restoring our reputation. Further, depending on the severity of such events, we may even be ordered to suspend or cease all or part of business operations by the relevant authorities and the results of our operations may consequentially be materially affected.

During the Period Under Review and up to the Latest Practicable Date, we have not experienced any incident of food contamination and/or tampering. However, there is no assurance that such an incident will not occur in future.

Our business is dependent on prompt delivery and quality transportation of our food ingredients

Disruptions such as adverse weather conditions, natural disasters and labour strikes in places where our supplies of food ingredients are sourced could lead to delayed or lost deliveries to our Group and may result in an interruption to our business. There may also be instances where the conditions of our food ingredients (such as fresh, chilled or frozen food products or processed foods) deteriorate due to delivery delays, malfunctioning of refrigeration facilities or poor handling during transportation by our logistics staff or suppliers. This may result in a failure of our Group

RISK FACTORS

to comply with certain provisions of the food quality-related applicable laws and provide quality food and services to our customers, thereby damaging our reputation. Further, any increase in the cost of transportation (such as increases in fuel price) and/or freight charges may increase our operating expenses and affect our overall profitability.

We may be materially and adversely affected by a shortage of ingredients and are susceptible to the increase in the cost of ingredients

We purchase key ingredients such as seafood, meats and vegetables on a daily basis from our suppliers (including farmers) to ensure the freshness of these ingredients. As such, we are highly dependent on a consistent and sufficient supply of ingredients that meet our quality standards being available to us. If our suppliers (including farmers) are unable to supply us with sufficient key ingredients that meet our stringent quality standards, this may result in disruptions to our FRB and operations which may in turn materially and adversely affect our FRB and financial performance.

The supply and prices of ingredients are subject to various factors beyond our control, including the climate, seasonality, exchange rates and applicable laws, rules, regulations and policies in relation to the sales and/or import of these key ingredients. There can be no assurance that we will be able to anticipate decreases in supply and/or increases in ingredient costs, or secure alternative ingredient supplies that comply with our stringent standards. If we are unable to procure sufficient supplies of key ingredients or pass on increased costs to our customers, our FRB and financial performance may be adversely affected.

We may be exposed to negative publicity, customer complaints and potential litigation

We may be adversely affected by negative publicity or health concerns about certain types of food. For example, concerns over allergies caused by seafood or shellfish consumption or potential accumulation of mercury or other carcinogens in seafood may result in consumers avoiding these ingredients, which may materially and adversely affect our FRB and financial performance.

Our outlets may also be subject to consumer complaints or allegations regarding food or service quality. Such negative publicity, whether merited or otherwise, may materially and adversely affect our FRB and financial performance. Further, if customer complaints engender legal claims, our Group would have to divert management resources and expend costs to investigate, address and/or defend any such claims, thereby further affecting our FRB and financial performance.

During the Period Under Review and up to the Latest Practicable Date, our FRB has not been the subject of any negative publicity, customer complaint or potential litigation. However, there is no assurance that such claims or complaints will not be brought against us in future. Any loss, liability or expense incurred pursuant to such claims may adversely affect our financial position and the results of our operations.

We are subject to changes in customers' preferences and consumer spending

The continued growth and success of our Group depends on the popularity of our menu, our dining environment and our ability to continue to innovate and satisfy customers in terms of food preferences, dietary habits and tastes. There is no assurance that we will be able to anticipate and react quickly and effectively to changes in customer preferences. If we fail to do so or if customers are not receptive to our menus or brands or food concepts, we may not be able to compete effectively and, consequently, our business and financial performance will be adversely affected.

RISK FACTORS

Any shift in customer preferences and market trends away from our cuisine or dining environment may materially affect our revenue, profitability and business prospects.

Our business is subject to economic and social conditions of the countries in which we operate (whether directly or through collaborations). Any adverse change in such economic and social conditions (such as inflation, unemployment levels or occurrence of terrorist attacks and other acts of violence or wars) may affect customers' discretionary spending and confidence. As this could have a negative impact on the demand for our food products and services, our sales, our business, future growth and profitability may be adversely affected.

Further, any change in regulations or the implementation of new regulations and government policies, such as increases in goods and services tax, may also directly or indirectly impact consumers' discretionary spending. Any such negative changes in discretionary consumer spending will affect the demand for our food items and services and may have an adverse impact on our business and financial performance.

Our business may be affected by measures and restrictions imposed by the government where our restaurants may be located in response to any outbreak of pandemics or infectious diseases such as COVID-19

The operation of our business is susceptible to disruptions triggered by government measures and restrictions in response to pandemics or infectious diseases, exemplified by the recent COVID-19 outbreak. These measures, ranging from temporary closures to capacity limitations and mandatory safety protocols, hold the potential to significantly impact our ability to effectively operate our restaurants and generate revenue. Governments, particularly during periods of heightened health concerns, may swiftly impose various restrictions on businesses, notably within the F&B industry, to contain the spread of infectious diseases and safeguard public health. The severity and abruptness of these measures may vary depending on the perceived threat level. The inherent uncertainty and unpredictability associated with government responses to pandemics pose a significant risk to our business operations, potentially leading to reduced customer traffic, lower sales volumes, and increased operational costs due to compliance with safety protocols. Prolonged government measures and restrictions could further exacerbate these challenges, materially and adversely affecting our business, financial condition, and results of operations.

The spread of contagious or virulent diseases like COVID-19 or Mpox has the potential to erode customer confidence and sentiments, resulting in a decreased willingness among the public to dine at our restaurants, thus adversely impacting our revenue. Additionally, the emergence of symptoms of serious illness or infections among our restaurant employees may necessitate the temporary closure of the affected restaurant, further disrupting our operations. Any actual or rumoured outbreaks leading to a loss of customer confidence and decreased patronage could significantly and adversely affect our business, financial condition, and results of operations.

Changes to border control measures and import regulations to contain the spread of contagious or virulent diseases may result in disruptions to the global supply chain, resulting in longer delivery times for our ingredients and products. Moreover, the travel restrictions that may be imposed due to a pandemic will also pose challenges in employing new or replacement foreign workers, further complicating our operational landscape. Please refer to the risk factor entitled "Risk Factors – We rely on skilled and experienced personnel and we are subject to labour and immigration laws and policies that govern the employment of foreign workers" of this Offer Document for further details.

RISK FACTORS

We are exposed to credit risks from our F&B Consulting and Operations Management Services clients

Our Group is exposed to various credit risks such as payment delays and defaults from our clients that could impact our Group's financial stability. We depend on the prompt payment of, among other things, the management service fees for the F&B Consulting and Operations Managements Services rendered to our clients. These risks primarily stem from the potential inability of clients to meet their payment obligations, which may potentially lead to significant accounts receivable and cash flow challenges. Extended payment terms, financial instability of clients, and economic downturns can exacerbate these risks and our cashflow and financial position may be adversely affected.

Our trade and other receivables balance as at the end of FY2022, FY2023 and FY2024 were approximately S\$5.8 million, S\$5.7 million and S\$8.0 million respectively. These accounted for approximately 43.8%, 64.4% and 83.0% of our current assets balance as at the end of FY2022, FY2023 and FY2024 respectively. The allowance for credit losses for our trade and other receivables balance as at the end of FY2022, FY2023 and FY2024 were approximately S\$0.4 million, S\$0.5 million and S\$0.3 million respectively. These accounted for approximately 6.9%, 8.8% and 3.8% of our trade and other receivables balance as at the end of FY2022, FY2023 and FY2024 respectively.

RISKS RELATING TO INVESTMENT IN OUR SHARES

Investors in our Shares will face immediate and substantial dilution in our NAV per Share

The Invitation Price of the Invitation Shares, being 22 cents, is higher than the Pro Forma NAV per Share of 3.5 cents as at 29 February 2024 after adjusting for (i) the capital injection of JPY50.0 million (approximately S\$0.5 million) from Rakusai Co., Ltd., (ii) the allotment and issue of PPCF Shares), and (iii) the estimated net proceeds from the Invitation and based on our post-Invitation issued and paid-up share capital of 113,045,444 Shares as referred to in the section entitled "Invitation Statistics" of this Offer Document). If our Company is liquidated immediately following the Invitation, investors subscribing for the Invitation Shares would receive less than the price paid for their Shares. Please refer to the section entitled "Dilution" of this Offer Document for further information.

Control by our Controlling Shareholders may limit your ability to influence the outcome of decisions requiring the approval of Shareholders

Upon the completion of the Invitation, our Controlling Shareholders will collectively and directly own approximately 45.6% of our post-Invitation issued and paid-up share capital of 113,045,444 Shares. Therefore, they will be able to exercise significant influence over all matters requiring Shareholders' approval, including share issuances, the election of directors and the approval of significant corporate transactions. Such concentration of ownership also may have the effect of delaying, preventing or deterring a change in control of our Group even if such change may be beneficial to our minority Shareholders.

RISK FACTORS

An active trading market for our Shares may not develop and this could affect the trading price of our Shares, and may result in our Shares having a highly volatile trading price and trading volume

There has been no prior public market for our Shares and an active trading market for our Shares may not develop prior to the Invitation. While we have applied to the SGX-ST for approval for the Listing, there is no guarantee that an active and liquid trading market for our Shares will develop, or if it does develop, will be sustained. There is also no assurance that the market price for our Shares will not decline below the Invitation Price.

Furthermore, there is a possibility that the trading price and the trading volume of our Shares may be highly volatile due to various factors including the following:

- (a) actual or anticipated fluctuations in our results of operations;
- (b) recruitment or loss of key personnel of our Group;
- (c) announcements of competitive developments, acquisitions or strategic alliances in our industry;
- (d) changes in earnings estimates or recommendations by financial analysts;
- (e) changes in investors' perception of our Group and the investment environment in general;
- (f) the liquidity of the market for our Shares;
- (g) potential litigation or regulatory investigations;
- (h) general market conditions or other developments affecting our Group or the industry in which we operate;
- (i) political, social and economic conditions in our countries of operation;
- (j) developments in information technology or advent of disruptive technologies; and
- (k) if any of the considerations, risks and uncertainties set out in this Offer Document develop into actual events.

Save as otherwise described in the sub-section entitled "Ownership Structure – Moratorium" of this Offer Document, there are no restrictions on the ability of our Shareholders to sell their Shares either on the SGX-ST or otherwise. After the restrictions under such moratorium undertakings lapse, the market price of our Shares could decline as a result of future sales of substantial amount of our Shares or other securities relating to our Shares in the public market, the issuance of new Shares or other securities relating to our Shares, or the perception that such sales or issuances may occur. This could also adversely affect the market price of our Shares as well as our ability to raise capital at a favourable price in the future.

RISK FACTORS

We may not be able to pay dividends in the future

Whether our Group will be able to declare dividends to our Shareholders in the future will be dependent on factors such as:

- (a) our future financial performance;
- (b) our distributable reserves and cash flows;
- (c) our forecast and budgets;
- (d) funding needs of our Group for expansion and business acquisition;
- (e) general economic conditions and market sentiment; and
- (f) our future plans and business strategies.

Accordingly, there is no assurance that we will be able to pay dividends to our Shareholders. The receipt of dividends from our subsidiaries or associated companies may also be affected by the passage of new laws, adoption of new regulations and other events outside our control, and our subsidiaries or associated companies may not be able to continue to meet the applicable legal and regulatory requirements for the payment of dividends in the future. Withholding tax may also apply to dividends and distributions from our subsidiaries or our associated companies to us.

Furthermore, in the event that we are required to enter into any loan arrangements with any financial institutions, certain covenants in the loan agreements may limit when and how much dividends we can declare and pay out, or may also restrict the ability of our subsidiaries to make contributions to us and our ability to receive distributions. If our subsidiaries stop paying dividends or reduce the amount of the dividends they pay to our Company, it would have an adverse effect on our ability to pay dividends on our Shares. As at the Latest Practicable Date, there are no loan arrangements subsisting that would restrict our Company's ability to pay dividends.

Please refer to the section entitled "Dividend Policy" of this Offer Document for more details on our dividend policy.

Our Share price may be adversely affected by negative publicity which includes those relating to any of our Directors, Executive Officers or Substantial Shareholders

Negative publicity or announcements relating to any of our Directors, Executive Officers or Substantial Shareholders may adversely affect the market perception of our Group or the market price of our Shares, whether or not it is justified. Examples of such publicity or announcements include involvement in insolvency proceedings, accusations of criminal conduct, unsuccessful attempts in joint ventures, acquisitions or take-overs, any bans, investigations or allegations of misconduct.

Investments in securities quoted on Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Mainboard of the SGX-ST

An application has been made for our Shares to be listed for quotation on Catalist, a listing platform designed primarily for fast-growing and emerging or smaller companies to which a higher investment risk tends to be attached as compared to larger or more established companies. An investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Mainboard of the SGX-ST. There is no assurance that an active or liquid trading market for our Shares will develop or be sustained after the Invitation.

RISK FACTORS

Pursuant to the Catalist Rules, we are required to, *inter alia*, retain a sponsor at all times after the admission of our Company to the Catalist. In particular, unless approved by the SGX-ST, PPCF must act as our continuing sponsor for at least three (3) years after the admission of our Company to the Catalist. In addition, we may be delisted in the event that we do not have a sponsor for more than three (3) continuous months. There is no guarantee that following the expiration of the three (3) year period, PPCF will continue to act as our sponsor or that we will be able to find a replacement sponsor within the three (3) month period.

Information contained in the forward-looking statements included in this Offer Document is subject to inherent uncertainties and investors should not rely on any of them

This Offer Document contains certain statements that constitute “forward-looking” statements, including, *inter alia*, those in relation to our financial condition, business strategies, prospects, future plans and objectives. These forward-looking statements involve risks, uncertainties and other facts which are known or currently unknown, which may cause our actual results, performance, profitability, achievements or industry results to differ, even materially, from those expressed or implied by the forward-looking statements contained in this Offer Document. These forward-looking statements are based on several assumptions regarding our present and future business strategies and the business environment in which we will operate in the future. Investors should not place undue reliance on any such forward-looking statement. The inclusion of these forward-looking statements in this Offer Document shall not be regarded as a representation or warranty by our Company or any of our professional advisers that the plans and objectives of our Company can or will be achieved.

Singapore take-over laws contain provisions which may vary from those in other jurisdictions and which could adversely affect the market price of our Shares

The Take-over Code contains certain provisions that may possibly delay, deter or prevent a future take-over or change in control. Under the Take-over Code, except with the consent of the Securities Industry Council of Singapore, any person acquiring an interest, whether by a series of transactions over a period of time or not, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting shares, is required to extend a take-over offer for the remaining voting shares in accordance with the Take-over Code. Except with the consent of the Securities Industry Council of Singapore, such a take-over offer is also required to be made if a person who holds, not less than 30.0% but not more than 50.0% of the voting shares, either on his own or together with parties acting in concert with him, acquires additional voting shares carrying more than 1.0% of the voting shares in any period of six (6) months. While the Take-over Code seeks to ensure an equality of treatment among Shareholders, its provisions could substantially impede the ability of Shareholders to benefit from a change of control and, as a result, may adversely affect the market price of our Shares and the ability to realise any benefits from a potential change of control.

USE OF PROCEEDS AND LISTING EXPENSES

The gross proceeds to be raised by our Company from the Invitation will be approximately S\$3.1 million.

The net proceeds to be raised by our Company from the Invitation (after deducting the estimated expenses incurred in connection with the Invitation, including listing and application fees, professional fees, placement commission and other miscellaneous expenses of approximately S\$2.0 million) are estimated to be approximately S\$1.1 million.

The allocation of each principal intended use of proceeds from the Invitation and breakdown of the estimated listing expenses is set out below:

	Amount (S\$'000)	Estimated amount allocated for each dollar of the gross proceeds raised from the Invitation (cents)
Use of proceeds		
Expansion of our FRB outside Japan through scaling our presence in markets which we operate in through entry into new collaborations with Japanese restaurant operators	500	16.2
Acquisition of rights to operate additional themed restaurants of popular anime and other characters in Japan and introduction of new Japanese food brands to Singapore and Malaysia	500	16.2
General working capital purposes	113	3.7
Net proceeds from the Invitation	1,113	36.1
Estimated listing expenses payable in cash by our Company⁽¹⁾		
Listing and application fees	68	2.2
Professional fees ⁽²⁾	1,566	50.9
Underwriting and Placement commission ⁽³⁾	123	4.0
Miscellaneous expenses ⁽⁴⁾	210	6.8
Gross proceeds from the Invitation	3,080	100.0

USE OF PROCEEDS AND LISTING EXPENSES

Notes:

- (1) Of the total estimated listing expenses payable in cash, approximately S\$0.3 million will be capitalised against share capital and the balance of S\$1.7 million will be charged to the profit or loss.
- (2) Includes, amongst others, the estimated audit and legal fees, fees for the Sponsor, Issue Manager, Underwriter and Placement Agent and other professionals. This excludes the portion of the management fees payable to the Sponsor, Issue Manager, Underwriter and Placement Agent which will be satisfied by the allotment and issue of 568,000 PPCF Shares pursuant to the Sponsorship, Management and Underwriting Agreement.
- (3) The amount of underwriting and placement commission per Invitation Share, agreed upon between PPCF and our Company, is 4.0% of the Placement Price payable for each Invitation Share. Please refer to the sub-section entitled "General and Statutory Information – Management, Underwriting and Placement Arrangements" of this Offer Document for more details.
- (4) Includes, amongst others, the estimated cost of production of this Offer Document and other marketing expenses and certain other expenses incurred or to be incurred in connection with the Invitation. These are estimated expenses and the actual amounts may differ.
- (5) The percentages may not add up to 100.0% due to rounding.

The foregoing discussion represents our Company's reasonable estimate of our allocation of the net proceeds to be raised by our Company from the Invitation based on our current plans and reasonable estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates and we may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. In the event that any part of our proposed uses of the net proceeds from the Invitation does not materialise or proceed as planned, our Directors will carefully evaluate the situation and may reallocate the intended funding to other purposes and/or hold such funds on short-term deposits for so long as our Directors deem it to be in the interests of our Company and our Shareholders, taken as a whole. Any change in the use of the net proceeds will be subject to the Catalist Rules and immediate announcements will be made by our Company on the internet at the SGX-ST's website at <http://www.sgx.com>.

We will make immediate announcements on the use of the net proceeds from the Invitation as and when the funds are materially disbursed and provide a status report on the use of such proceeds in our annual report. Pending the deployment of the net proceeds from the Invitation as aforesaid, the funds will be placed in short-term deposits, used to invest in short-term money market instruments and/or used for working capital requirements as our Directors may, in their absolute discretion, deem appropriate.

In the reasonable opinion of our Directors, there is no minimum amount which must be raised from the Invitation.

We do not have any intention to use the net proceeds from the Invitation to acquire or re-finance the acquisition of an asset. None of the net proceeds from the Invitation will be used to discharge, reduce or retire any indebtedness of our Group.

In accordance with the SFRS(I), a portion of the listing expenses, including professional fees, listing fees and miscellaneous expenses (other than the placement commission), incurred in connection with the Invitation will be treated as a charge in our financial statements, which will be accounted for in our financial results for FY2025.

DIVIDEND POLICY

Our Company has not declared or paid any dividends since incorporation.

None of our subsidiaries has declared or paid any dividends during the Relevant Period.

Although our Company currently does not have a fixed dividend policy, our Directors intend to recommend and distribute a dividend payout ratio of **20.0%** of our Group's consolidated net profit after tax, excluding non-controlling interests and non-recurring, one-off and exceptional items, whether as an annual dividend or an interim dividend for the next two (2) years from FY2025.

The form, frequency and amount of future dividends on our Shares will depend on the factors set out below and other factors which our Directors may deem appropriate:

- (a) our earnings, including retained earnings;
- (b) our cash flow;
- (c) our general business and financial positions;
- (d) our working capital requirements;
- (e) our actual and projected financial performance; and
- (f) our expansion plans and projected capital expenditure.

In addition, our Company is a holding company and depends on the receipt of dividends and other distributions from our subsidiaries to pay dividends on our Shares.

Subject to our Constitution and in accordance with the Companies Act, our Company may declare an annual dividend subject to the approval of our Shareholders in a general meeting, but no dividend or distribution shall be declared in excess of the amount recommended by our Directors. Subject to our Constitution and in accordance with the Companies Act, our Directors may also from time to time declare an interim dividend without the approval of our Shareholders. Our Company's dividends can only be paid out of our profits.

Please refer to the section entitled "Appendix F – Taxation" of this Offer Document for more information relating to taxes payable on dividends.

All dividends are paid *pro rata* among our Shareholders in proportion to the amount paid-up on each Shareholder's Share(s), unless the rights attaching to an issue of any Share provide otherwise. Where Share(s) are partly paid, all dividends are apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid Share(s). Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that Shareholder in respect of that payment.

Investors should note that the foregoing statements are merely statements of our Board's present intention and do not constitute a legally binding commitment by our Company in respect of the declaration and/or payment of dividends in the future. There is no assurance that dividends will be declared and/or paid in the future or as to the timing of any dividends that are to be paid in the future. No inference should or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends.

DIVIDEND POLICY

Our dividend policy, and the declaration and/or payment of dividends in the future, are subject to our Directors' continuous review to ensure that our dividend policy, and any declaration and/or payment of dividends, would be in the best interests of our Company and our Shareholders, and are in compliance with all applicable laws and regulations. Our Directors reserve the right in their sole and absolute discretion to update, amend, modify and/or cancel our dividend policy at any time.

SHARE CAPITAL

Our Company (Company Registration Number: 201938544H) was incorporated in Singapore on 14 November 2019 under the Companies Act as a private company limited by shares, under the name of “Food Innovators Holdings Pte. Ltd.”. Our Company was converted into a public company limited by shares on 20 November 2020. In connection with the conversion, the name of our Company was changed to “Food Innovators Holdings Limited”.

Our issued and paid-up share capital as at the date of incorporation was S\$100.00, comprising 100 ordinary Shares. As of the Latest Practicable Date, our issued and paid-up share capital is S\$24.2 million comprising 98,477,444 Shares.

Following the allotment and issue of the PPCF Shares, as at the date of this Offer Document, our issued and paid-up share capital is S\$24.3 million comprising 99,045,444 Shares. There are no Shares issued that have not been fully paid.

Upon the allotment and issue of the Invitation Shares which are the subject of the Invitation, our resultant issued and paid-up share capital will increase to S\$27.4 million comprising 113,045,444 Shares.

Pursuant to members’ resolutions in writing passed on 29 August 2024 and 2 October 2024, our Shareholders approved, *inter alia*, the following:

- (a) the allotment and issue of the PPCF Shares to PPCF in part satisfaction of their management fees as Sponsor and Issue Manager, on the basis that the PPCF Shares, when allotted, issued and fully-paid, will rank *pari passu* in all respects with the existing Shares;
- (b) the allotment and issue of the Invitation Shares which are the subject of the Invitation, on the basis that the Invitation Shares, when allotted, issued and fully-paid, will rank *pari passu* in all respects with the existing Shares;
- (c) the amendment to the Constitution; and
- (d) the authorisation to our Directors, pursuant to Section 161 of the Companies Act and the Catalist Rules, to:
 - (A) (i) allot and issue Shares whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (each an “**Instrument**” and collectively, “**Instruments**”) that might or would require Shares to be allotted and issued, including but not limited to the creation and issue of (as well as adjustments to) convertible securities, 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 our Directors may in their absolute discretion deem fit; and
- (B) allot and issue Shares in pursuance of any Instrument made or granted by our Directors while this resolution was in force (notwithstanding the authority conferred by this resolution may have ceased to be in force),

SHARE CAPITAL

provided that:

- (1) the aggregate number of Shares (including the Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to such authority) and Instruments to be allotted and issued pursuant to such authority shall not exceed 100.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of our Company (calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be allotted and issued other than on a *pro rata* basis to our existing Shareholders (including the Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to such authority) other than on a *pro rata* basis to our existing Shareholders shall not exceed 50.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of our Company (calculated in accordance with sub-paragraph (2) below);
- (2) subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be allotted and issued (including Shares to be allotted and issued pursuant to the Instruments made or granted pursuant to such authority) under sub-paragraph (1) above, the percentage of Shares (excluding treasury shares and subsidiary holdings) in the capital of our Company shall be based on the total number of issued Shares of our Company (excluding treasury shares and subsidiary holdings), after adjusting for:
 - (i) new Shares arising from the conversion or exercise of the Instruments or convertible securities;
 - (ii) new Shares arising from the exercise of share options which are outstanding and subsisting at the time such authority is passed; and
 - (iii) any subsequent bonus issue, consolidation or sub-division of Shares;
- (3) in exercising the authority conferred by this resolution, our 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 our Company for the time being; and
- (4) unless revoked or varied by our Company in general meeting, the authority conferred by this resolution shall continue in force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting of our Company is required by law to be held, whichever is the earlier.

As at the date of this Offer Document, our Company has only one (1) class of shares, being ordinary Shares. A summary of our Constitution relating to, *inter alia*, the voting rights of our Shareholders is set out in “Appendix D – Summary of Selected Regulations of our Constitution” of this Offer Document. As at the date of this Offer Document, there are no founder, management, deferred or unissued Shares reserved for issuance for any purpose. The Invitation Shares shall have the same interest and voting rights as our existing Shares that were allotted and issued prior to the Invitation.

SHARE CAPITAL

Options were granted by our Company to some of its employees, directors and former employees whom our Company believes have contributed to the success of our Group, giving them the right to purchase shares in our Company. On 22 May 2024, our Company has granted Pre-IPO options based on the terms in “Appendix E – Pre-IPO Options” of this Offer Document. Details of the Pre-IPO Options granted by our Company are set out in the section entitled “Directors, Executive Officers and Employees – Remuneration of Directors, Executive Officers and Employees – Pre-IPO Options” of this Offer Document. As at the date of this Offer Document, save as aforesaid, no person has been, or is permitted to be, given an option to subscribe for or purchase any securities or securities-based derivatives contracts of our Company or any our subsidiaries. Please refer to “Appendix E – Pre-IPO Options” of this Offer Document for the rules of the Pre-IPO Options.

As at the Latest Practicable Date, save as disclosed in the section entitled “Directors, Executive Officers and Employees – Remuneration of Directors, Executive Officers and Employees – Pre-IPO Options” of this Offer Document, no option to subscribe for Shares in our Company has been granted to, or was exercised by, any of our Directors or Executive Officers.

Details of the changes in the issued and paid-up capital of our Company between 14 November 2019, being our Company’s date of incorporation, and the Latest Practicable Date are set out in the table below:

	Number of issued Shares in the Capital of our Company	Number of Shares in the Capital of our Company	(\$)
Issued and paid-up share capital as at the date of incorporation	100	100	100
Allotment and issue of new Shares pursuant to the Restructuring Exercise ⁽¹⁾	21,276,723	21,276,823	21,276,823
Share Sub-Division ⁽²⁾	–	85,107,292	21,276,823
Issue of new Shares pursuant to the Pre-IPO Investment	13,370,152	98,477,444	24,218,258
Allotment and issue of the PPCF Shares	568,000	99,045,444	24,343,218
Allotment and issue of Invitation Shares pursuant to the Invitation	14,000,000	113,045,444	27,423,218
Post-Invitation issued and paid-up share capital		113,045,444	27,423,218

Notes:

- (1) On 20 July 2020, our Group completed a Restructuring Exercise which involved the reorganisation of our Company, FIH and three (3) previously wholly-owned subsidiaries of FIJ, namely, FIS, FIM and FIT (collectively, the “**Overseas Subsidiaries**”). Pursuant to a mater restructuring agreement dated 17 July 2020 entered into between our Company and FIJ (“**Master Restructuring Agreement**”), our Company acquired from FIJ all of its interests in the Overseas Subsidiaries for a total consideration of S\$3,004,730.00 (“**Consideration**”) which comprised (i) 200,000 shares, representing 100.0% issued and paid-up share capital of FIS; (ii) 100.0% paid-up capital of FIT; and (iii) 1,000,000 shares, representing 100.0% issued and paid-up share capital of FIM. Pursuant to the deed of assignment and offsetting dated 17 July 2020 entered into by our Company, FIJ and FIJ Investment (which was the sole shareholder of FIJ at that time), our Company allotted and issued 3,004,730 new Shares to FIJ Investment for the payment of the Consideration.

SHARE CAPITAL

Thereafter, our Company acquired all the shares in the share capital of FIJ from FIJ Investment for a consideration of JPY1,405,116,246 (equivalent to approximately S\$18,271,993.00 based on the exchange rate of JPY76.90:S\$1) which was the book value of FIJ as at 29 February 2020 after deducting the carrying value of FIJ's investment in FIS, FIT and FIM as at 29 February 2020 and which was fully satisfied by our Company by way of allotment and issuance of 18,271,993 new Shares on the same date to FIJ Investment.

- (2) On 25 August 2020, our Company sub-divided into four (4) Shares every one (1) Share in the issued share capital of our Company.

Details of the changes in the issued and paid-up capital of our subsidiaries for the last three (3) years prior to the Latest Practicable Date are set out in the table below:

Date of issue/ capital contribution	Number and class of shares issued/(cancelled)	Issue price per share/amount of capital contribution	Purpose of allotment and issue/capital contribution/ changes	Resultant issued and/or paid-up share capital
FIJ				
31 May 2021	–	N/A	Transfer from capital to capital reserve ⁽¹⁾	JYP100,000,000
TMT				
16 March 2023	1,000	JPY10,000/ JPY10,000,000	Paid-up capital on incorporation	JPY10,000,000
8 September 2023	4,000	JPY10,000/ JPY40,000,000	Capital increase in association with issuance of shares of TMT to FIJ	JPY50,000,000

Note:

- (1) FIJ transferred JPY278,939,500 from its capital to capital reserve.

Save as set out above, there were no changes in the issued and paid-up capital of our Company and our subsidiaries for the last three (3) years prior to the Latest Practicable Date.

OWNERSHIP STRUCTURE

SHAREHOLDERS

Our Shareholders and their respective shareholdings immediately before the Invitation and after the Invitation are set out in the table below.

	Immediately before the Invitation			Immediately after the Invitation ⁽¹⁾			After the Invitation and assuming all outstanding Pre-IPO Options have been exercised ⁽¹⁾⁽²⁾		
	Direct interest Number of Shares	Deemed interest Number of Shares	% ⁽³⁾	Direct interest Number of Shares	Deemed interest Number of Shares	% ⁽⁴⁾	Direct interest Number of Shares	Deemed interest Number of Shares	% ⁽⁵⁾
Directors									
Furukawa Kazuteru ⁽⁵⁾	–	51,580,236	52.1	–	51,580,236	45.6	1,597,500	51,580,236	39.9
Kubota Yasuaki ⁽⁶⁾	6,761,772	–	–	6,808,772	–	6.0	9,818,772	–	7.6
Shida Yukihiko	–	–	–	–	–	–	–	–	–
Saito Kuzuya	–	–	–	–	–	–	–	–	–
Faye Chong Wen Qi	–	–	–	–	–	–	–	–	–
Executive Officers									
Miyake Daisuke	–	–	–	–	–	–	2,097,500	–	1.6
Isomoto Atsushi	–	–	–	–	–	–	672,500	–	0.5
Tetsura Masao	–	–	–	–	–	–	1,097,500	–	0.9
Watanabe Akira	1,554,908	–	–	1,554,908	–	1.4	3,559,908	–	2.8
Substantial Shareholders (other than Directors)									
FLJ Investment Co., Ltd. ⁽⁵⁾⁽⁷⁾	51,580,236	–	–	51,580,236	–	45.6	51,580,236	–	39.9

OWNERSHIP STRUCTURE

	Immediately before the Invitation			Immediately after the Invitation ⁽¹⁾			After the Invitation and assuming all outstanding Pre-IPO Options have been exercised ⁽¹⁾⁽²⁾		
	Direct interest Number of Shares	Deemed interest Number of Shares	% ⁽³⁾	Direct interest Number of Shares	Deemed interest Number of Shares	% ⁽⁴⁾	Direct interest Number of Shares	Deemed interest Number of Shares	% ⁽⁵⁾
Other Shareholders									
Pre-IPO Investors ⁽⁸⁾	16,313,144	–	16.5	16,313,144	–	14.4	16,313,144	–	–
PPCF ⁽⁹⁾	568,000	–	0.6	568,000	–	0.5	568,000	–	–
Other Pre-IPO Option Holders ⁽¹⁰⁾	–	–	–	–	–	–	5,790,000	–	–
Public									
Existing Public Shareholders ⁽¹¹⁾	22,267,384	–	22.5	22,267,384	–	19.7	22,267,384	–	–
New Public Shareholders ⁽¹²⁾	–	–	–	13,953,000	–	12.3	13,953,000	–	–
Total	99,045,444	–	100.0	113,045,444	–	100.0	129,315,444	–	–

Notes:

- (1) Save for the 47,000 Invitation Shares to be subscribed for by Kubota Yasuaki, these figures assume that none of our other existing Shareholders will subscribe for any of the Invitation Shares in the Invitation. In the event that any Invitation Shares are subscribed for by our Directors, our Substantial Shareholders or their associates, such subscriptions will be disclosed in an announcement in accordance with Rule 428 of the Catalyst Rules.
- (2) This column illustrates the respective shareholdings of our Directors and Shareholders immediately after the Invitation, assuming all outstanding Pre-IPO Options have been exercised.
- (3) Based on our Company's issued and paid-up share capital of 99,045,444 Shares excluding treasury shares and subsidiary holdings immediately before the Invitation.
- (4) Based on our Company's issued and paid-up share capital of 113,045,444 Shares excluding treasury shares and subsidiary holdings immediately after completion of the Invitation.

OWNERSHIP STRUCTURE

- (5) For the purposes of Section 4(5) of the SFA, Furukawa Kazuteru, our Executive Chairman, is deemed interested in our Shares held by FIJ Investment as he is entitled to exercise or control the exercise of not less than 20.0% of the votes attached to the voting shares in FIJ Investment.
- (6) As at the date of this Offer Document, our Chief Executive Officer, Kubota Yasuaki, has indicated his interest to subscribe for 47,000 Invitation Shares pursuant to the Invitation. In the event that he is allotted such number of Invitation Shares, he will be interested in approximately 6.0% of the total number of issued shares in our Company immediately after the Invitation.
- (7) FIJ Investment is an investment holding company incorporated in Japan and its sole shareholder is Furukawa Kazuteru who holds 100.0% shareholding.
- (8) Comprising: Food Train Co., Ltd., Traders Market Co., Ltd., Premier Frontier Co., Ltd., Tamakoshi Co., Ltd., Rakusei Co., Ltd., Koyama Tatsuo, Toyoda Tomohiko, Kaneko Cord Co., Ltd., Bou's Co., Ltd., Kahara Takashi, Ishihara Kazuyuki, Okada Akira, Sakata Akiko, Yaguchi Tatsuya, Mori Kichihei, Takeishi Machiko and Tamaki Yasuhiro.
- To the best of the knowledge of our Company, none of the foregoing persons is related to our of the Directors, Substantial Shareholders and/or their respective associates.
- (9) Pursuant to the Sponsorship, Management and Underwriting Agreement and as part of PPCF's fees as the Sponsor and Issue Manager, our Company allotted and issued 568,000 PPCF Shares at the Invitation Price to PPCF, representing approximately 0.5% of our Company's issued and paid-up share capital excluding treasury shares and subsidiary holdings immediately after completion of the Invitation. After the expiration of the relevant moratorium periods as set out in the sub-section entitled "Ownership Structure – Moratorium" of this Offer Document, PPCF may dispose its shareholding interests in our Company at its discretion.
- (10) Please refer to the sub-section entitled "Directors, Executive Directors and Employees – Pre-IPO Options" of this Offer Document for further details. New Shares attributed to the exercise of Pre-IPO Options by Furukawa Kazuteru, Kubota Yasuaki, Miyake Daisuke, Watanabe Akira, Isomoto Atsushi and Tetsura Masao are presented separately under their respective names.
- (11) Comprising: New Life Co., Ltd., Tamakoshi Co., Ltd., Nakai Yurino, Prosper Co., Ltd., Kenkichi Nakai, Fintech Global Incorporated, One Happiness Pte. Ltd., Tomita Shigeyuki, Mawatari Tatsuharu, Kawahito Toshihiko, Morita Hirofumi, Iwamura Tourism Development Co., Ltd., Shimono Kenya, Sugimori Minoru, Tamura Yoshio, Yoichi Tsuchiya, Fukushima Myojo Co., Ltd., Ono Shikako, Utoku Naoe, Tokunaga Kiyo, Ujijapan Co., Ltd., Ishihara Kazuyuki, Premium Frontier Co., Ltd., Takeishi Gembu, Nakamura Naoko, NES Holdings Co., Ltd., Will Sourcing Co., Ltd., Iwata Takuro, Tanushi Kenji, Inoue Daisuke, Matsui Orii, Murase Kazuhisa, Saida Akira, Takashima Naomi, Nakagawa Wine Co., Ltd., and Lee Chunju.
- To the best of the knowledge of our Company, none of the foregoing persons is related to any of our Directors, Substantial Shareholders and/or their respective associates.
- (12) This refers to the number of Invitation Shares offered at the Invitation, but excludes 47,000 Invitation Shares to be allotted to Kubota Yasuaki.
- (13) The percentages may not add up to 100.0% due to rounding.

OWNERSHIP STRUCTURE

There are no family relationships among our Directors, Substantial Shareholders, Executive Officers and employees.

As at the Latest Practicable Date, our Company has only one (1) class of shares, being ordinary Shares. There is no restriction on the transfer of fully paid Shares in scripless form except where required by law or the Catalist Rules.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the Invitation Shares which are the subject of the Invitation.

Save as disclosed above, to the best of the knowledge of our Directors, we are not directly or indirectly owned or controlled, whether severally or jointly, by any other corporation, any government or other natural or legal person.

Our Directors are not aware of any arrangement the operation of which may, at a subsequent date, result in a change in control of our Company. There has been no public takeover offer by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or units of business trust which has occurred between 14 November 2019 being the date of the incorporation of our Company and the Latest Practicable Date.

There are no Shares in our Company that are held by or on behalf of our Company or by our subsidiaries.

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

Save as disclosed in this section and the sections entitled “Share Capital” and “Dilution” of this Offer Document, there were no significant changes in the percentage of ownership of our Company held by our Directors and Substantial Shareholders between 14 November 2019, being our Company’s date of incorporation, and the Latest Practicable Date.

MORATORIUM

Promoters

Under the Catalist Rules, “promoters” means (a) controlling shareholders and their associates; and (b) executive directors with an interest in 5.0% or more of the issued share capital excluding subsidiary holdings at the time of listing.

FIJ Investment

FIJ Investment has a direct interest in 51,580,236 Shares, representing approximately 45.6% of our Company’s issued and paid-up share capital excluding treasury shares and subsidiary holdings immediately after completion of the Invitation.

Our controlling shareholder, FIJ Investment has given an undertaking to our Company and PPCF in respect of all our Shares which it legally and/or beneficially and directly owns as at the date of the undertaking and as at the Listing Date (adjusted for any consolidation, bonus issue or sub-division) (such Shares referred to below as the “**Relevant FIJ Investment Promoter Shares**”) not to, directly or indirectly, without the prior written consent of our Company and PPCF:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, realise, assign, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the

OWNERSHIP STRUCTURE

Relevant FIJ Investment Promoter Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Relevant FIJ Investment Promoter Shares;

- (b) enter into swap, hedge or other transaction or arrangement (including a derivative transaction) that will directly or indirectly constitute or will be deemed as a disposal of or transfer to another, in whole or in part, any of the economic consequences of ownership of the Relevant FIJ Investment Promoter Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Relevant FIJ Investment Promoter Shares;
- (c) deposit all or any part of the Relevant FIJ Investment Promoter Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any Relevant FIJ Investment Promoter Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under its moratorium undertaking), whether any such transaction described above is to be settled by delivery of the Relevant FIJ Investment Promoter Shares or such other securities, in cash or otherwise;
- (d) enter into any agreement, transaction or other arrangement, which is designed or which may reasonably be expected to result in or have the same effect (economic or otherwise) as (in whole or in part) any of the above; and/or
- (e) announce, agree to make any announcement or publicly disclose any of the above.

The foregoing restrictions shall apply to (a) all the Relevant FIJ Investment Promoter Shares for the period commencing from the date of the undertaking until the date falling 12 months from the Listing Date (both dates inclusive) (the “**First FIJ Investment Lock-up Period**”); and (b) 50.0% of the Relevant FIJ Investment Promoter Shares for the period commencing on the date immediately following expiry of the First FIJ Investment Lock-up Period until the date falling six (6) months from the expiry of the First FIJ Investment Lock-up Period (both dates inclusive).

Furukawa Kazuteru

Furukawa Kazuteru has a direct interest in 7,924 ordinary shares in the capital of FIJ Investment, representing approximately 100.0% of FIJ Investment’s issued and paid-up share capital and accordingly, he has an indirect interest in our Shares held by FIJ Investment.

Furukawa Kazuteru has given an undertaking to our Company and PPCF in respect of all the ordinary shares in the capital of FIJ Investment which he legally and/or beneficially and directly owns as at the date of the undertaking and as at the Listing Date (adjusted for any consolidation, bonus issue or sub-division) (such ordinary shares in FIJ Investment referred to below as the “**Relevant FIJ Investment Shares**”) not to, directly or indirectly, without the prior written consent of our Company and PPCF:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, realise, assign, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the Relevant FIJ Investment Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Relevant FIJ Investment Shares;

OWNERSHIP STRUCTURE

- (b) enter into swap, hedge or other transaction or arrangement (including a derivative transaction) that will directly or indirectly constitute or will be deemed as a disposal of or transfer to another, in whole or in part, any of the economic consequences of ownership of the Relevant FIJ Investment Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Relevant FIJ Investment Shares;
- (c) deposit all or any party of the Relevant FIJ Investment Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any Relevant FIJ Investment Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with his obligations under his moratorium undertaking), whether any such transaction described above is to be settled by delivery of the Relevant FIJ Investment Shares or such other securities, in cash or otherwise;
- (d) enter into any agreement, transaction or other arrangement, which is designed or which may reasonably be expected to result in or have the same effect (economic or otherwise) as (in whole or in part) any of the above; and/or
- (e) announce, agree to make any announcement or publicly disclose any of the above.

The foregoing restrictions shall apply to all the Relevant FIJ Investment Shares for the period commencing from the date of the undertaking until the date falling 18 months from the Listing Date (both dates inclusive).

Furukawa Kazuteru further undertakes to maintain his effective interest in the capital of FIJ Investment for the period commencing from the date of the undertaking until the date falling 18 months from the Listing Date (both dates inclusive).

Furukawa Kazuteru has also given his undertaking to our Company and PPCF in respect of all the ordinary shares, should he exercise his Options granted under the Food Innovation Employee Share Option Scheme, which he legally and/or beneficially and directly owns as at the date of exercising the aforementioned Options (“**Furukawa Option Exercise Date**”) (such ordinary shares referred to below as the “**Relevant Furukawa Option Shares**”) not to, directly or indirectly, without the prior written consent of our Company and PPCF:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, realise, assign, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the Relevant Furukawa Option Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Relevant Furukawa Option Shares;
- (b) enter into swap, hedge or other transaction or arrangement (including a derivative transaction) that will directly or indirectly constitute or will be deemed as a disposal of or transfer to another, in whole or in part, any of the economic consequences of ownership of the Relevant Furukawa Option Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Relevant Furukawa Option Shares;
- (c) deposit all or any party of the Relevant Furukawa Option Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any Relevant Furukawa Option Shares in any depository receipt facilities (other than in a CDP designated

OWNERSHIP STRUCTURE

moratorium account for the purposes of complying with his obligations under his moratorium undertaking), whether any such transaction described above is to be settled by delivery of the Relevant Furukawa Option Shares or such other securities, in cash or otherwise;

- (d) enter into any agreement, transaction or other arrangement, which is designed or which may reasonably be expected to result in or have the same effect (economic or otherwise) as (in whole or in part) any of the above; and/or
- (e) announce, agree to make any announcement or publicly disclose any of the above.

The foregoing restrictions shall apply to (a) all the Relevant Furukawa Option Shares for the period commencing from the date of the undertaking until the date falling 12 months from the Furukawa Option Exercise Date (both dates inclusive) (the “**First Furukawa Option Lock-up Period**”); and (b) 50.0% of the Relevant Furukawa Option Shares for the period commencing on the date immediately following expiry of the First Furukawa Option Lock-up Period until the date falling six (6) months from the expiry of the First Furukawa Option Lock-up Period (both dates inclusive).

Kubota Yasuaki

Kubota Yasuaki has a direct interest in 6,808,772 Shares, representing approximately 6.0% of our Company’s issued and paid-up share capital excluding treasury shares and subsidiary holdings immediately after completion of the Invitation.

Kubota Yasuaki has given an undertaking to our Company and PPCF in respect of all our Shares which he legally and/or beneficially and directly owns as at the date of the undertaking and as at the Listing Date (adjusted for any consolidation, bonus issue or sub-division) (such Shares referred to below as the “**Relevant Kubota Promoter Shares**”) not to, directly or indirectly, without the prior written consent of our Company and PPCF:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, realise, assign, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the Relevant Kubota Promoter Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Relevant Kubota Promoter Shares;
- (b) enter into swap, hedge or other transaction or arrangement (including a derivative transaction) that will directly or indirectly constitute or will be deemed as a disposal of or transfer to another, in whole or in part, any of the economic consequences of ownership of the Relevant Kubota Promoter Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Relevant Kubota Promoter Shares;
- (c) deposit all or any part of the Relevant Kubota Promoter Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any Relevant Kubota Promoter Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under its moratorium undertaking), whether any such transaction described above is to be settled by delivery of the Relevant Kubota Promoter Shares or such other securities, in cash or otherwise;

OWNERSHIP STRUCTURE

- (d) enter into any agreement, transaction or other arrangement, which is designed or which may reasonably be expected to result in or have the same effect (economic or otherwise) as (in whole or in part) any of the above; and/or
- (e) announce, agree to make any announcement or publicly disclose any of the above.

The foregoing restrictions shall apply to (a) all the Relevant Kubota Promoter Shares for the period commencing from the date of the undertaking until the date falling 12 months from the Listing Date (both dates inclusive) (the “**First Kubota Lock-up Period**”); and (b) 50.0% of the Relevant Kubota Promoter Shares for the period commencing on the date immediately following expiry of the First Kubota Lock-up Period until the date falling six (6) months from the expiry of the First Kubota Lock-up Period (both dates inclusive).

Kubota Yasuaki has also given his undertaking to our Company and PPCF in respect of all the ordinary shares, should he exercise his Options granted under the Food Innovation Employee Share Option Scheme, which he legally and/or beneficially and directly owns as at the date of exercising the aforementioned Options (“**Kubota Option Exercise Date**”) (such ordinary shares referred to below as the “**Relevant Kubota Option Shares**”) not to, directly or indirectly, without the prior written consent of our Company and PPCF:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, realise, assign, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the Relevant Kubota Option Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Relevant Kubota Option Shares;
- (b) enter into swap, hedge or other transaction or arrangement (including a derivative transaction) that will directly or indirectly constitute or will be deemed as a disposal of or transfer to another, in whole or in part, any of the economic consequences of ownership of the Relevant Kubota Option Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Relevant Kubota Option Shares;
- (c) deposit all or any party of the Relevant Kubota Option Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any Relevant Kubota Option Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with his obligations under his moratorium undertaking), whether any such transaction described above is to be settled by delivery of the Relevant Kubota Option Shares or such other securities, in cash or otherwise;
- (d) enter into any agreement, transaction or other arrangement, which is designed or which may reasonably be expected to result in or have the same effect (economic or otherwise) as (in whole or in part) any of the above; and/or
- (e) announce, agree to make any announcement or publicly disclose any of the above.

The foregoing restrictions shall apply to (a) all the Relevant Kubota Option Shares for the period commencing from the date of the undertaking until the date falling 12 months from the Kubota Option Exercise Date (both dates inclusive) (the “**First Kubota Option Lock-up Period**”); and (b) 50.0% of the Relevant Kubota Option Shares for the period commencing on the date immediately following expiry of the First Kubota Option Lock-up Period until the date falling six (6) months from the expiry of the First Kubota Option Lock-up Period (both dates inclusive).

OWNERSHIP STRUCTURE

Pre-IPO Investors

Each of the following Pre-IPO Investors has undertaken to the Sponsor, Issue Manager, Underwriter and Placement Agent that it/he/she will not, subject to certain exemptions, without the prior consent of the Sponsor, Issue Manager, Underwriter and Placement Agent, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, realise, transfer, assign, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the Relevant Shares (as defined below) or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Relevant Shares;
- (b) enter into any swap, hedge or other agreement, transaction or arrangement (including a derivative transaction) that will directly or indirectly constitute or will be deemed as a disposal of or transfers to another, in whole or in part, any of the economic consequences of ownership of the Relevant Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Relevant Shares), whether any such transaction described above is to be settled by delivery of the Relevant Shares or such other securities, in cash or otherwise;
- (c) deposit all or any part of the Relevant Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any Relevant Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with his obligations under their respective moratorium undertakings), whether any such transaction described above is to be settled by delivery of the Relevant Shares or such other securities, in cash or otherwise;
- (d) enter into any agreement, transaction or other arrangement which is designed or which may reasonably be expected to result in or have the same effect (economic or otherwise) as (in whole or in part) any of the above; or
- (e) announce, agree to make any announcement, or publicly disclose any intention to do any of the above.

The number of Relevant Shares for each Pre-IPO Investor is calculated based on the formula set out below:

Where:

$$\text{Number of Relevant Shares} = \frac{(V_{\text{IPO}} - V_{\text{CP}})}{(V_{\text{IPO}})} \times P$$

- V_{CP} = the total cash paid for the Shares acquired by the Pre-IPO Investors within 12 months preceding the Listing Date;
- V_{IPO} = the value of the Pre-IPO Investors' total shareholdings acquired within 12 months preceding the Listing Date based on the issue price at the initial public offering; and
- P = the total number of Shares paid for by the Pre-IPO Investor in the 12 months preceding the Listing Date.

OWNERSHIP STRUCTURE

None of the Pre-IPO Investors are subject to moratorium as the total cash paid for the Shares acquired by the Pre-IPO Investors was not less than the value of the Pre-IPO Investors' total shareholdings acquired based on the Invitation Price.

For the avoidance of doubt, any Shares that the Pre-IPO Investors acquire and/or subscribe for on or after the Offering shall not be subject to the terms of the foregoing restriction.

Save as disclosed in the sub-section entitled "Ownership Structure – Shareholders" of this Offer Document, none of the Pre-IPO Investors are related to any of the Directors, the Controlling Shareholder or their respective associates, the Sponsor, Issue Manager, Underwriter and Placement Agent.

PPCF

Pursuant to the Sponsorship, Management and Underwriting Agreement and as part of PPCF's fees as the Sponsor and Issue Manager, our Company allotted and issued 568,000 PPCF Shares at the Invitation Price to PPCF, representing approximately 0.5% of our Company's issued and paid-up share capital excluding treasury shares and subsidiary holdings immediately after completion of the Invitation.

PPCF has given an undertaking to our Company in respect of all the PPCF Shares which it legally and/or beneficially and directly owns as at the date of the undertaking and as at the Listing Date not to, directly or indirectly, without the prior written consent of our Company:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, realise, assign, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the PPCF Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the PPCF Shares;
- (b) enter into swap, hedge or other transaction or arrangement (including a derivative transaction) that will directly or indirectly constitute or will be deemed as a disposal of or transfer to another, in whole or in part, any of the economic consequences of ownership of the PPCF Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the PPCF Shares;
- (c) deposit any of the PPCF Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any PPCF Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under its moratorium undertaking), whether any such transaction described above is to be settled by delivery of the PPCF Shares or such other securities, in cash or otherwise;
- (d) enter into any agreement, transaction or other agreement, which is designed or which may reasonably be expected to result in or have the same effect (economic or otherwise) as (in whole or in part) any of the above; and/or
- (e) offer or agree to announce or publicly disclose any intention to do any of the above.

The foregoing restrictions shall apply to all the PPCF Shares for the period commencing from the date of the undertaking until the date falling three (3) months from the Listing Date (both dates inclusive). After the expiry of the moratorium period, PPCF will be disposing its shareholdings in our Company at its discretion.

DILUTION

Dilution is the amount by which the Invitation Price paid by the subscribers of our Shares in this Invitation exceeds our NAV per Share immediately after completion of the Invitation. As at 29 February 2024, our pro-forma NAV per Share, after taking into account the (i) capital injection of JPY 50.0 million (approximately S\$0.5 million) from Rakusei Co., Ltd. in 15 March 2024 and (ii) subsequent allotment and issue of the PPCF Shares but before adjusting for the estimated net proceeds from the Invitation and based on our Company's pre-Invitation issued and paid-up share capital of 99,045,444 Shares, was approximately 2.87 cents per Share.

Pursuant to the Invitation in respect of 14,000,000 Invitation Shares at the Invitation Price, our pro-forma NAV per Share as at 29 February 2024, after taking into account (i) the capital injection of JPY 50.0 million (approximately S\$0.5 million) from Rakusei Co., Ltd. in 15 March 2024, (ii) the allotment and issue of the PPCF Shares, and (iii) the estimated net proceeds from the Invitation and based on our Company's post-Invitation issued and paid-up share capital of 113,045,444 Shares, would have been approximately 3.50 cents. This represents an immediate increase in NAV per Share of approximately 0.63 cents attributable to existing Shareholders and an immediate dilution of approximately 18.5 cents in NAV per Share or approximately 84.1% to our new public investors subscribing for the Invitation Shares at the Invitation Price.

The following table illustrates the dilution on a per Share basis as at 29 February 2024:

	Cents
Invitation Price	22.00
Pro Forma NAV per Share after adjusting for (i) the capital injection of JPY 50.0 million (approximately S\$0.5 million) from Rakusei Co., Ltd., and (ii) the allotment and issue of the PPCF Shares but before adjusting for the estimated net proceeds from the Invitation and based on our Company's pre-Invitation share capital of 99,045,444 Shares	2.87
Increase in Pro Forma NAV per Share attributable to existing Shareholders	0.63
Pro Forma NAV per Share after adjusting for (i) the capital injection of JPY 50.0 million (approximately S\$0.5 million) from Rakusei Co., Ltd., (ii) the allotment and issue of the PPCF Shares, and (iii) the estimated net proceeds from the Invitation and based on our Company's post-Invitation Share Capital of 113,045,444 Shares	3.50
Dilution in Pro Forma NAV per Share to new public Shareholders post-Invitation	18.50
Percentage decrease in Pro Forma NAV per Share to new public Shareholders	84.1%

DILUTION

The following table summarises the total number of Shares acquired by our Directors and Substantial Shareholders and their associates (as defined in the SFR) between 14 November 2019, being our Company's date of incorporation, and the date of registration of this Offer Document, the total consideration paid by them and the average effective cash cost per Share to them and the price per Share to be paid by our new public Shareholders pursuant to the Invitation:

	Number of Shares	Total consideration (S\$)	Average Effective Cash Cost Per Share (S\$)
Directors and their Associates			
Furukawa Kazuteru and FIJ Investment	51,580,236	12,895,059	0.25
Kubota Yasuaki ⁽¹⁾	6,808,772	0.25	
Executive Officers			
Watanabe Akira	1,554,908	388,727	0.25
Other Shareholders			
Pre-IPO Investors	16,313,144	3,588,894	0.22
PPCF	568,000	124,960	0.22
Public			
Existing Public Shareholders	22,267,384	5,655,135	0.25
New Public Shareholders ⁽²⁾	13,953,000	3,069,660	0.22

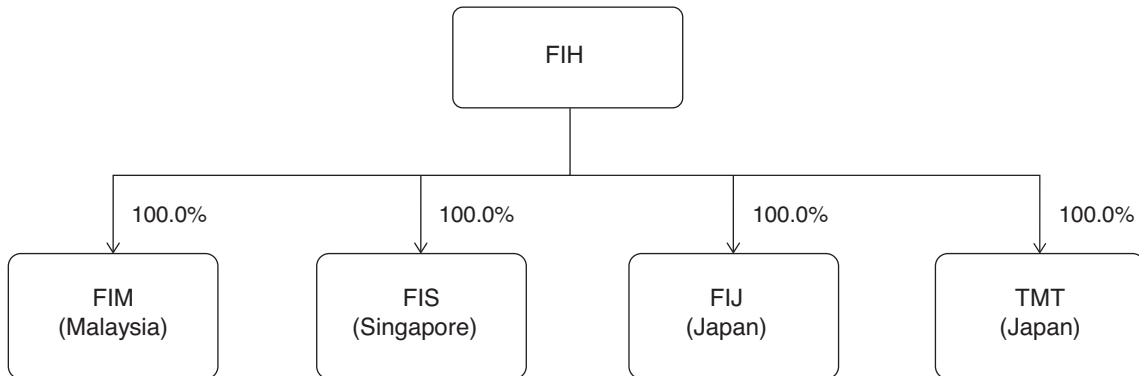
Notes:

- (1) As at the date of this Offer Document, our Chief Executive Officer, Kubota Yasuaki, has indicated his interest to subscribe for 47,000 Invitation Shares pursuant to the Invitation.
- (2) This refers to the number of Invitation Shares offered at the Invitation but excludes 47,000 Invitation Shares to be allotted to Kubota Yasuaki.

Save as disclosed above and the section entitled "Share Capital" of this Offer Document, none of our Directors or Substantial Shareholders or their respective associates (as defined in the SFR) have acquired any Shares in our Company between 14 November 2019, being our Company's date of incorporation, and the date of registration of this Offer Document.

GROUP STRUCTURE

Our Group structure as at the Latest Practicable Date is as follows:



Our subsidiaries

The details of our subsidiaries as at the Latest Practicable Date are as follows:

Name of company	Date and country of incorporation	Principal place of business	Principal activities	Issued and paid-up share capital/paid-up capital	Ownership interest held by our Group
FIJ	2 March 2011/ Japan	Japan	Restaurant operation; sale, lease and brokerage of real estate; provision of restaurant management consultancy services	JPY 100,000,000 comprising 12,586 ordinary shares	100.0%
FIM	11 August 2017/Malaysia	Malaysia	Restaurant operation	RM 1,000,000 comprising 1,000,000 ordinary shares	100.0%
FIS	6 March 2012/ Singapore	Singapore	Restaurant operation and provision of restaurant management consultancy services	S\$200,000 comprising 200,000 ordinary shares	100.0%

GROUP STRUCTURE

Name of company	Date and country of incorporation	Principal place of business	Principal activities	Issued and paid-up share capital/paid-up capital	Ownership interest held by our Group
TMT	16 March 2023/ Japan	Japan	Restaurant operation and provision of restaurant management consultancy services	JPY 50,000,000 comprising 5,000 ordinary shares	100.0%

The present directors and auditors of our subsidiaries as at the Latest Practicable Date are as follows:

Name of company	Present directors	Present auditors
FIJ	Furukawa Kazuteru Miyake Daisuke Isomoto Atsushi Imai Yasuhito Tetsura Masao	Its statutory auditor ⁽¹⁾ is Enoki Tsuyoshi ⁽²⁾ but it is not required to appoint an accounting auditor ⁽¹⁾ under the Japanese Companies Act. Forvis Mazars LLP (Formerly known as Mazars LLP), the auditors for consolidation purposes
TMT	Furukawa Kazuteru Miyake Daisuke Watanabe Akira	Forvis Mazars LLP (Formerly known as Mazars LLP), the auditors for consolidation purposes
FIS	Miyake Daisuke	Forvis Mazars LLP (Formerly known as Mazars LLP)
FIM	Miyake Daisuke Yamaguchi Daisuke ⁽³⁾	ST & Partners PLT

Notes:

- (1) An “accounting auditor” (*kaikai-kansanin*) is stipulated under the Japanese Companies Act as an organ of a stock company which audits financial statements and prepares accounting audit reports and it must be an external certified public accountant or an audit firm that is licensed in Japan while the “statutory auditor” (*kansayaku*), which is an organ of a stock company, is responsible for auditing the executive actions of directors and also for preparing audit reports (including but not limited to accounting aspects).
- (2) In order to fulfil such responsibilities, Enoki Tsuyoshi as FIJ’s statutory auditor is given various powers such as the right (i) to investigate the business and assets of the company and its subsidiary and (ii) also to review proposals, documents and other materials to be submitted to a shareholders’ meeting by directors, among others. At a company which has a board of directors, a statutory auditor has an obligation to attend meetings of the board of directors and to state his or her opinions if he or she finds it necessary.
- (3) Yamaguchi Daisuke does not hold any other position in our Group other than being a director of FIM and is not related to any of our Company’s Directors and Executive Officers.

GROUP STRUCTURE

None of our subsidiaries are listed on any stock exchange.

Save as disclosed above, there are no other subsidiaries, subsidiary entities, or companies or entities deemed as associated entities of our Group.

FIM relies on outsourced accounting services as part of our Group's cost management measures given that FIM's historical contribution to our Group's overall revenue is not significant. Our Financial Controller, Sakurabashi Shuji, reviews the financial figures prepared by the outsourced accounting service providers. Our Group intends to internalise the finance function in Malaysia by the end of FY2025 as the operations in Malaysia expand in the future.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following selected financial information of our Group should be read in conjunction with the full text of this Offer Document, including the sections entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document, “Appendix A – Independent Auditors’ Report And The Audited Consolidated Financial Statements For The Financial Years Ended 28 February 2022, 28 February 2023 And 29 February 2024” and “Appendix B – Independent Auditors’ Assurance Report And The Compilation Of Unaudited Pro Forma Consolidated Financial Information Of Food Innovators Holdings Limited For The Financial Year Ended 29 February 2024” of this Offer Document.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF OUR GROUP

(S\$'000)	← Audited →		
	FY2022	FY2023	FY2024
Revenue	37,818	39,668	43,773
Cost of sales	(32,065)	(34,245)	(35,920)
Gross profit	5,753	5,423	7,853
Other income	2,146	1,081	2,912
Administrative and distribution expenses	(5,685)	(7,608)	(6,971)
Other expenses	(874)	(1,563)	(595)
Finance costs	(819)	(577)	(780)
Share of losses from equity-accounted for associates	–	–	(91)
Profit/(Loss) before income tax	521	(3,244)	2,328
Income tax expense	(118)	(143)	(923)
Profit/(Loss) for the financial year	403	(3,387)	1,405
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign subsidiaries	(92)	(214)	(121)
Total comprehensive income/(loss) for the financial year	311	(3,601)	1,284
Profit/(Loss) for the financial year attributable to:			
Owners of the Company	403	(3,387)	1,405
Non-controlling interests	–	–	–
	403	(3,387)	1,405
Total comprehensive income/(loss) for the financial year attributable to:			
Owners of the Company	311	(3,601)	1,284
Non-controlling interests	–	–	–
	311	(3,601)	1,284
Pre-Invitation EPS/(LPS) (cents) ⁽¹⁾	0.41	(3.42)	1.42
Post-Invitation EPS/(LPS) (cents) ⁽²⁾	0.36	(3.00)	1.24

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Notes:

- (1) For illustrative purposes, our pre-Invitation EPS for the Period Under Review has been computed based on the profit/(loss) attributable to equity holders of our Company for the respective financial years and our Company's pre-Invitation issued and paid-up share capital of 99,045,444 Shares.
- (2) For illustrative purposes, our post-Invitation EPS for the Period Under Review has been computed based on the profit/(loss) attributable to equity holders of our Company for the respective financial years and our Company's post-Invitation issued and paid-up share capital of 113,045,444 Shares.
- (3) Had the Service Agreements (set out in the sub-section entitled "Directors, Management and Employees – Service Agreements" of this Offer Document) been in place since 1 March 2023, our profit before income tax, profit attributable to equity holders of our Company and EPS for FY2024 computed based on our Company's post-Invitation issued and paid-up share capital of 113,045,444 Shares would have been S\$2.2 million, S\$1.3 million and 1.16 cents respectively.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP

(S\$'000)	← Audited →		
	As at 28 February 2022	As at 28 February 2023	As at 29 February 2024
Non-current assets			
Property, plant and equipment	3,375	2,158	3,300
Right-of-use assets	31,029	25,543	33,605
Intangible assets	1,583	890	491
Goodwill	428	428	1,257
Investment in associate	–	–	92
Other investment	–	–	–
Trade and other receivables	15,265	13,372	12,850
Deferred tax assets	549	297	273
Total non-current assets	52,229	42,688	51,868
Current assets			
Cash and bank balances	7,043	2,821	1,247
Trade and other receivables	5,845	5,658	7,990
Inventories	447	281	393
Income tax receivables	–	19	–
Total current assets	13,335	8,779	9,630
Total assets	65,564	51,467	61,498
Non-current liabilities			
Trade and other payables	9,221	8,543	7,732
Borrowings	11,257	8,531	6,376
Lease liabilities	19,115	16,230	20,886
Total non-current liabilities	39,593	33,304	34,994

SELECTED CONSOLIDATED FINANCIAL INFORMATION

(S\$'000)	← Audited →		
	As at 28 February 2022	As at 28 February 2023	As at 29 February 2024
Current liabilities			
Trade and other payables	6,532	6,750	8,173
Borrowings	3,439	2,566	1,787
Lease liabilities	13,970	10,381	13,272
Income tax payable	101	–	900
Total current liabilities	24,042	19,697	24,132
Total liabilities	63,635	53,001	59,126
Net assets/(liabilities)	1,929	(1,534)	2,372
Capital and reserves			
Share capital	21,277	21,277	23,673
Share option reserve	654	792	1,018
Merger reserve	(15,415)	(15,415)	(15,415)
Translation reserve	204	(10)	(131)
Accumulated losses	(4,791)	(8,178)	(6,773)
Total equity	1,929	(1,534)	2,372
NAV per Share (cents) ⁽¹⁾	1.95	(1.55)	2.39
NTA per Share (cents) ⁽²⁾	(0.64)	(3.18)	0.35

Notes:

- (1) NAV per Share is computed based on the equity attributable to equity holders of our Company and our Company's pre-Invitation issued and paid-up share capital of 99,045,444 Shares.
- (2) NTA per Share is computed based on the equity attributable to equity holders of our Company net of (i) goodwill, (ii) intangible assets and (iii) deferred tax assets and our Company's pre-Invitation issued and paid-up share capital of 99,045,444 Shares.

Please also refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document for further details.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following discussion of our results of operations and financial position should be read in conjunction with the full text of this Offer Document, including "Appendix A – Independent Auditors' Report And The Audited Consolidated Financial Statements For The Financial Years Ended 28 February 2022, 28 February 2023 And 29 February 2024" and "Appendix B – Independent Auditors' Assurance Report And The Compilation Of Unaudited Pro Forma Consolidated Financial Information Of Food Innovators Holdings Limited For The Financial Year Ended 29 February 2024" of this Offer Document.

This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Offer Document, particularly in the section entitled "Risk Factors" of this Offer Document. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us, the Sponsor, Issue Manager, Underwriter and Placement Agent or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as at the date hereof. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document.

OVERVIEW

We are principally engaged in (a) the RLSB, focusing on matching properties and tenants in the restaurant business in Japan, and (b) the FRB. From being a predominantly Japan-based company, we have expanded to various locations overseas and currently operate restaurants in Japan, Singapore, and Malaysia. We previously managed restaurants in Taiwan until 26 February 2024, when we disposed of our interest in FIT.

Please refer to the section entitled "General Information on our Group – Business Overview" of this Offer Document for more details on our Group.

REVENUE AND OPERATING RESULTS

A breakdown of our revenue by business and geographical segments for the Period Under Review is as follows:

Breakdown of revenue by business segments

	FY2022		FY2023		FY2024	
	S\$'000	%	S\$'000	%	S\$'000	%
RLSB	19,138	50.6%	17,265	43.5%	19,614	44.8%
FRB	18,680	49.4%	22,403	56.5%	24,159	55.2%
Total	37,818	100.0%	39,668	100.0%	43,773	100.0%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Breakdown of gross profit from operations by business segments

	FY2022		FY2023		FY2024	
	S\$'000	%	S\$'000	%	S\$'000	%
RLSB	2,613	45.4%	2,279	42.0%	3,862	49.2%
FRB	3,140	54.6%	3,144	58.0%	3,991	50.8%
Total	5,753	100.0%	5,423	100.0%	7,853	100.0%

Breakdown of gross profit from operations margin by business segments

	FY2022	FY2023	FY2024
	%	%	%
RLSB	13.7%	13.2%	19.7%
FRB	16.8%	14.0%	16.5%
Average	15.2%	13.7%	17.9%

During the Period Under Review, both our RLSB and FRB contributed to revenue and gross profit from operations in approximately equal proportions.

Breakdown of revenue and operating results by geographical markets

	FY2022		FY2023		FY2024	
	S\$'000	%	S\$'000	%	S\$'000	%
Japan	30,020	79.4%	28,297	71.3%	31,559	72.1%
Singapore	5,879	15.5%	7,029	17.7%	6,419	14.7%
Malaysia	1,750	4.6%	4,127	10.4%	5,539	12.6%
Taiwan ¹	169	0.5%	215	0.6%	256	0.6%
Total	37,818	100.0%	39,668	100.0%	43,773	100.0%

Our Group's revenue is primarily derived from Japan which accounted for 79.4%, 71.3% and 72.1% of total revenue for FY2022, FY2023 and FY2024 respectively. Revenue derived from Singapore accounts for 15.5%, 17.7% and 14.7% of total revenue for FY2022, FY2023 and FY2024 respectively while revenue derived from Malaysia accounts for 4.6%, 10.4% and 12.6% of total revenue for FY2022, FY2023 and FY2024 respectively.

¹ Our Group has disposed of FIT to an unrelated party as of 26 February 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

(A) RLSB

We focus on RLSB operations mainly in the Tokyo Metropolitan area in Japan. As of the Latest Practicable Date, we have a total of 214 subleased properties with a total floor area of 23,004.73 square metres in Japan.

Revenue from our RLSB is primarily generated from rental income, and is recognised on an accrual basis, upon acceptance of the tenancy and signing of the tenancy agreement(s). Our rental income is based on the rental rates pursuant to tenancy agreements entered into between our Group and our tenants and take into account any rent-free periods and other rental incentives provided by our Group such as initial renovations. Our RLSB operations are solely conducted in Japan. Accordingly, the operating results of the RLSB is greatly affected by foreign exchange exposure.

Revenue from our RLSB is mainly dependent on the following factors:

- (i) the health of the real estate industry in Japan, particularly the rental market, as well as the general economy;
- (ii) changes in laws and regulations relating to the real estate industry in Japan;
- (iii) our ability to continue or renew the existing leases of our properties or secure leases on new properties;
- (iv) our ability to compete for properties and for tenants;
- (v) our ability to retain our existing tenants; and
- (vi) the fluctuations in rental prices.

Please refer to the sections entitled "Risk Factors" and "General Information on our Group – Prospects and Trend Information" of this Offer Document for further information on the above and other factors which may affect our revenue.

(B) FRB

Our Group's FRB primarily engages in the (a) operation of restaurants under various brands in Japan, Singapore, and Malaysia and (b) provision of F&B Consulting Services. Within Japan, we operate and manage our Group's Directly-Owned Restaurants and TMT Operated Restaurants. Outside of Japan, we engage in a collaboration model involving joint ventures with the local Japanese restaurant operators in the respective countries where we operate in. As at the Latest Practicable Date, there are a total of 26 restaurants, one (1) bakery café and one (1) central kitchen facility.

Revenue from our FRB is primarily generated from the sale of F&B items at our outlets and is recognised upon the delivery of the F&B items to our customers, net of discounts and sales-related taxes. Such revenue is denominated in JPY, S\$, RM or NTD, with payments mainly on cash terms (including credit card and electronic payments) on completion of the sale of the F&B items.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Revenue from our FRB is mainly dependent on the following factors:

- (i) the number of outlets we operate and our ability to source and secure new strategic locations for our outlets;
- (ii) our ability to compete successfully with our competitors in terms of quality of food, services, competitive pricing as well as brand image;
- (iii) negative publicity (genuine or otherwise) concerning quality and hygiene of food served at our outlets or other operational issues relating to our outlets;
- (iv) changes in economic conditions in the countries where we operate, which may affect the sentiments of consumers, consumers' disposable income and their level of discretionary spending;
- (v) our ability to continually keep up with changes in consumer tastes and preferences; and
- (vi) outbreak of diseases in livestock, food scares, illnesses or other health concerns affecting the F&B industry in the countries which we operate.

Please refer to the sections entitled "Risk Factors" and "General Information on our Group – Prospects and Trend Information" of this Offer Document for further information on the above and other factors which may affect our revenue.

COST OF SALES

The principal components of our cost of sales are rental costs, raw materials, consulting costs, labour costs and others. Our cost of sales was S\$32.1 million, S\$34.3 million and S\$35.9 million representing 84.8%, 86.3%, and 82.1% of total revenue in FY2022, FY2023 and FY2024 respectively.

Rental costs are primarily rents payable to our lessors/landlords for leasing the properties to our Group, supplemented by rents received by subleasing and revenues from our outlets, accounting for the largest proportion of our Group's cost of sales during the Period Under Review.

Cost of raw materials, which comprise mainly beverage and food ingredients required for the preparation of food items sold at our outlets, accounted for the second largest portion of our Group's cost of sales during the Period Under Review. Some examples of our key food ingredients and consumables include seafood, meat, poultry, vegetables and fruit, and alcohol.

Consulting costs included various consulting fees such as initial fees and brokerage fees in connection with the lease of sublease properties, costs of fixtures sold and renovations, and other costs corresponding to spot sales.

Labour costs mainly consisted of full-time and part-time employees in our outlets. Labour costs other than direct employees who work in our outlets, such as sublease operations, were included in other operating expenses.

Other costs under cost of sales include transportation, utilities, insurance, consumables and sanitary supplies for the restaurants.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Breakdown of cost of sales by business segments

	FY2022		FY2023		FY2024	
	S\$'000	%	S\$'000	%	S\$'000	%
RLSB	16,525	51.5%	14,986	43.8%	15,752	43.9%
FRB	15,540	48.5%	19,259	56.2%	20,168	56.1%
Total cost of sales	32,065	100.0%	34,245	100.0%	35,920	100.0%

(A) RLSB

Cost of sales for our RLSB consists of property rental costs, depreciation expenses and insurance. Cost of sales for our RLSB accounted for 51.5%, 43.8% and 43.9% of our Group's total cost of sales in FY2022, FY2023 and FY2024 respectively.

Cost of sales for our RLSB are affected by changes in the number of properties rented. As the number of properties rented increases or decreases, rental costs and insurance costs will increase or decrease in tandem accordingly. In addition, since the RLSB is conducted in Japan, cost of sales is greatly affected by foreign exchange rates.

(B) FRB

Cost of sales for our FRB consists of raw materials, labour costs and consulting costs. Cost of sales for our FRB accounted for 48.5%, 56.2% and 56.1% of our Group's total cost of sales in FY2022, FY2023 and FY2024 respectively.

The raw materials we require for our FRB are generally readily available from various suppliers. Nevertheless, the cost of raw materials used may be affected by, *inter alia*, the following factors:

- (i) our ability to obtain favourable pricing for bulk procurement of raw materials from our suppliers;
- (ii) fluctuations in prices of raw materials and consumables (which may in turn be affected by factors such as any outbreak of diseases in livestock, food scarcity, adverse changes in the climate, natural disasters, changes in government regulations affecting the prices of raw materials imported from overseas, or other circumstances that may affect global food supply and demand); and
- (iii) our ability to control and reduce wastage of raw materials and consumables. Most of our food ingredients are perishable in nature. In order to consistently maintain a high quality of food we serve in our outlets, we typically procure our raw materials and consumables on a daily basis and discard most unused raw materials and consumables which are no longer fresh at the end of the business day. As such, an increase in sales will generally lead to less wastage of raw materials and consumables at our outlets.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Gross profit and gross profit margin

Gross profit is the amount of revenue in excess of cost of sales, and gross profit margin is the percentage of revenue that exceeds the cost of sales.

Our gross profit margins were 15.2%, 13.7% and 17.9% in FY2022, FY2023 and FY2024 respectively.

Other Income

Other income refers to income derived from non-core business activities includes, amongst others, income from the disposal of subsidiaries, government grants, consultancy income and foreign exchange gain.

Other income was S\$2.1 million, S\$1.1 million and S\$2.9 million, accounting for 5.7%, 2.7% and 6.6% of our total revenue in FY2022, FY2023 and FY2024 respectively.

Administrative and Distribution Expenses

Administrative and distribution expenses mainly consist of labour costs, office rent expenses, and outsourcing expenses.

Administrative and distribution expenses were S\$5.7 million, S\$7.6 million and S\$7.0 million, accounting for 15.0%, 19.2% and 15.9% of our total revenue in FY2022, FY2023 and FY2024 respectively.

Other Expenses

Other expenses include extraordinary losses and non-cash expenses including impairment losses, bad debt losses and loss allowances on expected credit losses.

Other expenses were S\$0.9 million, S\$1.6 million and S\$0.6 million, accounting for 2.3%, 3.9% and 1.4% of our total revenue in FY2022, FY2023 and FY2024 respectively.

Finance costs

Finance costs consist mainly of interest expenses on bank loans, operating leases and finance leases. Finance costs were S\$0.8 million, S\$0.6 million and S\$0.8 million accounting for 2.2%, 1.5% and 1.8% of our total revenue in FY2022, FY2023 and FY2024 respectively.

Income tax expense

Our Group is subject to paying income tax at the applicable statutory tax rate in each country. Income tax is expected to comprise current income tax expense and deferred tax. Current income tax expense is expected tax payable on the taxable income and deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets will only be recognised to the extent that it is probably that taxable profit will be available against which the deductible temporary differences and unutilised tax losses can be utilised.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Our overall tax rate was 22.6%, (4.4)%, and 39.6% for FY2022, FY2023 and FY2024 respectively. The negative tax rate in FY2023 was due to our Group incurring income tax expenses despite recording losses before income tax from continuing operations for the financial year.

Other comprehensive loss – exchange differences on translation of foreign subsidiaries.

Exchange differences on translation of foreign subsidiaries arise from the translation of JPY, RM and NTD into SGD for foreign subsidiaries. Exchange differences on translation of foreign subsidiaries were S\$(0.1) million, S\$(0.2) million, and S\$(0.1) million for FY2022, FY2023 and FY2024 respectively.

REVIEW OF RESULTS OF OPERATIONS

Reconciliation of the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for FY2024

In FY2024, our Group recorded profit before income tax of S\$2.3 million and pro forma profit before income tax of S\$1.7 million. The decrease in profit before income tax was due to the share option expenses of S\$0.6 million under the new Food Innovators Employee Share Option Scheme.

FY2022 vs FY2023

Revenue

Revenue increased by S\$1.9 million or 4.9% from S\$37.8 million in FY2022 to S\$39.7 million in FY2023.

The increase in revenue was mainly due to higher revenue recorded by our FRB segment in FY2023. Revenue from our FRB segment increased by S\$3.7 million or 19.9% from S\$18.7 million in FY2022 to S\$22.4 million in FY2023.

This was mainly due to increase in revenue from each of the FRB in Japan, Singapore and Malaysia.

Revenue from Malaysia FRB increased by S\$2.3 million or 135.8% from S\$1.8 million in FY2022 to S\$4.1 million in FY2023 due to new restaurant openings including *Kanbe Yakiniku* in FY2023.

Revenue from Singapore FRB increased by S\$1.1 million or 19.6% from S\$5.9 million in FY2022 to S\$7.0 million in FY2023 due to new restaurant openings including *Hitsuji Club* in FY2022.

Revenue from Japan FRB increased by S\$0.1 million or 1.4% from S\$10.9 million in FY2022 to S\$11.0 million in FY2023. The increase in revenue from Japan was offset by the foreign exchange translation differences arising from the depreciation of JPY. On a functional currency basis (JPY), revenue from Japan FRB increased by approximately 19.6%.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The increase in revenue from the FRB segment was partially offset by the decrease in revenue from the RLSB segment of S\$1.8 million or 9.8% from S\$19.1 million in FY2022 to S\$17.3 million in FY2023. While the RLSB segment had recorded an increase in revenue on a functional currency basis (JPY), the decrease in revenue on a presentation currency basis (SGD) was due to foreign exchange translation differences arising from the depreciation of JPY.

Cost of sales

Cost of sales increased by S\$2.2 million or 6.8% from S\$32.1 million in FY2022 to S\$34.3 million in FY2023. This was mainly due to the increase in cost of sales from the FRB segment of S\$3.7 million or 23.9% from S\$15.6 million in FY2022 to S\$19.3 million in FY2023, which was in line with the increase in revenue from FY2022 to FY2023 for the FRB segment as a result of new restaurant openings in Malaysia and Singapore.

The increase in cost of sales from the FRB segment was partially offset by the decrease in cost of sales from the RLSB segment of S\$1.5 million or 9.3% from S\$16.5 million in FY2022 to S\$15.0 million in FY2023, which was in line with the decrease in revenue for the RLSB segment due to foreign exchange translation differences arising from the depreciation of JPY.

Gross Profit

Gross profit decreased by S\$0.4 million or 5.7% from S\$5.8 million in FY2022 to S\$5.4 million in FY2023 as a result of the increase in cost of sales of S\$2.2 million which exceeded the increase in revenue of S\$1.9 million from FY2022 to FY2023.

Other income

Other income decreased by S\$1.0 million or 49.6% from S\$2.1 million in FY2022 to S\$1.1 million in FY2023. The decrease in our other income was mainly attributable to the (i) reduction in government grants by S\$1.3 million or 85.0% for the COVID-19 pandemic from S\$1.5 million in FY2022 to S\$0.2 million in FY2023 and (ii) cessation of rent concession arising from COVID-19 in FY2023 from S\$0.2 million in FY2022.

The decrease in other income was partially offset by the increase in other income arising from the (i) increase in unrealised foreign exchange gain by \$0.3 million from S\$0.1 million in FY2022 to S\$0.4 million in FY2023 and (ii) increase in consultancy income by S\$0.1 million or 50.0% from S\$0.2 million in FY2022 to S\$0.3 million in FY2023.

Administrative and distribution expenses

Administrative and distribution expenses increased by S\$1.9 million or 33.8% from S\$5.7 million in FY2022 to S\$7.6 million in FY2023. This increase was mainly due to the increase in labour costs as a result of higher staff headcount in FY2023.

Other expenses

Other expenses increased by S\$0.7 million or 78.8% from S\$0.9 million in FY2022 to S\$1.6 million in FY2023. The increase in other expenses was mainly due to increase in impairment losses in relation to impairment in value of the *Sanji* and *Suzuki* trademarks amounting to S\$0.5 million as a result of the COVID-19 pandemic.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Finance costs

Finance costs decreased by S\$0.2 million or 29.5% from S\$0.8 million in FY2022 to S\$0.6 million in FY2023. The decrease was mainly due to the (i) decrease in interest expense from lease liabilities of S\$0.1 million or 29.3% from S\$0.6 million in FY2022 to S\$0.5 million in FY2023 and (ii) decrease in interest expense from bank borrowings of S\$0.1 million or 30.5% from S\$0.2 million in FY2022 to S\$0.1 million in FY2023.

Profit before tax

Profit before tax decreased by S\$3.7 million from a profit before tax of S\$0.5 million in FY2022 to a loss before tax of S\$3.2 million in FY2023.

The decrease in profit before tax was due to the (i) gross profit decrease of S\$0.4 million, (ii) decrease in other income of S\$1.0 million, (iii) increase in administrative and distribution expenses of S\$1.9 million, (iv) increase in other expenses of S\$0.7 million, and (v) decrease in finance cost of S\$0.2 million.

FY2023 vs FY2024

Revenue

Revenue increased by S\$4.1 million or 10.3% from S\$39.7 million in FY2023 to S\$43.8 million in FY2024.

The increase in revenue was mainly due to higher revenue recorded by our RLSB segment in FY2024. Revenue from our RLSB segment increased by S\$2.3 million or 13.6% from S\$17.3 million in FY2023 to S\$19.6 million in FY2024. The increase in revenue from our RLSB segment was due to the sale of subleased properties in FY2024 amounting to S\$1.9 million, which was partially offset by the foreign exchange translation differences between the functional currency (JPY) and presentation currency (SGD) due to the depreciation of JPY.

Revenue from our FRB segment increased by \$1.8 million or 7.8% from S\$22.4 million in FY2023 to S\$24.2 million in FY2024.

Revenue from Japan FRB increased by S\$1 million or 8.3% from S\$11.0 million in FY2023 to S\$12 million in FY2024 due to high sales derived from various restaurants in Japan.

Revenue from Singapore FRB decreased by S\$0.6 million or 8.7% from S\$7.0 million in FY2023 to S\$6.4 million in FY2024 arising from the transition period in refreshing the restaurant layout and food offerings of unprofitable restaurants.

Revenue from Malaysia FRB increased by S\$1.4 million or 34.2% from S\$4.1 million in FY2023 to S\$5.5 million in FY2024 as a result of new restaurant openings, including *Kanbe Yakiniku* and *Kanbe Ramen* (TRX).

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Cost of sales

Cost of sales increased by S\$1.6 million or 4.9% from S\$34.3 million in FY2023 to S\$35.9 million in FY2024 due to the business expansion for both segments. This was mainly due to the increase in cost of sales from the FRB segment of S\$0.9 million or 4.7% from S\$19.3 million in FY2023 to S\$20.2 million in FY2024 and the increase in costs of sales from the RLSB segment of S\$0.8 million or 5.1% from S\$15.0 million to S\$15.8 million which was in line with the increase in revenue from FY2023 to FY2024 for both the FRB segment and the RLSB segment.

Gross Profit

Gross Profit increased by S\$2.5 million or 44.8% from S\$5.4 million in FY2023 to S\$7.9 million in FY2024 as a result of the increase in revenue of S\$4.1 million which was offset by the increase in cost of sales of S\$1.6 million from FY2023 to FY2024.

Other income

Other income increased by S\$1.8 million or 169.4% from S\$1.1 million in FY2023 to S\$2.9 million in FY2024. The increase in other income was mainly due to the (i) disposal of our subsidiaries, Kurimen and FIT, resulting in S\$1.7 million gain and (ii) disposal of intangible assets resulting in gain of S\$0.3 million. The disposal of our subsidiaries, Kurimen and FIT, was because they were not material subsidiaries to our Group. As at the date of disposal, the net assets of Kurimen and FIT were only S\$0.2 million and S\$0.1 million respectively. Kurimen is in the waste disposal service business which is not the core business of our Group and FIT faced challenges in expansion despite the management's effort. As for the disposal of the intangible assets pertains to the trademark of "Menya Sanji" in Singapore, Taiwan, China and Japan which our Group has ceased to use these trademarks.

Administrative and distribution expenses

Administrative and distribution expenses decreased by S\$0.6 million or 8.4% from S\$7.6 million in FY2023 to S\$7.0 million in FY2024. The decrease was mainly due to the JPY depreciation.

Other expenses

Other expenses decreased by S\$1.0 million or 61.9% from S\$1.6 million in FY2023 to S\$0.6 million in FY2024. The decrease in other operating expenses was due to the (i) decrease in impairment loss and (ii) decrease in bad debt loss.

Finance costs

Finance costs increased by S\$0.2 million or 35.2% from S\$0.6 million in FY2023 to S\$0.8 million in FY2024. The increase was mainly due to the (i) increase in interest expense from lease liabilities of S\$0.1 million or 23.5% from S\$0.5 million in FY2023 to S\$0.6 million in FY2024 as a result of an increase in right-of-use assets for subleased properties and (ii) increase in interest expense from bank borrowings of S\$0.1 million or 45.5% from S\$0.1 million in FY2023 to S\$0.2 million in FY2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Share of losses from equity-accounted for associates

Share of losses from equity-accounted for associates of S\$0.1 million was recorded in FY2024 due to the establishment of HALAKI Co., Ltd in FY2024.

Profit before tax

Profit before tax increased by S\$5.5 million from loss before tax of S\$3.2 million in FY2023 to profit before tax of S\$2.3 million in FY2024.

The increase in profit before tax was mainly due to the (i) gross profit increase of S\$2.5 million, (ii) increase in other income of S\$1.8 million because of subsidiary disposal, (iii) decrease in administrative and distribution expenses of S\$0.6 million, (iv) decrease in other operating expenses of S\$1.0 million, and partially offset by (v) increase in finance cost of S\$0.2 million and (vi) share of losses from equity-accounted for associates of S\$0.1 million recorded in FY2024.

REVIEW OF FINANCIAL POSITION

As at 28 February 2022

Non-current assets

As at 28 February 2022, our non-current assets of S\$52.2 million accounted for 79.7% of our total assets and comprise the following:

- (i) Right-of-use assets of S\$31.0 million accounted for 59.4% of our total non-current assets. Right-of-use assets comprise of subleasing properties of S\$27.9 million, restaurant premise of S\$2.7 million, staff accommodation of S\$0.2 million, office premise of S\$0.2 million and tools and equipment of S\$29,000;
- (ii) Trade and other receivables of S\$15.3 million accounted for 29.2% of our total non-current assets. Trade and other receivables comprised guarantee deposits and other receivables of S\$0.2 million which includes long-term loans consisting of loan to employee of S\$32,000 and loan to a restaurant tenant of S\$100,000 in FY2021 for renovation of the restaurant and bears an interest of 5.0% per annum with full repayment in January 2026 and other long-term receivables;
- (iii) Property, plant and equipment of S\$3.4 million accounted for 6.5% of our total non-current assets. Property, plant and equipment comprised renovation of S\$2.5 million, tools and fixtures of S\$0.7 million, leased assets of S\$0.1 million and motor vehicle of S\$18,000;
- (iv) Intangible assets of S\$1.6 million accounted for 3.0% of our total non-current assets. Intangible assets comprised trademark of S\$0.8 million, software of S\$0.4 million, business right of S\$0.4 million and franchise right of S\$3,000;
- (v) Deferred tax assets of S\$0.5 million accounted for 1.1% of our total non-current assets, arising from the differences between taxable income and accounting income recorded by our Group; and
- (vi) Goodwill of S\$0.4 million accounted for 0.8% of our total non-current assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Further to the above, in relation to the loan extended to a restaurant tenant of S\$0.1 million in FY2021 for renovation of the restaurant, this loan is a one-off loan to this particular restaurant tenant in order to secure their tenancy in the prime location. For the avoidance of doubt, it is not an industry practice to advance loans to restaurant tenants to renovate their restaurant premises. Our Group had considered the following in deciding whether to advance such a loan to this one restaurant tenant:

- (i) the loan is the only loan extended by our Group to this restaurant tenant and was extended to this restaurant tenant only under exceptional circumstances;
- (ii) this restaurant tenant had originally leased the property directly from the landlord. However, given the attractiveness and uniqueness of the property, our Group had sought to acquire the property for our own RLSB; and
- (iii) pursuant to the acquisition of the property, our Group agreed to extend a loan to this restaurant tenant to renovate the premises, with our Group benefiting from the interest income on the loan and the refurbishment of the property.

Our Group did not extend any other new loans to any other restaurant tenants during the Period Under Review.

Current assets

As at 28 February 2022, our current assets of S\$13.3 million accounted for 20.3% of our total assets. Our current assets comprised the following:

- (i) Cash and cash equivalents of S\$7.0 million accounted for 52.8% of our total current assets. Cash and cash equivalents comprised cash at banks of S\$7.0 million and cash on hand on S\$26,000;
- (ii) Trade and other receivables of S\$5.9 million accounted for 43.8% of our total current assets. Our short-term trade and other receivables comprised accounts receivables of S\$1.3 million, prepaid expenses of S\$2.8 million, and other receivables of S\$1.7 million; and
- (iii) Inventories of S\$0.4 million accounted for 3.4% of our total current assets.

Non-current liabilities

As at 28 February 2022, our non-current liabilities of S\$39.6 million accounted for 62.2% of our total liabilities. Our non-current liabilities comprised the following:

- (i) Long-term lease liabilities of S\$19.1 million accounted for 48.3% of our total non-current liabilities;
- (ii) Long-term borrowings of S\$11.3 million accounted for 28.4% of our total non-current liabilities; and
- (iii) Trade and other payables of S\$9.2 million accounted for 23.3% of our total non-current liabilities. Other non-current liabilities comprised guarantee deposits received and other long-term payables.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Current liabilities

As at 28 February 2022, our current liabilities of S\$24.0 million accounted for 37.8% of our total liabilities. Our current liabilities comprised the following:

- (i) Lease liabilities of S\$14.0 million accounted for 58.1% of our total current liabilities;
- (ii) Trade and other payables of S\$6.5 million accounted for 27.2% of our total current liabilities. Trade and other payables comprised accounts payables, accrued expenses, advance receipts, and others;
- (iii) Short-term borrowings of S\$3.4 million accounted for 14.3% of our total current liabilities; and
- (iv) Income tax payables of S\$0.1 million accounted for 0.4% of our total current liabilities.

Equity

As at 28 February 2022, our equity attributable to equity holders of our Company amounted to S\$1.9 million. Our equity comprised the following:

- (i) Share capital of S\$21.3 million;
- (ii) Share option reserve of S\$0.7 million;
- (iii) Translation reserve of S\$0.2 million;
- (iv) Accumulated losses of S\$(4.8) million; and
- (v) Merger reserve of S\$(15.4) million.

As at 28 February 2023

Non-current assets

As at 28 February 2023, our non-current assets of S\$42.7 million accounted for 82.9% of our total assets. Our non-current assets comprised the following:

- (i) Right-of-use assets of S\$25.5 million accounted for 59.8% of our total non-current assets. Right-of-use assets comprise of subleasing properties of S\$22.3 million, restaurant premise of S\$2.9 million, office premise of S\$0.2 million, staff accommodation of S\$0.1 million and tools and equipment of S\$10,000;
- (ii) Trade and other receivables of S\$13.4 million accounted for 31.3% of our total non-current assets. Trade and other receivables comprised guarantee deposits, and other receivables of S\$0.3 million which includes long-term loans consisting of loan to employee of S\$37,000 and loan to a restaurant tenant of S\$0.1 million in FY2021. This loan pertains to advancement to the restaurant tenant for renovation of the restaurant. The loan bears an interest of 5.0% per annum with full repayment in January 2026 and other long-term receivables;

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (iii) Property, plant and equipment of S\$2.2 million accounted for 5.1% of our total non-current assets. Property, plant and equipment comprised renovation of S\$1.7 million, tools and fixtures of S\$0.4 million, leased assets of S\$25,000 and motor vehicle of S\$10,000;
- (iv) Intangible asset of S\$0.9 million accounted for 2.1% of our total non-current assets. Intangible asset comprised trademark S\$0.4 million, business right of S\$0.3 million, software of S\$0.2 million and franchise right of S\$3,000;
- (v) Goodwill of S\$0.4 million accounted for 1.0% of our total non-current assets; and
- (vi) Deferred tax assets of S\$0.3 million accounted for 0.7% of our total non-current assets, arising from the differences between taxable income and accounting income recorded by our Group.

Save for S\$10,000 in value of new loans, there were no other new loans to the employees during the Period Under Review.

Current assets

As at 28 February 2023, our current assets of S\$8.8 million accounted for 17.1% of our total assets. Our current assets comprised the following:

- (i) Trade and other receivables of S\$5.7 million accounted for 64.5% of our total current assets. Our trade and other receivables comprised accounts receivables of S\$1.3 million, prepaid expenses of S\$2.5 million, and other receivables of S\$1.9 million;
- (ii) Cash and cash equivalents of S\$2.8 million accounted for 32.1% of our total current assets. Cash and cash equivalents comprise of cash at banks of S\$2.8 million and cash on hand of S\$30,000;
- (iii) Inventories of S\$0.3 million accounted for 3.2% of our total current assets; and
- (iv) Income tax receivables of S\$19,000 accounted for 0.2% of our total current assets.

Non-current liabilities

As at 28 February 2023, our non-current liabilities of S\$33.3 million accounted for 62.8% of our total liabilities. Our non-current liabilities comprised the following:

- (i) Long-term lease liabilities of S\$16.2 million accounted for 48.7% of our total non-current liabilities;
- (ii) Trade and other payables of S\$8.6 million accounted for 25.7% of our total non-current liabilities. Other non-current liabilities comprised guarantee deposits received and other long-term payables; and
- (iii) Long-term borrowings of S\$8.5 million accounted for 25.6% of our total non-current liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Current liabilities

As at 28 February 2023, our current liabilities of S\$19.7 million accounted for 37.2% of our total liabilities. Our current liabilities comprised the following:

- (i) Lease liabilities of S\$10.4 million accounted for 52.7% of our total current liabilities;
- (ii) Trade and other payables of S\$6.7 million accounted for 34.3% of our total current liabilities. This comprised accounts payables, accrued expenses, advanced receipts, and others; and
- (iii) Short-term borrowings of S\$2.6 million accounted for 13.0% of our total current liabilities.

Equity

As at 28 February 2023, our equity attributable to equity holders of our Company amounted to S\$(1.5) million. Our equity comprised mainly the following:

- (i) Share capital of S\$21.3 million;
- (ii) Share option reserve of S\$0.8 million;
- (iii) Accumulated losses of S\$(8.2) million; and
- (iv) Merger reserve of S\$(15.4) million.

As at 29 February 2024

Reconciliation of the unaudited pro forma consolidated statement of financial position as at 29 February 2024

As at 29 February 2024, our audited and pro forma unaudited net assets amounted to S\$2.4 million and S\$2.9 million respectively. The increase in net assets of S\$0.5 million was due to the issuance of 2,048,636 Shares to Rakusei Co., Ltd. on 15 March 2024 for a total consideration of JPY 50 million (approximately S\$0.5 million).

As at 29 February 2024, our audited and pro forma unaudited negative working capital amounted to S\$14.5 million and S\$14.0 million respectively. The improvement in negative net working capital of S\$0.5 million was due to JPY 50 million (approximately S\$0.5 million) in cash received from Rakusei Co., Ltd. as consideration for the issuance of 2,048,636 Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Non-current assets

As at 29 February 2024, our non-current assets of S\$51.9 million accounted for 84.3% of our total assets. Our non-current assets comprised the following:

- (i) Right-of-use assets of S\$33.6 million accounted for 64.8% of our total non-current assets. Right-of-use-assets comprise of subleasing properties of S\$30.2 million, restaurant premise of S\$3.3 million, office premise of S\$0.1 million, staff accommodation of S\$52,000 and tools and equipment of S\$2,000;
- (ii) Trade and other receivables of S\$12.9 million accounted for 24.8% of our total non-current assets. Trade and other receivables comprised guarantee deposits, and other receivables of S\$0.4 million which includes long-term loans consisting of loan to employee of S\$17,000 and loan to a restaurant tenant of S\$0.1 million in FY2021 for renovation of the restaurant and bears an interest of 5.0% per annum with full repayment in January 2026 and other long-term receivables;
- (iii) Property, plant and equipment of S\$3.3 million accounted for 6.4% of our total non-current assets. Property, plant and equipment comprised renovation of S\$2.6 million, tools and fixtures of S\$0.6 million, leased assets of S\$0.1 million and motor vehicle of S\$38,000;
- (iv) Goodwill of S\$1.2 million accounted for 2.4% of our total non-current assets;
- (v) Intangible assets of S\$0.5 million accounted for 0.9% of our total non-current assets. Intangible asset comprised business right of S\$0.3 million, software of S\$0.1 million, trademark of S\$0.1 million and franchise right of S\$3,000;
- (vi) Deferred tax asset of S\$0.3 million accounted for 0.5% of our total non-current assets, arising from the differences between taxable income and accounting income recorded by our Group; and
- (vii) Investment in associate of S\$0.1 million accounted for 0.2% of our total non-current assets arising from the establishment of HALAKI Co., Ltd in FY2024.

Current assets

As at 29 February 2024, our current assets of S\$9.6 million accounted for 15.7% of our total assets. Our current assets comprised the following:

- (i) Trade and other receivables of S\$8.0 million accounted for 83.0% of our total current assets. Our trade and other receivables comprised accounts receivable of S\$3.5 million, prepaid expenses of S\$3.1 million, and other receivables of S\$1 million;
- (ii) Cash and cash equivalents of S\$1.2 million accounted for 12.9% of our total current assets. Cash and cash equivalents comprise of cash at banks of S\$1.2 million and cash on hand of S\$23,000; and
- (iii) Inventories of S\$0.4 million accounted for 4.1% of our total current assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Non-current liabilities

As at 29 February 2024, our non-current liabilities of S\$35.0 million accounted for 59.2% of our total liabilities. Our non-current liabilities comprised the following:

- (i) Long-term lease liabilities of S\$20.9 million accounted for 59.7% of our total non-current liabilities;
- (ii) Trade and other payables of S\$7.7 million accounted for 22.1% of our total non-current liabilities. This comprised guarantee deposits received and other long-term payables; and
- (iii) Long-term borrowings of S\$6.4 million accounted for 18.2% of our total non-current liabilities.

Current liabilities

As at 29 February 2024, our current liabilities of S\$24.1 million accounted for 40.8% of our total liabilities. Our current liabilities comprised the following:

- (i) Lease liabilities of S\$13.2 million accounted for 55.0% of our total current liabilities;
- (ii) Trade and other payables of S\$8.2 million accounted for 33.9% of our total current liabilities. This comprised accounts payables, accrued expenses, advance receipts, and others;
- (iii) Short-term borrowings of S\$1.8 million accounted for 7.4% of our total current liabilities; and
- (iv) Income tax payable of S\$0.9 million accounted for 3.7% of our total current liabilities.

Equity

As at 28 February 2024, our equity attributable to equity holders of our Company amounted to S\$2.4 million. Our equity comprised the following:

- (i) Share capital of S\$23.7 million;
- (ii) Share option reserve of S\$1.0 million;
- (iii) Translation reserve of S\$(0.1) million;
- (iv) Accumulated losses of S\$(6.8) million; and
- (v) Merger reserve of S\$(15.4) million.

LIQUIDITY AND CAPITAL RESOURCES

As at the Latest Practicable Date, our Group financed our operations through internal and external sources. Internal sources of funds comprise cash generated from our Group's operating activities. External sources of funds comprise mainly borrowings from financial institutions, credit granted by suppliers and capital investment from shareholders. The principal uses of these cash sources are to finance research and development, capital expenditure and operating expenses such as sales and marketing, rental, payroll and administrative expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following table sets out a summary of our Group's cash flows for FY2022, FY2023, and FY2024.

(\$'000)	FY2022 (Audited)	FY2023 (Audited)	FY2024 (Audited)
Net cash generated from operating activities	20,934	14,900	16,785
Net cash used in investing activities	(745)	(614)	(1,959)
Net cash used in financing activities	(15,786)	(18,178)	(16,037)
Net increase/(decrease) in cash and cash equivalents at the end of the financial year	4,403	(3,892)	(1,211)
Cash and cash equivalents at the beginning of the financial year	3,147	7,043	2,821
Effect of exchange rate changes on cash and cash equivalents	(507)	(330)	(363)
Cash and cash equivalents at the end of the financial year	7,043	2,821	1,247

FY2022

In FY2022, we recorded a net cash generated from operating activities of S\$20.9 million, which was a result of operating cash flows of S\$19.3 million, changes in working capital of S\$1.5 million, and income taxes refund of approximately S\$0.1 million. The net working capital changes were due to the following:

- (a) Increase in cash flow due to a decrease in trade and other receivables of S\$3.5 million;
- (b) Decrease in cash flow due to an increase in inventories of S\$0.2 million; and
- (c) Decrease in cash flow due to a decrease in trade and other payables of S\$1.8 million.

Net cash used in investing activities amounted to S\$0.7 million, which was mainly due to the (i) purchase of property, plant and equipment of S\$0.8 million and (ii) acquisition of intangible assets of S\$0.2 million which was partially offset by proceeds from disposal of property, plant and equipment of S\$0.1 million.

Net cash used in financing activities amounted to S\$15.8 million, which was mainly due to repayment of lease obligations of S\$18.0 million which was offset by an increase in borrowings of S\$2.2 million.

As at 28 February 2022, our cash and cash equivalents were S\$7.0 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

FY2023

In FY2023, we recorded a net cash generated from operating activities of S\$14.9 million, which was a result of cash flow of S\$13.2 million before changes in working capital, changes in working capital of S\$1.8 million, and income taxes paid of S\$0.1 million. The net working capital changes were due to the following:

- (a) Increase in cash flow due to a decrease in trade and other receivables of S\$1.7 million;
- (b) Increase in cash flow due to a decrease in inventories of S\$0.2 million; and
- (c) Decrease in cash flow due to a decrease in trade and other payables of S\$0.1 million.

Net cash used in investing activities amounted to S\$0.6 million, which was mainly due to the purchase of property, plant and equipment of S\$0.5 million.

Net cash used in financing activities amounted to S\$18.2 million, which was mainly due to repayment of lease obligations of S\$16.0 million and repayment of borrowings of S\$2.2 million.

As at 28 February 2023, our cash and cash equivalents were S\$2.8 million.

FY2024

In FY2024, we recorded a net cash generated from operating activities of S\$16.8 million, which was a result of cash flow of S\$17.6 million before changes in working capital and changes in working capital of S\$0.8 million. The net working capital changes were due to the following:

- (a) Increase in cash flow due to an increase in trade and other payables of S\$0.8 million;
- (b) Decrease in cash flow due to an increase in inventories of S\$0.1 million; and
- (c) Decrease in cash flow due to an increase in trade and other receivables of S\$1.5 million.

Net cash used in investing activities amounted to S\$2.0 million, which was mainly due to the (i) purchase of property, plant and equipment of S\$2.0 million and (ii) acquisition of business of S\$1.8 million which was partially offset by the proceeds from disposal of subsidiaries and intangible assets of S\$1.6 million.

Net cash used in financing activities amounted to S\$16.0 million, which was mainly due to the (i) repayment of lease obligations of S\$16.2 million and (ii) repayment of borrowings of S\$2.2 million, which was partially offset by the proceeds from share issuance of S\$2.4 million.

As at 29 February 2024, our cash and cash equivalents were S\$1.2 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

CAPITAL EXPENDITURES, DIVESTMENTS, COMMITMENTS AND CONTINGENT LIABILITIES

The capital expenditures and divestments made by our Group in FY2022, FY2023 and FY2024 and for the period from 1 March 2024 up to the Latest Practicable Date were as follows:

(S\$'000)	FY2022	FY2023	FY2024	From 1 March 2024 to the Latest Practicable Date
Expenditures				
Leased assets	–	–	99	–
Renovation ⁽¹⁾	477	306	1,429	250
Tools and fixtures	288	234	405	50
Motor vehicle	–	–	42	–
Total	765	540	1,975	300
Divestments				
Leased assets	–	(43)	(143)	–
Renovation ⁽¹⁾	(203)	(622)	(175)	–
Tools and fixtures	(35)	(54)	(163)	–
Motor vehicle	–	–	–	–
Total	(238)	(719)	(481)	–

Note:

- (1) The amount spent on renovation of the property is recognised and capitalised as part of property, plant and equipment as a capital expenditure. Depreciation of renovation is recognised over the leased term of the property. In the event of early termination of the lease, the remaining value of renovation on the property in property, plant and equipment would have to be disposed, thereby recognised as a divestment.

The above capital expenditures were primarily financed by cash at banks and leases.

Lease Liabilities, Our Group as a lessee

Our Group has entered into commercial leases for the rental of our subleasing properties, restaurant premise, office premises, staff accommodation and certain office equipment. Following our Group's adoption of the lease standards under SFRS(I) 16, where all leases are capitalised on the statement of financial position by recognising a right-of-use asset and a corresponding lease liability, our Group does not have material operating lease commitments as at 29 February 2024 and the Latest Practicable Date.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Our Group's gross lease liabilities analysed by remaining contractual maturity as at 29 February 2024 and as at the Latest Practicable Date were as follows.

(S\$'000)	As at 29 February 2024	As at the Latest Practicable Date
Within one (1) year	14,498	14,503
Later than one (1) year but not later than five (5) years	18,933	20,201
Later than five (5) years	6,132	5,467
Total	39,563	40,171

Lease Receivables, Our Group as a lessor

Under RLSB, our Group leases out its right-of-use assets under operating lease agreements to tenants. These non-cancellable leases have remaining lease terms of between one (1) and nine (9) years.

Our Group's future minimum rental receivables under operating leases as at 29 February 2024 and as at the Latest Practicable Date were as follows.

(S\$'000)	As at 29 February 2024	As at the Latest Practicable Date
Within one (1) year	15,424	15,429
Later than one (1) year but not later than five (5) years	22,085	23,564
Later than five (5) years	6,814	6,076
Total	44,323	45,069

Capital Commitments

As at 29 February 2024 and the Latest Practicable Date, our Group does not have any material capital commitments.

CONTINGENT LIABILITIES

As at the Latest Practicable Date, to the best of our Directors' knowledge and belief, they are not aware of any contingent liabilities which may have a material effect on the financial position and profitability on our Group.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

SIGNIFICANT INVESTMENT

Except for investments in subsidiaries, associates and joint ventures, our Group did not hold any significant investment in equity interest in any other company for FY2024.

OFF-BALANCE SHEET ARRANGEMENTS

For FY2024, our Group did not have any off-balance sheet arrangements.

SEASONALITY

Our Group's business activities are subject to seasonal fluctuations within each of the Period Under Review.

Please refer to the sub-section entitled "General Information about Our Group – Seasonality" of this Offer Document for more information.

INFLATION

Our financial performance for the Period Under Review was not materially affected by inflation.

FOREIGN EXCHANGE MANAGEMENT

Accounting Treatment of Foreign Currencies

A part of our Group's operations is carried out by our Company and our subsidiaries in Japan, Singapore and Malaysia. Our Group had, in February 2024, disposed its subsidiary in Taiwan. The functional currency of these entities is in JPY, SGD, RM and NTD. Foreign currency assets and liabilities are remeasured into SGD at the end of period exchange rates except for non-monetary assets and liabilities, which are remeasured each day at the exchange rate in effect on the day of the transaction, occurred, except for those expenses related to balance sheet amounts, which resumed at historical exchange rate. Gains or losses from foreign currency transactions are included in the Consolidated Statements of Operations as part of financial expenses – net when they arise.

The functional currency of other subsidiaries is their local currency. The financial statements of those subsidiaries are included in their consolidation, based on translation into SGD. For those subsidiaries, assets and liabilities are translated at the year end exchange rate, and statement of operations items are translated at average exchange rates during the year. Resulting translation differences are recorded as a separate component of exchange rate difference in equity.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Foreign Exchange Exposure

The proportions of our revenue and purchases denominated in SGD and foreign currencies are as follows:

Percentage of revenues denominated in (%)	FY2022	FY2023	FY2024
JPY	79.4	71.3	72.1
SGD	15.5	17.7	14.7
RM	4.6	10.4	12.6
NTD	0.5	0.6	0.6
	100.0	100.0	100.0

Percentage of cost of sales denominated in (%)	FY2022	FY2023	FY2024
JPY	76.4	71.0	69.5
SGD	16.8	17.1	15.5
RM	6.5	11.5	14.5
NTD	0.3	0.4	0.5
	100.0	100.0	100.0

Percentage of administrative and distribution expenses denominated in (%)	FY2022	FY2023	FY2024
JPY	73.1	67.0	62.6
SGD	24.9	30.2	34.6
RM	0.3	1.7	1.5
NTD	1.7	1.1	1.3
	100.0	100.0	100.0

To the extent that our revenues, cost of sales and expenses are not naturally matched in the same currency and to the extent that there are timing differences between invoicing and collection/payment, we will be exposed to adverse fluctuations of the various currencies against SGD, which will adversely affect our earnings.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Our net foreign exchange exposure for FY2022, FY2023 and FY2024 were as follows:

	FY2022	FY2023	FY2024
Net foreign exchange gain (S\$'000)	151	381	324
As a percentage of revenues (%)	0.4	1.0	0.7
As a percentage of income/(loss) before taxes (%)	29.0	11.8	13.9

As our subsidiaries, namely FIJ, FIS, FIM and TMT operate and report in their functional currency which are the respective local currencies (i.e. JPY, SGD and RM), we do not currently have a formal hedging policy although we may, subject to the approval of our Board, enter into relevant transactions when necessary, to hedge our exposure to foreign currency fluctuations. We will also put in place, where necessary, procedures to hedge our exposure to foreign currency fluctuations. Such procedures will be reviewed and approved by our Audit Committee and our Board.

Our Group will be affected by currency translation during the consolidation process, as the financial results of subsidiaries with functional currencies denominated in JPY and RM have to be translated into SGD, our Group's presentation currency.

SIGNIFICANT CHANGES TO ACCOUNTING POLICIES

There had been no significant change in the accounting policies of our Group during the Period Under Review.

Please refer to the section entitled "*Independent Auditors' Report And The Audited Consolidated Financial Statements For The Financial Years Ended 28 February 2022, 28 February 2023 And 29 February 2024*" set out in Appendix A of this Offer Document for details of our Group's accounting policies.

Save as disclosed in the section entitled "*Independent Auditors' Report And The Audited Consolidated Financial Statements For The Financial Years Ended 28 February 2022, 28 February 2023 And 29 February 2024*" set out in Appendix A to the Draft Offer Document, our Company does not have any intention to adopt new accounting policies in the near future which may result in material adjustments to our Group's financials.

CAPITALISATION AND INDEBTEDNESS

CAPITALISATION AND INDEBTEDNESS

The following table, which should be read in conjunction with the “Appendix A – Independent Auditors’ Report And The Audited Consolidated Financial Statements For The Financial Years Ended 28 February 2022, 28 February 2023 And 29 February 2024” and “Appendix B – Independent Auditors’ Assurance Report And The Compilation Of Unaudited Pro Forma Consolidated Financial Information Of Food Innovators Holdings Limited For The Financial Year Ended 29 February 2024” of this Offer Document, shows our cash and cash equivalents, capitalisation and indebtedness:

- (i) based on our audited consolidated financial statements as at 29 February 2024;
- (ii) based on our unaudited consolidated management accounts as at the Latest Practicable Date; and
- (iii) as adjusted to give effect to the allotment and issuance of the PPCF Shares and the application of the net proceeds from the Invitation, after deducting estimated listing expenses related to the Invitation.

(S\$'000)	As at 29 February 2024	As at the Latest Practicable Date	As adjusted for the issue and allotment of the PPCF Shares and net proceeds from the Invitation
Cash and cash equivalents	1,247	3,341	4,454
Current debt			
Secured and guaranteed	–	–	–
Secured and non-guaranteed	348	362	362
Non-secured and guaranteed	1,998	3,442	3,442
Non-secured and non-guaranteed	12,713	12,780	12,780
Non-current debt			
Secured and guaranteed	–	–	–
Secured and non-guaranteed	163	–	–
Non-secured and guaranteed	2,973	3,481	3,481
Non-secured and non-guaranteed	24,126	24,806	24,806
Total indebtedness	42,321	44,871	44,871
Total shareholders’ equity and reserves	2,372	3,150	4,263
Total capitalisation and indebtedness	44,693	48,021	49,134

As at the Latest Practicable Date, save for the (i) changes in working capital; and (ii) changes in our shareholders’ equity and reserves arising from day-to-day operations in the ordinary course of business, there were no material changes to our capitalisation and indebtedness as disclosed above.

CAPITALISATION AND INDEBTEDNESS

To the best of our Directors' knowledge, our Group is not in breach of any of the terms and conditions or covenants associated with any of its financing arrangements which could materially affect our Group's financial position and results or business operations, or the investments of our Shareholders.

Our Company does not foresee any difficulties in the repayment of loans that are maturing within the next 12 months as our Company intends to finance the repayment of loans through internally generated cash flows and new borrowings.

WORKING CAPITAL

Our Group financed our operations through both internal and external sources. Our internal sources of funds comprised cash generated from our operating activities. Our external sources of funds comprised mainly credit granted by suppliers and capital investment from shareholders.

In assessing whether our Group has sufficient working capital, our Board has considered the following:

- (a) Our Group was in net current liabilities position of S\$10.7 million, S\$10.9 million and S\$14.5 million as at 28 February 2022, 28 February 2023 and 29 February 2024 respectively due mainly to an inherent mismatch of the non-current/current classification of our Group's right-of-use assets and lease liabilities arising from its leases under SFRS(I) 16 Leases.

Had such current lease liabilities been excluded from our Group's current liabilities, our Group's working capital position would have been positive at S\$3.3 million as at 28 February 2022. Our Group's working capital position would improve but remain negative at S\$0.5 million and S\$1.2 million as at 28 February 2023 and 29 February 2024 respectively.

The negative working capital as at 28 February 2023 and 29 February 2024, even after taking into account the exclusion of current lease liabilities, was attributable to the opening of new restaurants by our Group in FY2023 and FY2024 which were financed by cash and bank borrowings. Accordingly, our Group incurred cash outflow for the purchase of property, plant and equipment as well as for the repayment of bank borrowings which resulted in net current liability positions as at 28 February 2023 and 29 February 2024;

- (b) After taking into account pro forma adjustments for the capital injections of S\$2.4 million from new equity investment from existing and new Shareholders and S\$0.5 million which took place after FY2023 and FY2024 respectively, our Group's adjusted pro forma working capital position was positive at S\$1.9 million for 28 February 2023 but remain negative at S\$0.8 million for 29 February 2024;
- (c) Notwithstanding that our Group was in a net current liabilities position as at 29 February 2024, our Group obtained a long term loan amounting to JPY 100 million (S\$0.9 million) for working capital purposes from Prosper Co., Ltd on 27 June 2024 and an additional long term loan amounting to JPY 40 million (S\$0.4 million) for working capital purposes from Kiraboshi Bank, Ltd., Japan on 10 July 2024. Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for more details;

CAPITALISATION AND INDEBTEDNESS

- (d) Our Group generated positive cash flow from operating activities amounting to S\$20.9 million, S\$14.9 million and S\$16.8 million for FY2022, FY2023 and FY2024 respectively;
- (e) Our Group recorded a net profit of S\$0.4 million and S\$1.4 million in FY2022 and FY2024 respectively; and
- (f) Our Group had cash and bank balances of S\$1.7 million on a pro forma basis as at 29 February 2024. As at the Latest Practicable Date, our Group had cash and cash equivalents of S\$3.3 million.

Taking into account the above and our Group's existing cash and bank deposits as at the Latest Practicable Date, our Board is of the reasonable opinion, that, after having made due and careful inquiry, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for our present requirements and for at least 12 months after the listing of our Company on Catalist.

The Sponsor, Issue Manager, Underwriter and Placement Agent are of the reasonable opinion that, after having made due and careful inquiry and after taking into account the factors listed above and our Group's existing cash and bank deposits as at the Latest Practicable Date, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for our present requirements and for at least 12 months after the listing of our Company on Catalist.

Our Group's working capital confirmations have taken into consideration (i) negative working capital of our Company for the Period Under Review; (ii) repayment of loans maturing in the next 12 months after the Listing; and (iii) estimated dividend payout ratio of 20.0% as described in the section entitled "Dividend Policy" of this Offer Document. However, our Group's working capital confirmations do not consider (i) the receipt of government grants; and (ii) net proceeds from the Invitation as described in the section entitled "Use of Proceeds and Listing Expenses" of this Offer Document.

CAPITALISATION AND INDEBTEDNESS

CREDIT FACILITIES

As at 29 February 2024 and the Latest Practicable Date, our Group's credit facilities, or borrowings, from the financial institutions are as follows:

Financial Institution	Borrower	Guarantor	Nature of facility and description of restriction on its use, if any	Facility amount (\$S)	Utilised amount as at 29 February 2024 (\$S)	Unutilised amount as at 29 February 2024 (\$S)	Outstanding amount as at 29 February 2024 (\$S)	Outstanding amount as at the Latest Practicable Date (\$S)	Date of loan commencement	Maturity Date
Seibu Shinkin Bank	FIJ	Isomoto	Purchase of Capital Equipment	262,938	262,938	–	56,222	43,953	20 Feb 2017	20 Jan 2026
Seibu Shinkin Bank	FIJ	Isomoto	Working Capital	86,150	86,150	–	1,436	–	29 Mar 2019	20 Mar 2024
MUFG Bank, Ltd., Japan	FIJ	Isomoto	Purchase of Capital Equipment	232,427	232,427	–	4,227	–	29 Mar 2019	29 Mar 2024
MUFG Bank, Ltd., Japan	FIJ	Isomoto	Purchase of Capital Equipment	123,841	123,841	–	2,064	–	29 Mar 2019	29 Mar 2024
Seibu Shinkin Bank	FIJ	Isomoto	Working Capital	51,152	51,152	–	1,705	–	25 Apr 2019	20 Apr 2024
The Ashikaga Bank, Ltd.	FIJ	Isomoto	Working Capital	448,700	448,700	–	22,094	–	30 May 2019	27 May 2024
Seibu Shinkin Bank	FIJ	Isomoto	Working Capital	44,870	44,870	–	3,159	–	28 Jun 2019	20 Jun 2024
Kiraboshi Bank, Ltd., Japan	FIJ	Isomoto, Credit Guarantee Corporation of Tokyo	Working Capital	358,960	358,960	–	321,539	302,077	30 Apr 2021	28 Apr 2031

CAPITALISATION AND INDEBTEDNESS

Financial Institution	Borrower	Guarantor	Nature of facility and description of restriction on its use, if any	Facility amount (\$)	Utilised amount as at 29 February 2024 (\$)	Unutilised amount as at 29 February 2024 (\$)	Outstanding amount as at 29 February 2024 (\$)	Outstanding amount as at the Latest Practicable Date (\$)	Date of loan commencement	Maturity Date
Kiraboshi Bank, Ltd., Japan	FIJ	Isomoto, Credit Guarantee Corporation of Tokyo	Working Capital	403,830	403,830	–	67,305	33,569	24 Jan 2020	27 Dec 2024
Kiraboshi Bank, Ltd., Japan	FIJ	Isomoto, Credit Guarantee Corporation of Tokyo	Working Capital	403,830	403,830	–	239,247	208,800	8 Jul 2022	27 Jun 2027
Higashi-Nippon Bank, Ltd.	FIJ	Isomoto	Working Capital	269,220	269,220	–	49,357	26,855	31 Jan 2020	27 Jan 2025
Japan Finance Corporation, Japan	FIJ	Isomoto	Not Stated	62,818	62,818	–	20,066	16,167	24 Jun 2019	25 Apr 2026
MUFG Bank, Ltd., Japan	FIJ	Isomoto	Purchase of Capital Equipment	417,112	417,112	–	47,221	7,851	31 Mar 2020	30 Aug 2024
Shoko Chukin	FIJ	NA	Working Capital	897,400	897,400	–	593,217	551,822	15 May 2020	27 Apr 2030
Higashi-Nippon Bank, Ltd.	FIJ	Isomoto	Working Capital	358,960	358,960	–	299,086	279,680	30 Oct 2020	27 Oct 2030
Higashi-Nippon Bank, Ltd.	FIJ	Isomoto	Working Capital	179,480	179,480	–	149,471	139,746	30 Oct 2020	27 Oct 2030
Higashi-Nippon Bank, Ltd.	FIJ	Isomoto	Working Capital	179,480	179,480	–	149,471	139,746	30 Oct 2020	27 Oct 2030

CAPITALISATION AND INDEBTEDNESS

Financial Institution	Borrower	Guarantor	Nature of facility and description of restriction on its use, if any	Facility amount (\$)	Utilised amount as at 29 February 2024 (\$)	Unutilised amount as at 29 February 2024 (\$)	Outstanding amount as at 29 February 2024 (\$)	Outstanding amount as at the Latest Practicable Date (\$)	Date of loan commencement	Maturity Date
The Ashikaga Bank, Ltd.	FIJ	Isomoto, Credit Guarantee Corporation of Tokyo	Operating capital in connection with COVID-19	358,960	358,960	–	299,086	279,680	5 Nov 2020	25 Oct 2030
Shoko Chukin	FIJ	NA	Working Capital	897,400	897,400	–	777,238	729,210	25 Mar 2021	27 Feb 2031
Sugamo Shinkin Bank	FIJ	Isomoto, Credit Guarantee Corporation of Tokyo	Working Capital	127,431	127,431	–	111,493	104,592	25 Mar 2021	27 Feb 2031
Sugamo Shinkin Bank	FIJ	Isomoto, Credit Guarantee Corporation of Tokyo	Working Capital	717,920	717,920	–	628,108	589,222	25 Mar 2021	27 Feb 2031
Japan Finance Corporation, Japan	FIJ	NA	Not Stated	1,794,800	1,794,800	–	1,668,447	1,607,018	2 Apr 2021	20 Mar 2036
Japan Finance Corporation, Japan	FIJ	NA	Not Stated	897,400	897,400	–	834,223	803,509	2 Apr 2021	20 Mar 2036
Japan Finance Corporation, Japan	FIJ	NA	Not Stated	897,400	897,400	–	834,223	803,509	2 Apr 2021	20 Mar 2036
Higashi-Nippon Bank, Ltd.	FIJ	Isomoto, ORIX Corporation	Working Capital	89,740	89,740	–	10,311	2,811	27 Sep 2019	27 Sep 2024
Higashi-Nippon Bank, Ltd.	FIJ	Isomoto, ORIX Corporation	Working Capital	358,960	358,960	–	35,734	5,792	23 Aug 2019	27 Aug 2024

CAPITALISATION AND INDEBTEDNESS

Financial Institution	Borrower	Guarantor	Nature of facility and description of restriction on its use, if any	Facility amount (\$S)	Utilised amount as at 29 February 2024 (\$S)	Unutilised amount as at 29 February 2024 (\$S)	Outstanding amount as at 29 February 2024 (\$S)	Outstanding amount as at the Latest Practicable Date (\$S)	Date of loan commencement	Maturity Date
Prosper Co., Ltd	FIJ	Kubota	Not Stated	843,700	–	–	–	895,175	27 Jun 2024	30 Jun 2026
Mynavi Bridge	FIJ	Kubota	Working Capital	286,832	286,832	–	250,143	186,882	29 Sep 2023	30 Sep 2024
Kiraboshi Bank, Ltd., Japan	FIJ	Isomoto	Not Stated	955,240	–	–	–	689,285	30 Apr 2024	27 Feb 2025
Prosper Co., Ltd	FIH	Kubota	Working Capital	206,402	206,402	–	175,911	149,014	21 Aug 2023	31 Aug 2026
Starwoods Holdings Co., Ltd	FIH	Kubota	Working Capital	861,400	–	–	–	895,175	31 May 2024	31 Oct 2024
Kiraboshi Bank, Ltd.	FIJ	Isomoto Atsushi Credit Guarantee Corporation of Tokyo	Working Capital	349,720	–	–	–	352,099	10 Jul 2024	27 Jun 2029

Notes:

- (1) Mitsubishi HC Capital is FIJ's guarantor in several Master Lease Agreements. Under the terms of the guarantee agreements, Mitsubishi HC Capital provided FIJ with an amount equivalent to FIJ's security deposit with its landlords. The unrepaid balance at the end of FY2022, FY2023, FY2024 and as at the Latest Practicable Date are S\$1,323,000, S\$983,000, S\$511,000 and \$362,094 respectively.
- (2) The interest rate per annum from the credit facilities range from 0.0% to 9.43%. The interest rate of 0.0% was due to the temporary suspension on interest payments during the COVID-19 pandemic period. As of 29 February 2024, the aggregate credit facilities detailed in this section, 89% (LPD: 93%) shall be subject to a fixed interest rate, and 11% (LPD: 7%) shall be subject to a variable interest rate.

GENERAL INFORMATION ON OUR GROUP

HISTORY

Our Company was incorporated in Singapore on 14 November 2019 under the Companies Act as a private company limited by shares, under the name of “Food Innovators Holdings Pte. Ltd.”. Following the completion of a restructuring exercise in 2020, our Company became the holding company of our Group. On 20 November 2020, our Company was converted into a public limited company and consequently, our Company’s name was changed to “Food Innovators Holdings Limited.”.

Our Group’s origins can be traced back to March 2011 when one of our present subsidiaries, FIJ was then incorporated as a wholly-owned subsidiary of Foodys in Japan and was primarily engaged in the RLSB. In January 2012, Foodys sold its interest in FIJ to FRP, a Singapore incorporated company in December 2011 by Miyake Daisuke, our Executive Officer (“**Miyake**”). Thereafter, in October 2013, our Executive Chairman and a founding member of our Group, Furukawa Kazuteru (“**Furukawa**”) invested and subscribed for 70.0% equity shares in FIJ. In March 2016, the remaining 30.0% of FRP’s interest in FIJ was subsequently acquired by F-Holdings, a holding company incorporated in Japan by Furukawa, which made Furukawa the sole ultimate beneficial owner of FIJ. Subsequently, in December 2016, FIJ acquired the entire interest of FRP.

FIJ’s RLSB focuses on subleasing commercial properties to F&B business owners. The RLSB started in April 2011 when FIJ succeeded the RLSB, comprising 140 subleased properties at that time, from Foodys.

Since then, our Group has consistently pursued the development and expansion of personnel and organisational capacities within our RLSB. Through strategic initiatives, our Group has successfully cultivated a corporate framework conducive to enhance the stability and growth of our RLSB, resulting in a steady annual increase in properties available for sublease to our clientele in our portfolio and number of subleased properties. As at the end of February 2020, immediately preceding the onset of the COVID-19 pandemic, the number of subleased properties had increased to 189. In response to the escalating impact of COVID-19, our Group proactively opted to terminate contracts associated with sublease properties that are vulnerable to pandemic-induced losses; this exercise was executed until the end of February 2022. Consequently, such exercise led to a reduction in the count of properties to 163 by the end of February 2022. Throughout this period, concerted efforts were focused on identifying properties that were less susceptible to pandemic-related disruptions, facilitating a transition towards acquiring such properties. This strategic realignment catalysed a resurgence in the number of subleased properties to 187 by the end of February 2023, with subsequent growth observed thereafter. By 31 December 2023, the total had climbed to 216 properties.

Subsequent to those developments, notwithstanding strategic divestments of sublease properties, the number of subleased properties as at the end of March 2024 exhibited a notable increase of 6.0% compared to the inventory at the end of February 2020, which predates the onset of the COVID-19 pandemic. Our Group has undergone significant expansion since April 2011, transitioning from overseeing 140 subleased properties encompassing a total floor area of approximately 17,157.61 square meters in April 2011 to managing 214 subleased properties covering 23,004.73 square meters as of the Latest Practicable Date.

GENERAL INFORMATION ON OUR GROUP

In October 2011, our Group also ventured into the FRB with the opening of our first food retail outlet under the “*Menya Sanji*” brand in Taiwan. Subsequently, with the success in Taiwan and Singapore, FIJ opened its very first directly-managed restaurant in Ebisu, Tokyo under the “*Queen of Chickens (Ebisu)*” brand in December 2014. This marked the earnest commencement of our FRB in 2014. FIJ’s FRB further expanded in March 2017, when FIJ invested in AKIRA, a Japanese company incorporated by Watanabe Akira, by subscribing for 70.0% equity shares in AKIRA. AKIRA operated four (4) restaurants serving Japanese and Western fusion cuisine. Watanabe Akira, a famous chef who is often referred to as the “Evangelist of the Fields”¹ or the “Celebrity Chef”, joined our Group as the Chief Culinary Advisor to FIJ in March 2017. Thereafter in January 2020, FIJ acquired the remaining 30.0% of Watanabe Akira’s interest in AKIRA. Following this, an amalgamation of FIJ and AKIRA occurred in February 2020. Watanabe Akira, who is presently our Executive Officer and Chief Culinary Officer, oversees our Group’s FRB segment, including developing new restaurant concepts and trends and seeking collaboration opportunities with reputable and recognised restaurant operators. Under his guidance, our Group managed to successfully open a directly-owned restaurant “*TRATTORIA Niwa by FARM AKIRA*” located at Omote-sando, Tokyo, Japan, despite the COVID-19 pandemic in August 2021. In May 2022, “*TRATTORIA Niwa by FARM AKIRA*” won a Gold Award for Best Gourmet at the Asia Golden Star Award².

Restaurant openings in Japan continued in 2022, with the opening of “*Nordics*” in October 2022 in Hanno, Saitama, Japan, and the relocation of “*Yakiniku Yazawa*”, in November 2022 from Oyama, Tokyo, Japan to Otemachi, Tokyo, Japan. More recently, our Group secured a licence for a popular Scandinavian character “*Moomin*”, to launch a pop-up café “*Moomin Café Shibuya*” at Shibuya Scramble Square in March 2023 and a café “*Moomin Café Karuizawa*” at Karuizawa Prince Shopping Plaza, Nagano, Japan in April 2023. Due to confidentiality obligations, we are unable to disclose the name of the licensor and the details of the licensing agreement. For clarification, the licensor of “*Moomin*” is not related to our Company, Directors, Executive Officers, Substantial Shareholders and/or their respective associates.

Our Group has also branched out to provide F&B Consulting and Operations Management Services which includes (a) Advisory and Consulting Services where we assist restaurant business operators in, but not limited to, remodelling their business model and developing their food menu and interior design of the restaurants and (b) Restaurant Operations Management Services where restaurant business owners will engage TMT to manage the daily operations of their restaurants (“**TMT Operated Restaurants**”). The F&B Consulting and Operations Management Services, previously provided by FIJ, are now provided by TMT, our Company’s wholly-owned subsidiary incorporated in Japan on 16 March 2023. As at the Latest Practicable Date, there are six (6) TMT Operated Restaurants which are “*Caviar Haruno*”, “*the CARNE Tokyo*”, “*Pasta House Niwa*”, “*GRAMPLOOK FUTTSU BRISTOL HILL*”, “*FARM AKIRA Futtsu Bristol Hill*”, and “*The OLIVEA*”. Please refer to the sub-section entitled “Business Overview – FRB – (b) F&B Consulting and Operations Management Services – Restaurants Operations Management Services” of this Offer Document for more details on the TMT Operated Restaurants.

1 Information obtained from <<https://www.hoteresonline.com/articles/10552>> and <<https://nileport.com/food/p024733/2/>> (last accessed on the Latest Practicable Date).

2 Information obtained from <<https://aeef-japan.com/2022-2/>> (last accessed on the Latest Practicable Date).

GENERAL INFORMATION ON OUR GROUP

In order to further specialise in our FRB, our Group transferred the F&B Consulting and Operations Management Services, together with the TMT Directly-Owned Restaurants, from FIJ to TMT in September 2023. Currently, TMT primarily focuses on growing our Group's TMT Directly-Owned Restaurants and F&B Consulting and Operations Management Services led by our Chief Culinary Officer, Watanabe Akira, while FIJ focuses on our RLSB. As at the Latest Practicable Date, there are a total of ten (10) restaurants outlets in Japan under the management of TMT, of which four (4) are TMT Directly-Owned Restaurants and six (6) are TMT Operated Restaurants while there are 2 restaurants Directly-Owned by FIJ. Please refer to the sub-section entitled "General Information on Our Group – Business Overview – FRB" of this Offer Document for more information on the restaurant outlets.

As part of the expansion plan of our Group's FRB, in particular our F&B Consulting and Operations Management Services, FIJ and Mynavi Bridge, an unrelated third party, whether directly or indirectly, to our Group or any of our Directors, Executive Officers, Substantial Shareholders and/or their associates, being a company that specialises in financial services focusing on asset-based financing and factoring for businesses and individual entrepreneurs, started a fund focusing on the restaurant business ("**Mynavi Restaurant Business Fund**") in April 2023. A special purpose investment company, FIJ Tenpo, LLC, ("**Mynavi SPC**") was incorporated in Japan in September 2023 by Mynavi Bridge to engage in a financing by way of plant, property and equipment ("**PPE**") sale and leaseback business, and in connection therewith, a property subleasing business, and to collaborate with FIJ whereby FIJ only provides consulting services to Mynavi SPC such as sourcing for existing restaurant operators which may require financing, as well as handling the contracting procedure and post-contract management. Mynavi Bridge on its part will provide investments funding to the Mynavi Restaurant Business Fund. Since incorporation up to the Latest Practicable Date, Mynavi SPC has acquired seven (7) restaurants and FIJ receives monthly fees for the provision of its consulting services. While there is no direct comparison between the consulting services under our Group's Advisory and Consulting Services and our Group's consultancy services to Mynavi SPC, the average rate per man-hour charged by our Group under both services is similar. Please refer to the sub-section entitled "General Information of our Group – Business Overview – FRB – F&B Consulting and Operation Management Services – Mynavi Restaurant Business Fund" of this Offer Document for more information.

Our Group also leveraged on our extensive network of contacts and deep knowledge of the F&B industry to expand our FRB overseas through collaborations with reputable and recognised restaurant operators in Singapore, Malaysia and Taiwan.

In Singapore, our Group, through FRP, opened our very first restaurant at Tanjong Pagar, a ramen shop under the "*Menya Sanji*" brand, in December 2012. We also further expanded the FRB in Singapore through collaborations and opened our very first collaboration restaurant "*Mikoto III*" at Robertson Quay in May 2014. FRP was then the parent company of FIS (previously known as Noodleholic Pte. Ltd.) which, together with FIS, operated a total of five (5) restaurants in Singapore, of which two (2) were operated by FRP while three (3) were operated by FIS. The current FIS was formed as a result of an amalgamation of FRP and FIS which occurred in September 2017. As of the Latest Practicable Date, FIS has 10 restaurant outlets in operation. Our Group has successfully brought Japanese cuisine brands such as "*Niku Katsumata*", "*Yatagarasu*", "*Kadohachi*" and "*Mikoto*" in Singapore. Our Group has also assisted with the expansion of operations of notable Japanese brands such as "*Tendon Kohaku*" and "*Man Man*" in Singapore.

GENERAL INFORMATION ON OUR GROUP

In Malaysia, our operations started in December 2017 as we ventured into the bakery business and opened a bakery, “*Bakery Café Hachi*”, in Kuala Lumpur. Our Group also expanded its operations in Malaysia through collaboration with various Japanese brands such as the “*Kanbe*” brand. FIM successfully opened four (4) restaurants under the “*Kanbe*” brand over the course of three years, namely, a ramen restaurant “*豚麵処 (Pork noodle restaurant) Kanbe*” in February 2021, yakiniku-styled restaurant “*本家炙屋Kanbe*” in July 2022, second ramen restaurant “*Kanbe Ramen TRX*”, at The Exchange TRX, the second-tallest building in Malaysia in November 2023 and most recently in June 2024, a sushi izayaka restaurant “*本魚河岸 (Hon-Uogashi) Kanbe*”. FIM also set up a central kitchen facility in December 2021. As at the Latest Practicable Date, FIM has four (4) restaurant outlets including two (2) ramen *Kanbe*, one (1) yakiniku *Kanbe*, one (1) sushi izakaya *Kanbe*, in addition to one (1) bakery café *Hachi* and one (1) central kitchen facility in operation in Malaysia.

In Taiwan, our Group started our business through a franchisor-franchisee arrangement in October 2011. FIJ, as a franchisor of our Group’s ramen brand “*Menya Sanji*”, entered into a franchise agreement with the franchisee, granting an exclusive franchise right to operate and carry on business under the “*Menya Sanji*” brand in Taiwan for a period of 10 years commencing from 1 January 2015 to 31 December 2024 which is subject to automatic renewal for a further period of five (5) years unless terminated earlier by either FIJ or the franchisee. In order to increase our presence in Taiwan, we incorporated FIT in May 2019. FIT had three (3) franchised “*Menya Sanji*” outlets in Taiwan. In February 2024, our Group sold FIT together with all four (4) “*Menya Sanji*” registered trademarks in Singapore, Taiwan, China and Japan, to unrelated third parties.

Under the leadership of our Executive Directors, and with the support of our Executive Officers, our FRB has since expanded significantly both within Japan and overseas. The number of restaurant outlets our Group currently operates and manages (whether by way of direct management or through a collaboration) has increased to 26, in addition to one (1) bakery cafe and one (1) central kitchen facility as at the Latest Practicable Date.

The existing brands that our Group operates as at the Latest Practicable Date includes but are not limited to “*Moomin Cafe Karuizawa*”, “*Yazawa*”, “*Maehara*”, “*TRATTORIA Niwa*”, “*Nordics*”, “*LAGOM*”, “*FARM AKIRA*”, “*CAVIAR Haruno*”, “*the CARNE Tokyo*”, “*Pasta House Niwa*”, “*The OLIVEA*”, “*HITSUJI CLUB*”, “*USHI CLUB*”, “*Man Man*”, “*Kohaku*”, “*Katsumata*”, “*Mikoto*”, “*Yatagarasu*”, “*Kadohachi*”, “*Bakery Café Hachi*”, “*Kanbe Ramen*”, “*Kanbe Yakiniku*” and “*Kanbe Sushi*”.

Our Group intends to expand our RLSB in Japan by continuing to focus on subleased properties in the Tokyo Metropolitan area and expand the scale of our existing subleasing business by securing leases in this area. Barring unforeseen circumstances and depending on other business considerations, we also have plans to expand into other major cities in Japan. Similarly, our Group intends to expand our FRB by (i) increasing our presence in countries we operate in outside of Japan and expand our footprint in new market overseas through new collaborations with Japanese restaurant operators, whether local operators in the countries we operate in or international companies, (ii) innovate and introduce new Japanese food brands and concepts in Singapore and Malaysia, and (iii) enhance market presence and the geographic expansion of the “*Moomin*” brand in Japan and secure rights to operate themed restaurants of popular anime and other characters to open more themed restaurants in Japan. A portion of the gross proceeds from the Invitation is intended to be used to fund our Group’s expansion. Please refer to the sub-section entitled “*Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans*” of this Offer Document for more information.

GENERAL INFORMATION ON OUR GROUP

The following are key events in our history and business development:

Year	Key Event
March 2011	The incorporation of FIJ in Japan.
April 2011	FIJ succeeded the RLSB from Foodys.
October 2011	FIJ entered into the FRB in Taiwan through a franchisor-franchisee arrangement with a franchisee, granting an exclusive franchise right to the franchisee to operate and carry on business under our own “ <i>Menya Sanji</i> ” brand.
January 2012	Foodys sold its interest in FIJ to FRP.
March 2012	The incorporation of FIS (formerly known as Noodleholic Pte. Ltd.) in Singapore.
December 2012	The first “ <i>Menya Sanji</i> ” ramen restaurant was opened by FRP in Tanjong Pagar, Singapore.
October 2013	Furukawa invested in FIJ and subscribed for 70.0% of equity shares in FIJ.
May 2014	FRP opened our first collaboration restaurant “ <i>Mikoto III</i> ” in Singapore.
December 2014	FIJ opened our first directly-managed restaurant, “ <i>Queen of Chickens (Ebisu)</i> ” in Japan.
October 2015	FRP acquired 100.0% ownership in FIS (formerly known as Noodleholic Pte. Ltd.).
March 2016	F-Holdings was incorporated by Furukawa as a holding company of FIJ and acquired the remaining 30.0% of FRP’s interest in FIJ. F-Holdings also acquired the entire interest of FRP from Miyake.
December 2016	FIJ acquired all shares of FRP.
February 2017	Noodleholic Pte. Ltd., i.e. FIS, changed its name to “F Innovators Singapore Pte. Ltd.”.
March 2017	FIJ invested in AKIRA and subscribed for 70.0% of equity shares in AKIRA.
August 2017	The incorporation of FIM in Malaysia, Kuala Lumpur.
September 2017	FRP and FIS amalgamated to form the current FIS.
November 2017	The incorporation of Kurimen and started waste disposal service business.
December 2017	FIM opened its first shop, the “ <i>Bakery Café Hachi Mont Kiara</i> ”, in Kuala Lumpur, Malaysia.

GENERAL INFORMATION ON OUR GROUP

Year	Key Event
August 2018	Our brand, “ <i>Ramen Bar Suzuki</i> ” was one of 13 ramen restaurants invited to participate in “Ramen Revolution”, a local ramen festival held in Singapore ³ , and was awarded “Champion for Ramen Revolution 2018” by WAttention Singapore and Mangosteen Club ⁴ .
May 2019	FIT was established in Taiwan.
November 2019	Our Company was incorporated.
January 2020	FIJ acquired the remaining 30.0% of Watanabe Akira’s interest in AKIRA, and AKIRA became a wholly-owned subsidiary of FIJ.
February 2020	AKIRA, FIK and Amazing Food amalgamated with FIJ.
April 2020	F-Holdings became a subsidiary of FIJ by a share swap and an amalgamation of F-Holdings and FIJ occurred. On the same day, FIJ Investment was incorporated and became the parent company of FIJ.
June 2020	FIJ opened an unagi restaurant, “ <i>Maehara</i> ”, in Toranomom Hills Business Tower, Tokyo, Japan.
July 2020	<p>Our Group undertook a Restructuring Exercise. FIJ was the holding company of our Group’s operating subsidiaries immediately prior to the Restructuring Exercise and FIJ had three (3) wholly-owned subsidiaries namely FIS, FIM and FIT (collectively, the “Overseas Subsidiaries”).</p> <p>The Restructuring Exercise involved the reorganisation of the Overseas Subsidiaries, FIJ and our Company. Pursuant to a master restructuring agreement dated 17 July 2020 entered into between our Company and FIJ, our Company acquired from FIJ all of its interests in the Overseas Subsidiaries for a total consideration of S\$3,004,730 at FIJ’s cost of investment of the Overseas Subsidiaries, which comprises (i) 200,000 shares, representing 100.0% issued and paid-up share capital of FIS; (ii) 100.0% paid-up capital of FIT; and (iii) 1,000,000 shares, representing 100.0% issued and paid-up share capital of FIM. Following that, our Company also successfully completed the acquisition of all the shares in the share capital of FIJ from FIJ Investment, and hence, FIJ and its then wholly-owned subsidiary, Kurimen, became wholly-owned subsidiaries of our Company. As a result, our Company became the holding company of our Group.</p>
February 2021	FIM launched its ramen business and opened “ <i>Kanbe Ramen</i> ” in Kuala Lumpur, Malaysia.

³ Information obtained from <<https://eatbook.sg/ramen-revolution/>> (last accessed on the Latest Practicable Date).

⁴ Information obtained from <https://issuu.com/wattention/docs/wattention_vol.45_2018> (last accessed on the Latest Practicable Date).

GENERAL INFORMATION ON OUR GROUP

Year	Key Event
August 2021	FIJ opened the restaurant “ <i>TRATTORIA Niwa by FARM AKIRA</i> ”.
December 2021	FIM also set up a central kitchen facility at Plaza Mount Kiara, Kuala Lumpur.
May 2022	One of our Group’s restaurants, “ <i>TRATTORIA Niwa by FARM AKIRA</i> ”, won a Gold Award of Best Gourmet at Asia Golden Star Contest.
July 2022	FIM launched its yakiniku business and opened the restaurant “ <i>Kanbe Yakiniku</i> ” in Kuala Lumpur, Malaysia.
November 2022	FIJ received a Silver Certificate as a Health Promoting Company.
December 2022	FIJ entered into two (2) Licensing Agreements for the operation of “ <i>Moomin Café</i> ”, as well as the sales and commercialisation of <i>Moomin</i> products in Japan.
February 2023	FIJ opened the restaurant “LAGOM”.
March 2023	<p>FIJ was recognised as one of the 2023 Certified Health & Productivity Management Outstanding Organisations, a recognition program of the Ministry of Economy, Trade and Industry, Japan. (https://www.meti.go.jp/english/press/2023/0308_004.html)</p> <p>FIJ opened a pop-up “<i>Moomin Café</i>” for a limited time in Shibuya Scramble Square.</p> <p>TMT was incorporated as a subsidiary of FIH in Japan.</p>
April 2023	<p>FIJ opened the restaurant “<i>Moomin Café Karuizawa</i>”.</p> <p>FIJ secured an agreement to operate a glamping facility “<i>GLAMPROOK FUTTSU BRISTOL HILL</i>” within the Futtsu Bristol Hill Golf Club.</p>
August 2023	FIJ has secured an agreement to operate the restaurant “ <i>Caviar Haruno</i> ”.
September 2023	FIJ transferred the F&B Consulting and Operations Management Services, together with the TMT Directly-Owned Restaurants to TMT.
October 2023	TMT secured an agreement to operate the restaurant “ <i>Pasta House Niwa</i> ” on Miyakojima Island.

GENERAL INFORMATION ON OUR GROUP

Year	Key Event
November 2023	<p>FIM opened “<i>Kanbe Ramen TRX</i>” as its second ramen outlet in Kuala Lumpur, Malaysia.</p> <p>TMT secured an agreement to operate the restaurant “<i>the CARNE Tokyo</i>”.</p> <p>FIJ sold 100% equity interest of Kurimen to Starwoods Holdings Co., Ltd, an unrelated third party. The consideration of the sale was based on the PER of 10 times.</p> <p>FIJ entered into a Memorandum of Understanding with Mynavi Bridge to provide consultancy services to Mynavi Bridge.</p>
January 2024	TMT secured an agreement to operate a restaurant in Santorini Hotel & Villas Miya Kojia on Miyakojima Island, “ <i>The OLIVEA</i> ”.
February 2024	FIH sold 100.0% equity interest of FIT and FIS sold all four (4) “ <i>Menya Sanji</i> ” registered trademarks in Singapore, Taiwan, China and Japan.
June 2024	FIM opened its first sushi izakaya restaurant, “ <i>本魚河岸官 (Hon-Uogashi) Kanbe</i> ” in Kuala Lumpur, Malaysia.

BUSINESS OVERVIEW

We are principally engaged in (a) the RLSB, focusing on matching properties and tenants in the restaurant business in Japan, and (b) the FRB. From being a predominantly Japan-based company, we have expanded to various locations overseas and currently operate restaurants in Japan, Singapore and Malaysia.

As a restaurant operator, we establish, operate and manage restaurants specialising in different types of quality traditional Japanese and Japanese-inspired European cuisines. Our years of experience in the F&B industry has allowed us to develop good knowledge of and insights into the F&B industry, which we are able to share with our existing or prospective restaurant tenants. We believe that our ability to advise our restaurant tenants on their restaurant’s needs (e.g. property selection needs) distinguishes us from the other companies providing property subleasing services in Japan. Additionally, we are able to provide kitchen equipment leasing services and F&B Consulting and Operations Management Services, which directly complement both our RLSB and FRB. Overall, we consider ourselves as a one-stop solution provider for our existing and prospective restaurant tenants and an experienced restaurant operator with a focus on quality traditional Japanese and Japanese-inspired European cuisines.

GENERAL INFORMATION ON OUR GROUP

The breakdown of total revenue by geographic market for the Period Under Review is as follows:

Market	Percentage of revenue (%)		
	FY2022	FY2023	FY2024
Japan	79.4	71.3	72.1
Singapore	15.5	17.7	14.7
Malaysia	4.6	10.4	12.6
Taiwan ⁵	0.5	0.6	0.6

The breakdown of total revenue by business segment for the Period Under Review is as follows:

	Percentage of revenue (%)		
	FY2022	FY2023	FY2024
RLSB	50.6	43.5	44.8
FRB	49.4	56.5	55.2

RLSB

Our Group focuses on RLSB operations in the Tokyo Metropolitan Area. Our business model entails leasing restaurant premises from landlords and subleasing them to restaurant tenants who want to open a restaurant or relocate their existing restaurant operations. We also generate profits by leasing kitchen equipment and providing Advisory and Consulting Services. Our business model addresses significant market gaps in Japan where we act as a facilitator between the landlords and tenants as landlords who operate rental businesses typically hesitate to lease premises to small restaurant operators (e.g. new start-ups or restaurant operators with fewer outlets) due to credit risk concerns. We have priority access to the latest information regarding new properties for listing such as expected rental fees, floor area and preferred tenants, as it is generally made available only to more established organisations like ours.

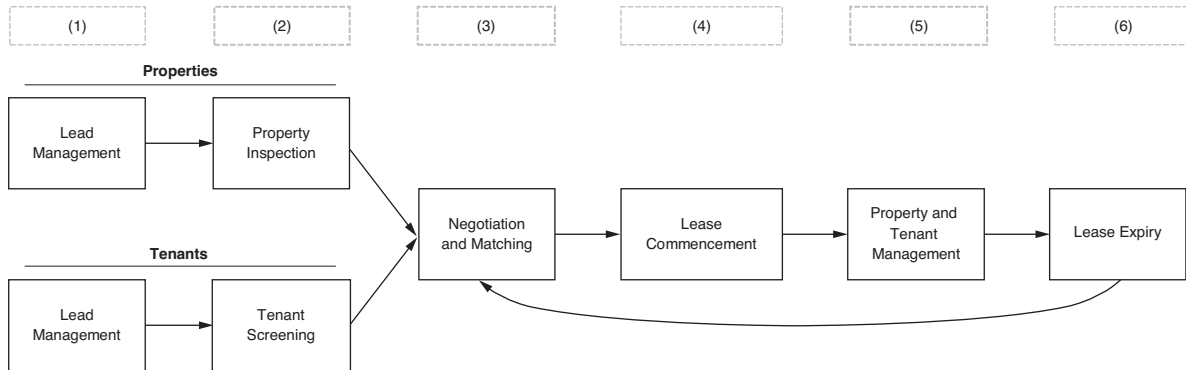
The revenue generated from our RLSB was S\$19.1 million, S\$17.3 million and S\$19.6 million in FY2022, FY2023 and FY2024 respectively and we have consistently maintained a property occupancy rate of 99.7%, 99.4%, and 99.2% in FY2022, FY2023 and FY2024 respectively. Our Directors are of the opinion that the tenancy rates have not been materially adversely affected due to COVID-19. As of the Latest Practicable Date, we have a total of 214 subleased properties with a total floor area of 23,004.73 square metres in Japan. Our portfolio of subleased properties has profit from operations margins of approximately 13.6%, 13.2% and 19.7% based on the revenue from our RLSB for FY2022, FY2023 and FY2024 respectively.

⁵ Our Group has disposed of FIT to an unrelated party as of 26 February 2024.

GENERAL INFORMATION ON OUR GROUP

RLSB Process

Our restaurant leasing and subleasing process flow is as follows:



1(a). Properties – Lead Management

Our Group employs a multi-faceted approach to source property leads. We actively seek out potential subleasing opportunities through offline and online channels including direct outreach to property owners and landlords, strategic partnerships with property agents, word of mouth introduction and referrals from our management, existing clients and business partners as well as through digital marketing and online research.

Our sales team collects daily information on available rental properties through our network of landlords and clients with whom we maintain good relationships and whom we work with on a frequent basis as well as via updates given by our existing network of existing clients. This updated information is then shared with existing and prospective restaurant tenants in our database, averaging five (5) property listings per day. This database of tenants includes those interested in opening a restaurant, as well as existing restaurant operators seeking to relocate or expand their businesses.

1(b). Tenant – Lead Management

Our Group attracts tenant leads through a combination of offline and online channels. In August 2022, we created the website “店舖売却.com” (<https://tenpobaikyaku.net/>) to strengthen our property information collection. Our website features detailed property listings, ensuring visibility to prospective tenants. Through “店舖売却.com”, we have successfully obtained a large number of stable property information from prospective sellers, leading to an increase in subleased properties and customers. We also harness social media platforms and utilise digital marketing to showcase available properties and target our ideal tenant demographics. Our Group’s network of real estate agents, business partners and existing clients also generates leads. Our cross-channel marketing strategy ensures that our Group possesses a steady pipeline of tenant leads.

2(a). Properties – Property Inspection

To ensure that properties on our platform are marketable and fit the needs of our clients, we conduct a thorough property inspection and qualification process. We assess the attractiveness of the location and analyse the market penetration and leasing conditions of properties in the area to ensure sufficient demand and footfall. We conduct both on-site

GENERAL INFORMATION ON OUR GROUP

and off-site property due diligence, assessing factors such as maintenance, safety and compliance with local regulations and reviewing the properties' characteristics including frontage, floorplan, facilities, fixtures and fittings to ensure that each property is suitable for subleasing. Our rigorous property inspection process ensures that all properties on our platform meet our quality criteria, providing a positive experience for our potential tenants.

2(b). Tenants – Tenant Screening

Our Group implements a comprehensive tenant screening process that includes background checks, credit history assessments, and business verification. This rigorous process enables us to identify responsible and reliable tenants, thereby minimising default and attrition risks in our subleasing arrangements. Additionally, we evaluate our tenants' restaurant performance, type of food offering, credit standing, and cash flow to assess the risks of rent delinquency.

Our procedures for conducting background checks are meticulously documented to ensure consistency across all potential tenants. The information obtained from these background checks is reviewed and supported by the managers of our sales and administration departments and subsequently approved through an internal process by our Chief Restaurant Leasing and Subleasing Officer, Isomoto Atsushi. Furthermore, the guarantee companies also perform their own background checks on potential tenants.

Additionally, our tenant screening process identifies the specific needs and preferences of each tenant, including their desired location, property configuration, budget, preferred lease duration, and any specific amenities required.

3. Negotiation and Matching

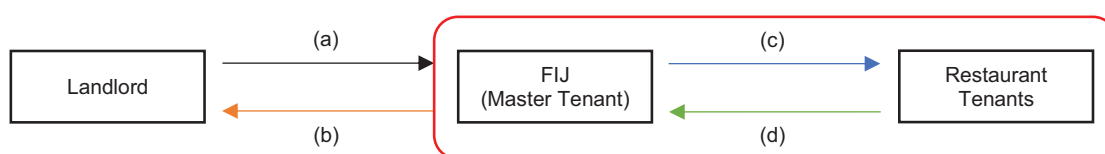
Our Group aims to enter into master lease agreements with landlords and Sublease Agreements with tenants simultaneously to minimise timing differences between cash inflows from tenants and cash outflows to landlords. To achieve a seamless back-to-back leasing arrangement, our Group engages in negotiations with potential tenants and landlords to understand their leasing terms and requirements, such as preferred lease duration, rental rates, type of lease agreement and specific conditions of the leasing arrangement. This collaborative approach ensures a mutually agreeable arrangement that would satisfy both landlords and tenants. Landlords benefit from the security of rental income and the convenience of our property management services, while tenants benefit from finding suitable properties and receiving assistance during their tenancy. Please refer to the sub-section entitled "General Information of Our Group – Properties and Fixed Assets – Properties" of this Offer Document for more details on the salient terms of the master lease agreements with landlords.

We typically enter into two (2) types of master lease agreements with landlords: (a) fixed-term building leases; and (b) ordinary building leases. As at the Latest Practicable Date, approximately 73.4% of our leases are ordinary building leases. Our fixed-term building leases typically carry lease terms of five (5) to ten (10) years without an option to renew. These agreements will terminate upon the expiry of the initial term, by the landlords with prior written notice or payment in lieu of notice, or upon the occurrence of certain termination events stipulated in the lease agreements, whichever is earlier. For our ordinary building leases, they typically carry lease terms of at least two (2) years unless specified by the landlord. Under Japanese law, ordinary building leases will be renewed automatically, by operation of law, on conditions identical to the existing lease agreement, save for the terms relating to the duration of the lease. Notwithstanding that

GENERAL INFORMATION ON OUR GROUP

the rent remains the same, parties may, under specific circumstances and in accordance with LBLA, request for a reasonable increased or decreased in rent. If the landlord wishes to terminate an ordinary building lease, it must give the tenant an advance notice of at least six (6) months but not earlier than one (1) year prior to the expiry of the lease term provided there is a justifiable ground for the termination. Please refer to the sub-section entitled “Risk Factors – We may not be able to continue or renew the existing leases on our subleased properties” of this Offer Document for more information on the leases and the sub-section entitled “Properties and Fixed Assets – Properties – Master Lease Agreements with Landlords” of this Offer Document for more information on the master lease agreements entered into with the landlords.

The nature of sublease agreements (whether a fixed-term building lease or ordinary building lease) entered into by our Group with our sub-tenants (being the restaurant tenants) is contingent upon the terms stipulated in the respective master lease agreements with the landlords. The terms and conditions of our Sublease Agreements are substantially similar to the respective master lease agreements with the landlords (including the termination clauses). This is to ensure that the obligations and rights are conferred and enforced uniformly from the landlords to our restaurant tenants, reducing the risk of conflicting terms. For an ordinary building sublease agreement, FIJ (being the master tenant) may terminate the sublease agreement by giving prior written notice as stipulated in the sublease agreement (whether a fixed-term building lease or ordinary building lease) to the restaurant tenants with justifiable grounds. Such notice period varies as it depends on the notice period in the respective master lease agreements. In the interest of FIJ, the notice period of the sublease agreements (both fixed-term building lease and ordinary building lease) would generally be longer than the notice period provided in the master lease agreements. The restaurant tenant may also terminate the sublease agreement by serving the notice period stipulated in the Sublease Agreement or paying an amount equivalent to the rent for the period falling short of the notice period. As for a fixed-term building sublease agreement, either party (FIJ or the restaurant tenant) cannot unilaterally terminate the agreement before the expiration of the contract term, unless with mutual consent.



	Ordinary Building Sublease	Fixed-term Building Sublease
(c)	In the event that FIJ wishes to terminate the sublease agreement, FIJ must provide prior written notice as stipulated in the sublease agreement to the restaurant tenant with justifiable grounds.	FIJ may only terminate the sublease agreement if mutually agreed between parties.

GENERAL INFORMATION ON OUR GROUP

	Ordinary Building Sublease	Fixed-term Building Sublease
(d)	In the event that the restaurant tenant wishes to terminate the sublease agreement, the restaurant tenant must provide prior written notice as stipulated in the sublease agreement or an amount equivalent to the rent for the period falling short of the notice period.	The restaurant tenant may only terminate the sublease agreement if mutually agreed between parties.

* In the interest of FIJ, the notice period provided in the sublease agreement will generally be longer than the notice period provided in the relevant master lease agreement.

4. Lease Commencement

Upon successful completion of negotiation and matching between landlord and tenant, our Group guides both parties through the lease commencement process. This includes finalising the master lease agreement and sublease agreement and ensuring all the terms and conditions are clearly outlined and understood by all parties. We facilitate the signing of the agreements, collecting security deposits, fitting out the property and arranging the handover of keys. Throughout the process, we provide onsite support and address any questions or concerns that may arise, ensuring a smooth and seamless transition for both the tenant and the landlord.

Our Group typically collects a security deposit equivalent to six (6) to eight (8) months of rent from our tenants. Since August 2020, in light of the COVID-19 pandemic, our Group has mandated the inclusion of guarantee companies (i.e. USEN Trust Co., Ltd and 4C's Co. Ltd) in our contracts to further mitigate tenants' credit risks. Under this arrangement, we enter into a guarantee contract with the guarantee company, while the guarantee company enters into a guarantee consignment agreement with the tenant. This agreement requires the tenant to pay a guarantee commission equivalent to one (1) month's rent to the guarantee company. In cases of tenant payment delays, we will request the guarantee company to fulfil its obligations at the beginning of the month following the missed payment. Consequently, we receive rental payment substitutes from the guarantee company within approximately three (3) to ten (10) days. Such guarantee arrangement with the tenants usually apply to tenants who are new clients of our Group because we do not have prior information on their credit ratings. For good governance and financial prudence, our Group engages a credit research company to check on the creditworthiness and the financial health of the guarantee companies.

5. Property and Tenant Management

After the lease commencement, we act as a central point of contact for both landlords and tenants, handling rent collection and disbursement, addressing maintenance requests and mediating any conflicts that may arise. Our Group monitors lease compliance by the tenant, ensuring adherence to the terms and conditions of the subleasing agreement. Regular property inspections are conducted to maintain the condition of the premises and identify any potential issues early on. In addition, we also review the payment trends of our tenants on a monthly basis and our tenants' management and operational status on an ongoing basis to determine whether there is a real risk of default on payment of rent.

GENERAL INFORMATION ON OUR GROUP

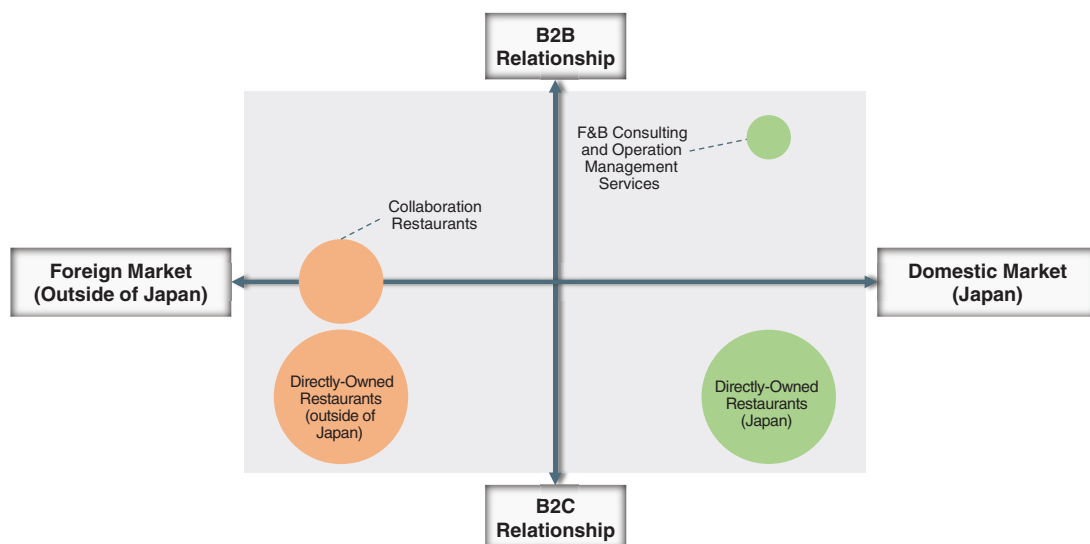
6. Lease Expiry

As the lease term approaches its end, we proactively engage both the landlord and tenant. We notify both the landlord and tenant of the impending expiry well in advance, giving both parties ample time to consider their options. If both parties are interested in renewing the lease, we facilitate the negotiation of new terms and conditions, ensuring a seamless transition into the renewed master lease agreement and sublease agreement. If either party chooses not to renew, we guide them through the necessary steps for vacating the property or finding a new tenant by reaching out to our pool of contacts, which are gathered from the process described in paragraph 1(b) above, to find suitable successor tenants in order to minimise the downtime between tenants.

FRB

Our Group's FRB primarily engages in the (a) operation of restaurants under various brands in Japan, Singapore, and Malaysia and (b) provision of F&B Consulting Services. Within Japan, we operate and manage our Group's Directly-Owned Restaurants and TMT Operated Restaurants. Outside of Japan, we engage in a collaboration model involving joint ventures with the local Japanese restaurant operators in the respective countries we operate in. As at the Latest Practicable Date, there are a total of 26 restaurants, one (1) bakery café and one (1) central kitchen facility.

Our Group leverages on the analysis of data and trends in the RLSB to inform our strategy and realise synergies for our FRB. Accordingly, our Group has deployed various business models across Business-to-Business (B2B) and Business-to-Customer (B2C) formats to diversify and better manage the risks of our FRB portfolio. In Japan, we are shifting towards an asset-light approach, establishing a scalable business model that capitalises on our experience and expertise in the F&B industry to generate recurring income and unlock value from corporate entities. Conversely, outside of Japan, our preference would be towards using direct investments and ownership to strengthen our presence in foreign markets.



Notes:

- (1) The size of the bubble represents the magnitude of capital expenditure.
- (2) Collaboration Restaurants include both B2C and B2B formats, given that restaurant consumers are served directly (B2C) and the Collaboration Restaurants' operations are outsourced to our Group's collaboration partners (B2B).

GENERAL INFORMATION ON OUR GROUP

- (3) Directly-Owned Restaurants, including TMT Directly-Owned Restaurants, are directly owned and managed under our Group and operate in Japan, Singapore and Malaysia.
- (4) F&B Consulting and Operation Management Services includes Restaurants Operations Management Services (under which there are TMT Operated Restaurants), Consulting and Advisory Services and the Mynavi Restaurant Business Fund.

Revenue generated from our FRB was S\$18.7 million, S\$22.4 million and S\$24.2 million in FY2022, FY2023 and FY2024 respectively.

(a) Restaurants

Our restaurants in Japan provide unique dining experiences and innovative takes on traditional Japanese food and western fusion cuisine. Outside Japan, our restaurants focus on bringing authentic Japanese food, especially cuisines relatively unknown outside of Japan, to the world, starting from expansion into countries in Southeast Asia. Our restaurants in Singapore are managed by Japanese managers and we hire Japanese chef for some of our restaurants in Singapore. This is to ensure consistency in the quality of our food and services.

In Malaysia, we have established a central kitchen facility which centralises our food supply and production processes for our bakery operating under the “*Bakery Café Hachi*” brand. Our central kitchen facility has a total floor area of approximately 500 square metres, and has a maximum production capacity of up to 180,000 pieces of bread per month. Our central kitchen facility will produce and supply bread to our bakery on a daily basis based on the order placed by our bakery store on a daily basis, taking into account customer purchases history and preference. Additionally, we have ventured into the culinary realm by launching Japanese restaurants specialising in diverse cuisine such as ramen, yakiniku and sushi izakaya. As of the Latest Practicable Date, FIM, in collaboration with a third party, manages four (4) restaurants under the esteemed “*Kanbe*” brand, and opened its fourth restaurant under “*Kanbe*” brand in June 2024, a sushi izakaya restaurant. FIM will be opening another restaurant in early 2025 in Malaysia.

Over the years, we have created our own Japanese cuisine brands and conceptualised our own menus under various brands to cater to the tastes and preferences of our customers. We currently operate eight (8) restaurant outlets specialising in different types of traditional Japanese and Japanese-inspired European cuisines under our “*Moomin Café Karuizawa*”, “*Yazawa*”, “*Maehara*”, “*TRATTORIA Niwa*”, “*Nordics*”, “*LAGOM*”, “*Kadohachi*” and “*Bakery Café Hachi*” brands across three (3) countries.

In addition, we manage 13 restaurant outlets under other brands pursuant to collaborations with other restaurant operators.

GENERAL INFORMATION ON OUR GROUP

Below are the store maps of the restaurants we operate in Japan, Singapore and Malaysia.

FIJ *tomacchi*
Food Investment Japan

Japan store Map

Nagasaki

- MOONIN CAFE**
[MOONIN CAFE MIFUKU]
Address: 1-1-1 Mifuku, Mifuku-ku, Nagasaki
TEL: +81 95 73 3460
Hours: 11:00 - 20:00

Saga

- nordics**
[nordics]
Address: 8-1-1 Nishikuze, Nishikuze-ku, Saga
TEL: +81 95 222 2222
Hours: 11:00 - 20:00
- LAGOM**
[LAGOM]
Address: 1-1-1 LAGOM, LAGOM-ku, Saga
TEL: +81 95 222 2222
Hours: 11:00 - 20:00

Chiba

- ANSA HOUSE 処NIWA**
[PASTA HOUSE RE]
Address: 2-1-1 Ansa House, Ansa-ku, Chiba
TEL: +81 476 81 0100
Hours: 11:00 - 20:00
- FARM ARIHA**
[FARM ARIHA Farm Restaurant]
Address: 1-1-1 Farm Ariha, Farm-ku, Chiba
TEL: +81 476 81 0100
Lunch: 11:00 - 15:00
- GLAMERDOR**
[GLAMERDOR FINE DINE RESTAURANT]
Address: 1-1-1 Glamerdor, Glamerdor-ku, Chiba
TEL: +81 476 81 0100
Closed: 11:00

Tokyo

- MOONIN CAFE**
[MOONIN CAFE MOONIN]
Address: 1-1-1 Moonin, Moonin-ku, Tokyo
TEL: +81 3 1234 5678
Hours: 11:00 - 20:00
- THE CARNE**
[THE CARNE 080]
Address: 1-1-1 The Carne, The Carne-ku, Tokyo
TEL: +81 3 1234 5678
Hours: 11:00 - 20:00
- CAVIAR**
[CAVIAR 080]
Address: 1-1-1 Caviar, Caviar-ku, Tokyo
TEL: +81 3 1234 5678
Hours: 11:00 - 20:00
- すえい**
[すえい 080]
Address: 1-1-1 Suei, Suei-ku, Tokyo
TEL: +81 3 1234 5678
Hours: 11:00 - 20:00
- 処NIWA**
[TRATTORIA RE]
Address: 1-1-1 Niwa, Niwa-ku, Tokyo
TEL: +81 3 1234 5678
Hours: 11:00 - 20:00

Miyako Island

- 処NIWA**
[TRATTORIA RE]
Address: 1-1-1 Niwa, Niwa-ku, Miyako Island
TEL: +81 3 1234 5678
Hours: 11:00 - 20:00

2024.07.01

GENERAL INFORMATION ON OUR GROUP

FIS
F Innovators Singapore Store Map

Robertson Quay

MIKOTO
[三代目 MIKOTO]
Address: 45 Robertson Quay #01-12
Tel: 6375 8777
DINNER Mon-Sun 11:30-10:00
Closed on Sunday, PH

Central

天井琥珀
[天井 琥珀]
Address: 45 Telok Ayer Street
LUNCH Mon-Sun 11:30-10:00
DINNER Mon-Sun 11:30-10:00
Closed on Sunday, PH

Central

[鯛洲 Man Man]
Address: 45 Telok Ayer Street
LUNCH Mon-Sun 11:30-10:00
DINNER Mon-Sun 11:30-10:00
Closed on Sunday, PH

Tanjong Pagar

勝又
[勝 又]
Address: 45 Telok Ayer Street
Tel: 6375 8777
DINNER Mon-Sun 11:30-10:00
Closed on Sunday, PH

Central

[カドハチ]
Address: 41 Circular Road
Tel: 6375 8777
LUNCH Mon-Fri 11:30-10:00
DINNER Mon-Fri 11:30-10:00
Closed on Sunday, PH

Central

[THE USHI CLUB]
Address: 42 Circular Road
Tel: 6375 8777
DINNER Mon-Sun 11:00-10:00
Closed on Sunday, PH

Central

[THE HITSUJI CLUB]
Address: 42 Circular Road
Tel: 6375 8777
DINNER Mon-Sun 11:00-10:00
Closed on Sunday, PH

Central

[はなれ]
[八咫鳥 はなれ]
Address: 42 Circular Road
Tel: 6375 8777
DINNER Mon-Sun 11:00-10:00
Closed on Sunday, PH

Central

[やまとり人喰島]
Address: 37 Circular Road
Tel: 6375 8777
DINNER Mon-Sun 11:00-10:00
Closed on Sunday, PH

Central

[鯛洲 Man Man]
Address: 45 Telok Ayer Street
LUNCH Mon-Sun 11:30-10:00
DINNER Mon-Sun 11:30-10:00
Closed on Sunday, PH

GENERAL INFORMATION ON OUR GROUP



FIM



MALAYSIA

F Innovators Malaysia Store Map



TRX



**豚骨処
官兵衛**
KANBE

[KANBE RAMEN]

Address : No. 471, Lot. 0, Park Level,
Sun World Exchange,
57188 Kuala Lumpur

Tel : +603 3301 3560

Open : Mon - Sun 11:00 - 21:30

Mont Kiara



**豚骨処
官兵衛**
KANBE

[KANBE RAMEN]

Address : G/F-4/B, 152 Regal Park, No. 8,
28480 Kuala Lumpur

Tel : +603 2703 0170

Open : Mon - Sun 11:00 - 21:00

Mont Kiara



**本家炭火
官兵衛**
KANBE

[KANBE YAKINIKU]

Address : Lot E, Near Wing, Ground Floor,
Bintang Mall,
50480 Kuala Lumpur

Tel : +603 2071 1999

Open : Mon - Sun 17:00 - 24:00

Mont Kiara



**本家河豚
官兵衛**
KANBE

[KANBE SUSHI]

Address : Lot A, Lower Ground Floor,
New Wing @ Mont Kiara Shoppers,
50480 Kuala Lumpur

Tel : +603 2071 9719

Open : Mon - Sun 17:00 - 24:00

Mont Kiara



[Bakery Cafe Hachi]

Address : Unit C20, Mont Kiara,
Luhar Kiara, Mont Kiara,
50460, KUALA LUMPUR

Tel : +603 3308 2271

Open : Mon - Sun 8:00 - 20:00

2024.07.01

GENERAL INFORMATION ON OUR GROUP

Directly-Owned Restaurants


Our Group own and manage restaurants outlets (including TMT Directly-Owned Restaurants) under the following brands:

Brands	Country	Description
<p>Unagi Maehara</p> 	<p>Japan</p>	<p>This is an eel specialty restaurant. Our restaurant was opened in June 2020 and is located at Toranomon Hills, Tokyo. It has a seating capacity of 29.</p> <p>Our restaurant serves fresh domestic eels and dishes that combine tradition and innovation, prepared by craftsmen with more than 50 years of experience collectively. We have a variety of signature dishes, including handcrafted Kaiseki Cuisine (“会席料理”, traditional Japanese multi-course banquet meal), which provides guests with a luxurious taste experience.</p> <p>A new Unagi Maehara take-out specialty shop has been opened at Azabudai Hills Markets, Tokyo in March 2024.</p>
<p>Yakiniku Yazawa</p> 	<p>Japan</p>	<p>Located within the Otemachi Financial City South Tower, Tokyo, our Yakiniku Yazawa restaurant, opened in November 2022, offers a seating capacity for 50 guests. Specialising in yakiniku, our restaurant serves quality meats at reasonable prices and caters to a diverse clientele, welcoming families and young patrons alike. Here, diners can indulge in meticulously prepared, high-quality meats crafted by skilled artisans known for their commitment to excellence, and then kept chilled (rather than frozen) to maintain their freshness and maximise their flavour.</p>
<p>Kadohachi</p> 	<p>Singapore</p>	<p>Kadohachi, a sushi-izakaya (Japanese Sushi Bar), opened in August 2023, is situated in the bustling Boat Quay area. Boasting a capacity for 40 diners, our restaurant caters to both lunch and dinner crowds. Our lunch menu features a variety of Jubako bento box lunch options such as Kaisen-don (seafood bowl) and Sukiyaki-jyu, while dinner offers a diverse array of nigiri sushi and the exquisite “Tamatebako” assortment (assorted sushi box).</p> <p>Set in a relaxed atmosphere with 40 seats, Kadohachi provides an authentic izakaya experience where customers can savour Japanese cuisine while indulging in a selection of Sake and Shochu, all at reasonable prices.</p>

GENERAL INFORMATION ON OUR GROUP



Brands	Country	Description
<p>Hachi</p> 	<p>Malaysia</p>	<p>Our very first bakery café “<i>Bakery Café Hachi</i>” was opened in May 2018. Our bakery serves freshly baked Japanese-styled soft bread, with over 30 varieties of bread using traditional Japanese bread recipes.</p>

TMT Directly-Owned Restaurants

<p>“Moomin Café”</p> 	<p>Japan</p>	<p>“<i>Moomin</i>” is a Nordic cartoon character which is one of the popular cartoon characters amongst the Japanese.</p> <p>We are granted the right to use the “<i>Moomin</i>” brand including its trademark for a term commencing from 1 December 2022 to 28 February 2026. Please refer to the sub-section entitled “General Information of our Group – Intellectual Property Rights” of this Offer Document for more information on our sublicense of the “<i>Moomin</i>” brand.</p>
--	--------------	---

We opened a pop-up “*Moomin Café*” from March 2023 to May 2023 at Shibuya Scramble Square, Tokyo. The pop-up café served drinks and sold Moomin merchandise, featuring a variety of original items. In April 2023, we opened a second café at Karuizawa with 56 seats available. This café offers Scandinavian traditional cuisine and drinks topped with marshmallows featuring Moomin characters, allowing visitors to enjoy the warmth of Scandinavia and the world of Moomin.


GENERAL INFORMATION ON OUR GROUP

Brands	Country	Description
<p>TRATTORIA Niwa by FARM AKIRA</p> 	<p>Japan</p>	<p>“TRATTORIA Niwa by FARM AKIRA”, which opened its doors in August 2021, is an Italian dining establishment in Omotesando, Tokyo. Operated by Watanabe Akira, our Executive Officer and Chief Culinary Officer, the restaurant’s interior design was created by Ishihara Kazuyuki. Our Executive Officer, Watanabe Akira, is renowned as a celebrity chef celebrated for blending Japanese cuisine with a European flair, notably by introducing “bagna cauda”⁶ into Japanese culinary culture, serves as our Group’s Chief Culinary Officer. Please refer to the sub-section entitled “Directors, Executive Officers and Employees – Executive Officers” of this Offer Document for more information. Ishihara Kazuyuki, a distinguished Japanese garden and landscape artist, has been lauded by Queen Elizabeth II as a “green magician”⁷ and has been awarded 12 gold medals from the Chelsea Flower Show, one of the world’s oldest and most prestigious events, and a recent gold medal recipient in the Sanctuary Garden category at the Chelsea Flower Show 2023.</p> <p>The restaurant accommodates 50 seats in a tranquil ambiance, offering seasonal course meals and à la carte options. The interior theme of the restaurant aims to immerse customers in an experience that harmonises food and nature.</p>
<p>Nordics</p> 	<p>Japan</p>	<p>“Nordics” is a Nordic-style café which was opened in October 2022 at Metsä Village in Hanno City, Saitama Prefecture, where customers can enjoy a more casual setting and use the tableware products of FISKARS Japan.</p> <p>The café, boasting 42 seats, offers a menu featuring drinks made with fresh vegetables, alongside Danish-style hot dogs renowned from street food stalls in Denmark. Guests are able to enjoy their meals and drinks served with the ARABIA tableware series from FISKARS Japan providing a visually enjoyable experience with a Scandinavian ambience amidst the beautiful scenery reminiscent of Finland.</p>

6 Information obtained from <<https://www.thejakartapost.com/life/2017/09/17/awkitchen-opens-outlet-with-new-concept-in-pantai-indah-kapuk.html>> (last accessed on Latest Practicable Date).

7 Information obtained from <<https://www.midoriya-ryokan.jp/en/designer/>> (last accessed on Latest Practicable Date).

GENERAL INFORMATION ON OUR GROUP

Brands	Country	Description
<p>LAGOM</p> 	<p>Japan</p>	<p>“LAGOM”, means “just right” in Swedish. LAGOM is a buffet-style restaurant with a seating capacity of 140, located at Metsä Village, Hanno, Saitama Prefecture. It was opened in February 2023. The restaurant mainly offers dishes prepared with fresh vegetables. Customers can enjoy the salad bar, freshly baked bread, and a wide variety of desserts while taking in the views of Lake Miyazawa.</p>

Collaboration Restaurants





Our overseas expansion, particularly in Singapore, involves collaborative ventures with local Japanese restaurant operators. Among these collaborations are renowned brands such as “Man Man”, “Tendon Kohaku”, “Yatagarasu”, “Niku Katsumata”, and “Mikoto”. Leveraging on our extensive network of Japanese restaurant operators cultivated through our longstanding RLSB, we identify reputable restaurateurs and recognised restaurant brands to collaborate with for international expansion.

In the process of selecting new brands to add to our portfolio for overseas expansion, we carefully consider various factors. These include our ability to secure skilled employees willing to relocate, the compatibility of the brand’s offerings with the culture of the target country, and the feasibility of sourcing required ingredients locally.

Under the collaboration model, the business partners handle the day-to-day operations and management of the restaurant and retain control over business planning and core human resources while we oversee, advise and assist in lease procurement, physical premises management, and interior design. The profit and operating losses of the business are equally shared between ourselves and the partnered restaurant operator, fostering a mutually beneficial partnership. For FIS and FIM restaurants under the profit-sharing arrangements, the financials are prepared by FIS and FIM respectively, and the profit/loss is recognised in FIS and FIM’s month’s end accounts for the respective restaurants. The financials are submitted in the following month by FIS or FIM (whichever is applicable) to the business partner for review and approval. The settlement of the profit-sharing is performed in the subsequent month by way of reimbursement of the profit/loss to/from the collaboration partner. After the end of each financial year, the financials of each of FIS and FIM are subject to audit.

As at the Latest Practicable Date, our Group has nine (9) restaurants in Singapore and four (4) restaurants in Malaysia operating under the collaboration model.

GENERAL INFORMATION ON OUR GROUP

Brands	Country	Description
<p>Tendon Kohaku</p>  	<p>Singapore</p>	<p><i>“Kohaku Tendon”</i> means a hearty bowl topped with crispy beautiful tempura⁸. Our tempura is unique as the batter used at <i>Kohaku</i> is a unique mixture of various types of flours. The tempura is accompanied by two secret sauces.⁹</p> <p>In a spacious setting with 40 seats, our bold and beautifully arranged bowls offer a choice between a refreshing “Kohaku (amber) sauce” made with brown sugar and a “Spicy sauce” with a kick of spice. We offer the finest bowls, with our uniquely blended tempura flour that gives the coating batter an unforgettable texture, as well as our cooking methods that bring out the best flavours of the ingredients.</p> <p>We collaborate with a Singapore Japanese restaurant operator, who has been granted the use of the “Kohaku” brand by the franchisor, to operate one (1) Tendon Kohaku outlet located at The Central Clarke Quay.</p>
<p>Man Man</p>  	<p>Singapore</p>	<p>At <i>“Man Man”</i>, we offer a selection of seasonal eel dishes. Our unique dining experience allows guests to immerse themselves in the art of live charcoal grilling, ensuring the eel’s freshness right before their eyes.</p> <p>As at the Latest Practicable Date, we collaborate with two Singapore Japanese restaurant operators to operate two (2) restaurants under the <i>“Man Man”</i> brand, namely, Man Man DUO outlet which opened in October 2017 with 22 seats, and Man Man The Central Clarke Quay outlet which opened in July 2019. Please refer to the sub-section entitled “Intellectual Property Rights – Franchise Agreement” of this Offer Document for details of the franchise arrangement in relation to the Man Man The Central Clarke Quay outlet.</p>

⁸ Information obtained from <<https://tendonkohaku.com/>> (last accessed on Latest Practicable Date). For the avoidance of doubt, our Company has not independently verified this information.

⁹ Information obtained from <<https://tendonkohaku.com/>> (last accessed on Latest Practicable Date). For the avoidance of doubt, our Company has not independently verified this information.

GENERAL INFORMATION ON OUR GROUP

Brands	Country	Description
<p>Yatagarasu</p> 	<p>Singapore</p>	<p>“<i>Yatagarasu</i>” specialises in yakitori, a traditional Japanese cuisine. Renowned among discerning Japanese food enthusiasts, we procure fresh chicken meat and feature a diverse selection of chicken cuts on our menu. Our menu features fresh, reasonably priced options.</p> <p>As at the Latest Practicable Date, we collaborate with a Singapore Japanese restaurant operator to operate two (2) yakitori restaurants, namely, <i>Yakitori Yatagarasu</i> outlet, which was opened in June 2017, and <i>Hanare</i> outlet, which was opened in December 2020.</p>
<p>The Hitsuji Club</p> 	<p>Singapore</p>	<p>“<i>The Hitsuji Club</i>” is a specialty Jingsukan restaurant boasting a seating capacity of 22. As a premier establishment, we specialise in Hokkaido-style Yakiniku featuring quality Australian lamb meat.</p> <p>We collaborate with a Singapore Japanese restaurant operator to operate our outlet at the Boat Quay area.</p>
<p>The Ushi Club</p> 	<p>Singapore</p>	<p>“<i>The Ushi Club</i>” presents a yakiniku-style dining experience, known for its aromatic and flavourful garlic-grilled meats. We serve a selection of fresh and quality cuts of meat paired with a secret garlic sauce.</p> <p>We collaborate with a Singapore Japanese restaurant operator to operate our outlet at the Boat Quay area.</p>
<p>Katsumata</p> 	<p>Singapore</p>	<p>“<i>Katsumata</i>” is a yakiniku restaurant that specialises in Japanese beef lean meat, a trend that has seen a resurgence in Japan. We introduce a different approach to yakiniku, delicately grilling the meat at low temperatures on a crystal plate with far-infrared effects. Our 28-seat restaurant provides patrons with the opportunity to savour quality lean meat curated by our Japanese meat sommeliers, expertly complemented with Japanese sake or wine.</p> <p>We collaborate with a Singapore Japanese restaurant operator to operate our outlet at Duxton Road since June 2016.</p>

GENERAL INFORMATION ON OUR GROUP

Brands	Country	Description
<p>Sandaime Mikoto</p> 	<p>Singapore</p>	<p><i>“Mikoto”</i> is a Japanese-style izakaya. Offering a daily evolving menu, the restaurant presents an array of exquisite dishes and snacks patronised by both locals and Japanese expatriates.</p> <p>We collaborate with a Singapore Japanese restaurant operator to operate our outlet at Robertson Quay since May 2014.</p>
<p>官兵衛 Kanbe</p> 	<p>Malaysia</p>	<p><i>“官兵衛 Kanbe”</i> is a name chosen to pay tribute to Kanbei Kuroda, a revered and sagacious military leader who garnered deep affection from the residents of Hakata-ku, a ward in Fukuoka Prefecture, Japan.</p> <p>Within this brand, we present three (3) distinct Japanese culinary experiences: ramen, yakiniku and sushi izakaya.</p> <p><i>“Kanbe Ramen”</i>, known as “豚麵処 官兵衛” in Japanese, specialises in Hakata-style ramen and tsukemen. We have partnered with a Malaysia Japanese restaurant operator to manage two (2) ramen restaurant locations in Mont Kiara and The Exchange TRX, Kuala Lumpur, Malaysia.</p> <p><i>“Kanbe Yakiniku”</i>, also referred to as “本家炙屋 官兵衛” in Japanese, offers an array of Australian Wagyu beef and A5 Japanese Wagyu beef. Our extensive menu includes a variety of fresh meats, seafood, and appetisers, complemented by a selection of Japanese alcoholic beverages such as beer, cocktails, sake, and wine. Together with our collaboration partner, a Malaysia Japanese restaurant operator, we operate one yakiniku restaurant outlet in Mont Kiara, Kuala Lumpur, Malaysia.</p> <p><i>“Sushi Kanbe”</i> also known as “Hon-Uogashi Kanbe 本魚河岸官兵衛” in Japanese, is a newly launched Sushi izakaya restaurant situated in Mont Kiara, Kuala Lumpur, commencing operations in June 2024. This restaurant is our third restaurant style we have introduced under the <i>“Kanbe”</i> brand, following the successful of ramen-styled and yakiniku-styled restaurants. Specialising primarily in sushi, the restaurant offers a diverse array of dishes prepared using various culinary techniques, which can be enjoyed by a wide range of customers.</p>

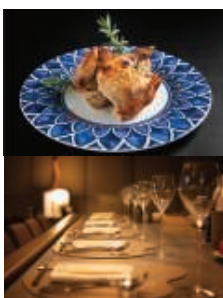

GENERAL INFORMATION ON OUR GROUP

(b) *F&B Consulting and Operation Management Services*





Restaurants Operations Management Services

TMT, a subsidiary of our Group, oversees the provision of Restaurant Operations Management Services. Restaurant owners rely on us to manage the day-to-day operations of their establishments. By leveraging our expertise, clients can concentrate on growth while we ensure outstanding dining experiences. Our responsibilities encompass various aspects such as setup, staffing, menu development, marketing, and financial management. We meticulously oversee procurement, inventory, quality control, and vendor relationships to enhance performance and cost efficiency. Adherence to industry best practices, rigorous training, and performance evaluations guarantee exceptional service and culinary experiences. Through prioritising budgeting, cost analysis, and revenue optimisation, we mitigate risks and seize opportunities for sustainable growth. Grounded in trust and transparency, our partnership aligns objectives for continual improvement and strategic alignment. Our services offer a comprehensive solution to enhance performance, customer satisfaction, and profitability across multiple restaurant locations, empowering clients to thrive in the competitive F&B industry. The revenue model for this particular sub-business segment is either (a) a profit sharing model, where TMT will bear the costs of the ingredients and personnel, or (b) a fixed fee model, where TMT's clients will pay TMT a fixed monthly fee.

The TMT Operated Restaurants overseen by TMT's management include:

Brands	Country	Description
The CARNE Tokyo 	Japan	<p><i>“The CARNE Tokyo”</i> is a restaurant lounge that opened its doors in November 2023 in Minami-Aoyama, Tokyo, boasting 60 seats. It offers a sensory experience centred around Wagyu beef, vegetables directly delivered from the producers, and a diverse selection of wines. The restaurant features meticulously selected Wagyu beef cooked in a special stone oven, alongside dishes highlighting fresh vegetables that are directly delivered from the producers. Guests can also choose from an extensive wine selection to complement their meal. For a front-row view of the chef's skills, we recommend sitting at the counter.</p>
CAVIAR Haruno 	Japan	<p><i>“CAVIAR Haruno”</i> is an exclusive caviar specialty restaurant with 16 seats, inaugurated in August 2023 in Ginza, Tokyo. The establishment offers domestic caviar sourced near the Tenryu River in Shizuoka Prefecture, and Italian cuisine highlighting the white meat of sturgeon accompanied by selected wines. Patrons can indulge in a unique dining experience featuring caviar flavours enhanced with minimal salt and dishes tailored to each guest's individual needs.</p>

GENERAL INFORMATION ON OUR GROUP

Brands	Country	Description
<p>Pasta House NIWA</p> 	Japan	<p><i>“Pasta House NIWA”</i>, a sister restaurant to <i>“TRATTORIA Niwa by FARM AKIRA”</i>, was opened in October 2023 on Miyakojima Island, Okinawa. With seating for 50 guests, the restaurant offers a menu showcasing dishes crafted from local seasonal vegetables and ingredients available from morning to dinner. Emphasising a commitment to supporting local farmers, ingredients are sourced directly from contracted producers. The breakfast buffet provides a taste of Miyako Island’s natural bounty, while the café and à la carte menus offer a variety of options. Our goal is to create an all-day dining experience that captures the essence of Miyako Island.</p>
<p>FARM AKIRA Futtsu Bristol Hill</p> 	Japan	<p>Established in December 2020 at the Bristol Hill Golf Club in Futtsu City, Chiba Prefecture, <i>“FARM AKIRA Futtsu Bristol Hill”</i> boasts 76 seats and presents a fresh concept in golf course dining. Patrons can savour creatively prepared dishes and menus showcasing fresh ingredients in a tranquil setting, embodying the concept of “a restaurant that embraces the breeze”.</p>
<p>Glamprook Futtsu Bristol Hill</p> 	Japan	<p><i>“GLAMPROOK FUTTSU BRISTOL HILL”</i> debuted in June 2023 at the Bristol Hill Golf Club in Futtsu City, Chiba Prefecture. This upscale glamping destination, centred on the theme of coexisting with nature, occupies fairway-front residences within the gated golf community. Its twin-dome suites boast luxurious amenities such as whirlpool tubs, toilets, and private saunas. Guests are treated to all-inclusive services, including a gourmet Italian dinner served at the FARM AKIRA restaurant in the clubhouse.</p>
<p>The OLIVEA</p> 	Japan	<p>Opened in March 2024, <i>“The OLIVEA”</i> is located in Santorini Hotel & Villas Miyakojima on Miyakojima Island, Okinawa, with spectacular views of the “MIYAKOJIMA BLUE” ocean and the Irabu Bridge. With a total of 58 seats, this spacious all-day dining restaurant offers a variety of cuisines throughout the day, from morning to lunch and dinner.</p>

GENERAL INFORMATION ON OUR GROUP

Consulting and Advisory Services

We also provide Consulting and Advisory Services to restaurant operators including our collaboration partners. Leveraging on our knowledge of and experience in the F&B industry, we provide advice to our clients on topics including but not limited to restaurant conceptualisation, set-up, interior design and menu curation. We also share in-depth know-how acquired from the process of running our FRBs with our clients, and are able to offer operational support and other resources such as assisting in identifying suitable business locations, formulating business plans, strategies, forecasting budgets, as well as introducing our network of suppliers and interior designers to them.

Mynavi Restaurant Business Fund

In addition, as part of the expansion plan of this business segment, FIJ and Mynavi Bridge, an unrelated third party, whether directly or indirectly, to our Group or any of our Directors, Executive Officers, Substantial Shareholders and/or their associates, being a company that specialises in financial services focusing on asset-based financing and factoring for businesses and individual entrepreneurs, started the Mynavi Restaurant Business Fund. Mynavi SPC, incorporated in Japan in September 2023, is a special purpose investment vehicle set up by Mynavi Bridge to engage in a financing by way of PPE sale and leaseback business, and in connection therewith, a property subleasing business, and FIJ only provides consulting services to Mynavi SPC. Please refer to the explanation of the mechanics of the Restaurant Business Fund below for more information on the collaboration. For the avoidance of doubt, our Company and our subsidiaries do not have any interest, whether directly or indirectly, in the Mynavi Restaurant Business Fund nor the Mynavi SPC.

The business model of Mynavi SPC, which is predominantly a financing model by way of sale and leaseback business, differs from our Company's RLSB. Firstly, for Mynavi SPC, FIJ sources for existing restaurant operators which may require financing ("**Mynavi Restaurant Operators**") while for our Company's RLSB, FIJ sources for restaurant spaces only. Secondly, FIJ assists Mynavi SPC in arranging for the sale and leaseback of PPE by the Mynavi Restaurant Operators to Mynavi SPC. As a condition to the provision of financing by way of sale and leaseback by Mynavi SPC, such sale and leaseback arrangements will generally include a requirement for Mynavi SPC to be the master tenant for the same duration as the sale and leaseback arrangements (generally five (5) years). In view of this, FIJ will also assist in the negotiation between Mynavi SPC and Mynavi Restaurant Operators (in its capacity as a restaurant tenant) for the entry into the master lease agreement between Mynavi SPC and the landlord as well as the subleasing agreement between the Mynavi Restaurant Operators (in its capacity as a restaurant tenant) and Mynavi SPC for the subleasing arrangement. On the other hand, for our Company's RLSB, FIJ is the master tenant and sublease properties (i.e. restaurant spaces) to restaurant tenants.

To the best of our Company's knowledge and belief, there is no conflict of interest because, firstly, the Mynavi SPC's business is primarily a financing business geared towards providing PPE financing for restaurant operators with existing restaurant operations. Under the Mynavi SPC business model, the relevant Mynavi Restaurant Operators would have been carrying out its restaurant business at the property prior to its entry into the sale and leaseback arrangement, and subsequently, the entry into the sublease arrangement with Mynavi SPC. Secondly, the objective of Mynavi SPC being a master tenant is different from the objective of FIJ being a master tenant in our Group's

GENERAL INFORMATION ON OUR GROUP

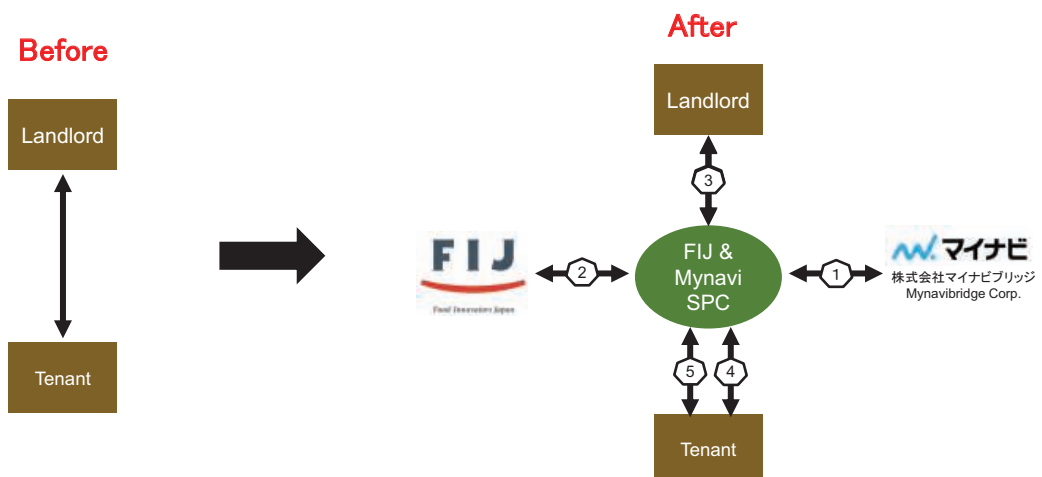
RLSB. The primary purpose of the sublease arrangement is to act as a safeguard to protect the interest and to mitigate risk in respect of the PPE which Mynavi SPC finances and owns under the sale and leaseback arrangement. In the event of default by the Mynavi Restaurant Operators (in its capacity as a restaurant tenant), as Mynavi SPC is the master tenant of the restaurant premises and owner of the PPE, it will be able to find a replacement tenant for the restaurant premises in an efficient manner and without undue complications.

Additionally, given that there would already have been an existing lease agreement between the landlord and the Mynavi Restaurant Operators (“**Current Lease Agreement**”), Mynavi SPC will enter into the master lease agreement with the landlord and the sublease agreement with the Mynavi Restaurant Operators (in its capacity as a restaurant tenant) on the same terms. The nature of the master lease agreement (i.e. fixed-term building lease and ordinary building lease) will follow the nature of the Current Lease Agreement. Accordingly, Mynavi SPC does not earn a margin from being a master tenant under the Mynavi Restaurant Business Fund as this is not the purpose or objective of such arrangement.

This is in contrast with FIJ’s RLSB business model where FIJ earns a margin between the rental paid to the landlord and the rental received from the restaurant tenant, and the earning of such margin constitutes a primary feature and objective of FIJ’s RLSB model.

The Mynavi Restaurant Business Fund and FIJ’s RLSB are differentiated due to the different business objectives, nature and requirements of the relevant counterparties. Accordingly, there is no conflict of interest between Mynavi SPC’s role as master tenant and our Group’s RLSB under FIJ.

The mechanics of the Restaurant Business Fund is shown below:



GENERAL INFORMATION ON OUR GROUP

(1) Injection of capital into Mynavi SPC

Mynavi Bridge will engage in a spectrum of activities, including investment and loan arrangements in respect of Mynavi SPC. This involves navigating loan agreements and establishing contracts that outline profit-sharing arrangements, ensuring financial transactions are conducted with transparency and efficiency.

(2) Consulting Services by FIJ to Mynavi SPC

FIJ provides consulting services to Mynavi SPC such as sourcing for Mynavi Restaurant Operators and to recommend such Mynavi Restaurant Operators to Mynavi SPC for the sale and leaseback of their PPE. A condition of the sale and leaseback would be for Mynavi Restaurant Operators to agree to enter into a subleasing arrangement with Mynavi SPC whereby Mynavi SPC will take over the existing lease with the landlord and sublet the property to the Mynavi Restaurant Operators. FIJ's consulting services would include handling the entire contracting procedure from negotiating terms of the master lease agreements and sublease agreement, on behalf of the Mynavi SPC, overseeing the key handovers, providing post-contract management services such as handling rent collection and disbursement, addressing maintenance requests and mediating any conflicts that may arise.

As at the Latest Practicable Date, we have secured seven (7) leaseback agreements with Mynavi SPC and FIJ receives monthly fees for provision of its consulting services at similar rates to comparable consulting services provided by our Group. Additionally, FIJ also provides Advisory and Consulting Services to the Mynavi Restaurant Operators.

(3) Master Lease Agreements between Mynavi SPC and Landlords

In conjunction with the back-to-back Sublease Agreements between Mynavi SPC and Mynavi Restaurant Operators, Mynavi SPC typically enters into either of two (2) types of master lease agreements with the landlords: (a) fixed-term building leases; and (b) ordinary building leases. The fixed-term building leases typically carry lease terms of five (5) to ten (10) years without an option to renew. Please refer to the sub-sections entitled "General Information on Our Group – Business Overview – RLSB – RLSB Process – 3. Negotiation and Matching" and "Licences, Permits, Approvals, Accreditations and Government Regulations – Material Laws and Regulations – Japan" of this Offer Document for more details on fixed-term building leases and ordinary building leases.

(4) Sale and Leaseback Arrangement of restaurant equipment and fixtures

Mynavi SPC acquires fixed assets from the Mynavi Restaurant Operators and leases them back to the Mynavi Restaurant Operators. This strategic transaction allows Mynavi Restaurant Operators to unlock capital tied up in their restaurant assets, and provides them with immediate cash flow for operation requirements or debt reduction. FIJ is not involved in the final decision-making in the sale and leaseback arrangement of the restaurant equipment and fixtures.

GENERAL INFORMATION ON OUR GROUP

(5) Sublease Agreements between Mynavi SPC and Mynavi Restaurant Operators

As it is a condition to the provision of financing by Mynavi SPC that the Mynavi Restaurant Operators (in its capacity as a restaurant tenant) enter into sublease agreements with Mynavi SPC, FIJ will facilitate the contracting procedure such as signing of a back-to-back sublease agreement between Mynavi SPC and the Mynavi Restaurant Operators (in its capacity as a restaurant tenant), collecting security deposits, fitting out the property and arranging the handover of keys. The Sublease Agreements negotiated with Mynavi Restaurant Operators (in its capacity as a restaurant tenant) encompass both fixed-term and ordinary building lease arrangements depending on the nature of the master lease agreements entered into by Mynavi SPC and the respective landlords.

MARKETING AND BUSINESS DEVELOPMENT

Our sales team is headed by our Executive Officers, Isomoto Atsushi and Miyake Daisuke, and comprises 18 sales staff who are responsible for our overall marketing and business development activities of our Group.

(a) RLSB

Expanding our network of potential customers and database of properties

We have been diligently building and expanding a robust database of potential clients and strategic business partners, demonstrating consistent growth. Our expansive network spans individuals who are keen on launching new restaurants, existing restaurant operators with expansion or relocation plans, as well as reputable real estate companies and agents. The foundation of our extensive contacts was laid through the personal networks of our management team, further fortified by the proactive sales initiatives of our dedicated sales team. This outreach includes targeted communication via email or phone with potential clients, establishing meaningful connections through reputable real estate agents and brokers, and benefitting from referrals from our business partners and satisfied clientele. As our Company expands and our reputation in the market strengthens, we are increasingly fielding direct inquiries from prospective customers, reflecting the growing recognition of our brand and services.

In August 2022, we released a new website, “店舗売却.com” (<https://tenpobaikyaku.net/>), facilitating the reception of inquiries from restaurant operators who are seeking to divest their establishments, increasing the number of store sales, and collecting valuable tenant data. This initiative not only broadens our database of potential tenants, landlords, and sellers of existing stores but also significantly improves our capacity to engage with stakeholders across these categories.

Identifying strategic locations

We prioritise the optimisation of our leasing and subleasing database to support tenants in securing leases in high-footfall locations with significant potential for restaurant operators. Establishing transparent communication channels with our partnering landlords, we frequently conduct on-site visits to comprehend the nuances of each unit's space and layout, enabling us to strategically maximise its utilisation. Leveraging our proficiency in restaurant management, we adeptly identify suitable operators for each location based on their specific requirements and proposed business model. This strategic approach enhances our ability to match tenants with ideal locations.

GENERAL INFORMATION ON OUR GROUP

(b) FRB

Advertising and promotion of our restaurant brands

In respect of our FRB, our marketing strategy revolves around elevating awareness for the diverse brands under our purview through various channels, including social media channels. Each of our restaurant managers exercises discretion in determining the advertising strategy tailored to the restaurant's offerings and target customer profile.

We place a significant emphasis on digital marketing, securing advertising space on prominent websites and applications such as leading booking and online restaurant review platforms. This strategic placement enhances brand visibility among a broader audience of potential customers. Additionally, we advertise on major social media platforms like Instagram and Facebook, focusing on promoting new restaurant openings, menu launches, and overall brand awareness during peak festive seasons. We also employ search engine and map engine optimisation features through Google Ads to improve the online visibility of our restaurants, and to ultimately increase the number of visits to our restaurants. We have also previously established a pop-up café at Shibuya Scramble Square called "*Moomin Café Shibuya*" to raise awareness of our "*Moomin Café*" in Karuizawa.

In respect of our restaurant operations in Japan, we periodically engage consulting firms to provide web promotion and optimisation services, ensuring our establishments feature prominently on renowned restaurant information websites such as *Tabelog*, *Gurunavi*, and *Hot Pepper Gourmet*. These efforts enhance our restaurants' visibility and ranking in online searches. We also integrate each brand's social media accounts into our marketing strategy to maintain a robust presence on social networking sites. Special promotions, such as discounts and one-for-one offers on menu items, as well as seasonal menus during holidays, further contribute to customer engagement.

To enhance the visibility and popularity of our newly developed brands, we strategically collaborate with restaurant booking websites like *Hot Pepper Gourmet*, offering exclusive coupons such as one-for-one promotions and free giveaways to customers who make reservations through *Hot Pepper Gourmet*. These marketing initiatives underscore our commitment to establishing and maintaining a strong social media presence, building brand identity, authority, and trust with our valued consumers.

Creating an identity

To create an authentic Japanese experience in our restaurants, we focus on procuring established Japanese brands to feature in our portfolio, and sourcing the highest quality of ingredients for our restaurants. For operation in Japan, we cooperate with various local farmers and suppliers in Japan to procure consistent and reliable supplies of such ingredients. For example, for our "*TRATTORIA Niwa by FARM AKIRA*" restaurant, we source fresh and high-quality vegetables from a network of local suppliers such as farms and fisheries in Japan to obtain vegetables of different textures and types to increase our offerings to our diners. Outside of Japan, fresh and safe food ingredients are purchased from suppliers who import Japanese products. Our restaurants in Singapore are managed by Japanese managers and we hire Japanese chef for some of our restaurants in Singapore. This is to ensure consistency in the quality of our food and services.

GENERAL INFORMATION ON OUR GROUP

We also place an emphasis on educating our staff on the Japanese culture and key elements of the dining experience, such that we are able to re-create the authentic Japanese dining experience in our restaurants overseas. Please refer to the sub-section entitled “General Information on Our Group – Staff Training” of this Offer Document for more information.

MAJOR CUSTOMERS

Our Directors are of the view that our RLSB, FRB and overall profitability are not materially dependent on any individual customer.

RLSB

The customers of our RLSB are restaurant operators sourcing for new restaurant premises. As these customers are diverse, there is no single subleasing customer that accounted for five percent (5.0%) or more of our total revenue in each of the financial years during the Period Under Review.

FRB

Customers of our FRB are mainly walk-in customers and regular patrons, and annual per capita expenditures is less than one percent (1.0%) of restaurant sales. As these customers are diverse, none of our retail customers accounted for five percent (5.0%) or more of our total revenue in each of the financial years during the Period Under Review.

MAJOR SUPPLIERS

Our Directors are of the view that our businesses and profitability are currently not materially dependent on any particular contract with any supplier. None of our suppliers accounted for five percent (5.0%) or more of our total purchases in each of the financial years during the Period Under Review.

RLSB

The main suppliers to our RLSB are landlords, such as companies which carry out primary leasing businesses. As our suppliers are diverse, none of our suppliers accounted for five percent (5.0%) or more of our total revenue in each of the financial years during the Period Under Review.

FRB

For our FRB, our suppliers primarily comprise: (a) suppliers of food ingredients required for the operations of our restaurants; (b) suppliers of other non-food items such as packaging, cutlery and disposables; and (c) suppliers of services ancillary to our operations, such as providers of IT services, restaurant equipment suppliers and marketing agents.

Our suppliers and/or sub-contractors are generally selected based on a set of criteria, which includes, but is not limited to, the quality of their products and services, prices and track records. We generally do not enter into long-term or exclusive contracts with our suppliers as we seek a high degree of flexibility in terms of pricing, quality of ingredients, and service.

To the best of our Directors' knowledge, we are not aware of any information or arrangement, which would lead to a cessation or termination of our current relationship with any of our suppliers to our RLSB and FRB.

GENERAL INFORMATION ON OUR GROUP

CREDIT MANAGEMENT

Credit terms given to our customers

Our average trade receivables turnover days for the Period Under Review were as follows:

	FY2022	FY2023	FY2024
Average trade receivables turnover days ⁽¹⁾	18.0	14.2	15.4

Note:

(1) Average trade receivables turnover days = (average accounts receivable – advance receive)/(total revenue of the year/days of the financial year)

As at the Latest Practicable Date, the subsequent collection of trade receivables was 51.8% of total outstanding trade receivables as at 29 February 2024. The ageing schedule for our trade receivables as at the Latest Practicable Date was as follows:

Age of trade receivables	Amount of total trade receivables (S\$'000)
Current	4,221
Past due 1 to 30 days	79
Past due 31 to 60 days	–
Past due 61 to 90 days	–
Past due for more than 90 days	1,222
Total	5,522

The S\$1.2 million trade receivables that were past due more than 90 days as at the Latest Practicable Date arose from certain restaurant tenants prior to the COVID-19 pandemic and before the implementation of the mandatory inclusion of guarantee companies in our contracts.

As part of the debt recovery process for amounts that were past due for more than 90 days, our Company had offset the amount due with the security deposit received from the restaurant tenants. The net receivable amount is due to our Company having granted its restaurant tenants temporary reprieve during the COVID-19 pandemic on an exceptional basis. These restaurant tenants with past due debts would then enter into an instalment plan with our Company to repay the net amounts due.

As a result, our Group had made an expected credit loss allowance amounting to S\$0.3 million which is assessed to be sufficient, given that (i) such debtors have entered into an instalment plan with our Company and have made monthly repayments promptly in accordance with the instalment plan, and (ii) provision for the expected credit loss allowance of S\$0.3 million was made considering the average historical default rate in accordance with SFRS(I) 9.

GENERAL INFORMATION ON OUR GROUP

(a) RLSB

The transactions for our RLSB are generally conducted on a cash basis (via bank transfers or direct debit).

In relation to payment of rent, we do not grant any credit terms to our tenants. Rent and utilities expenses are payable by our tenants to us in advance by the 20th to 25th of each preceding month, i.e. rent for the month of May will be payable by 20th to 25th April.

However, if rent is calculated as a percentage of sales commission, we grant a credit term of approximately 15-25 days in respect of payment of rent.

(b) FRB

Our retail sales are mostly transacted on a cash basis (including credit card and electronic payments) with full payment collected on completion of the sale of food items to our customers. However, a portion of our revenue from the FRB is on credit terms as credit terms are granted to certain groups of customers, namely credit card companies and franchisees. In relation to card and electronic payments, we typically receive payments from banks and/or credit card issuers within an average of 16 days to 17 days of the date of the transaction.

Occasionally and on an ad-hoc basis, we may grant credit terms of 30 to 60 days to certain regular customers and customers who hold events in our restaurants.

Our Company does not foresee difficulties in collecting the outstanding trade receivables as at the Latest Practicable Date. Further, our Company's Auditors and Reporting Accountants concurred with our Company's view considering SFRS(I) 9 that the relevant expected credit losses had been taken into account. Our Group does not continue to transact with customers who were in default of their payment obligations.

Credit terms from our suppliers

(a) RLSB

Generally, we are required to pay rent to suppliers in advance and no credit terms are granted to us. Our Group typically pays rent by the 25th to the last day of each preceding month, i.e. rent for the month of May will be payable by 25th to 30th April.

Based on the foregoing, we did not have outstanding trade payables in respect of RLSB as at 28 February 2022, 28 February 2023 and 29 February 2024.

(b) FRB

In general, purchases of food ingredients from our major suppliers are based on credit terms. The credit terms granted to us vary from supplier to supplier and are largely determined by our relationship with these suppliers. Typically, we enjoy credit terms of 15 days to 60 days for our purchases.

GENERAL INFORMATION ON OUR GROUP

Our average trade payables turnover days in respect of our FRB for the Period Under Review were as follows:

	FY2022	FY2023	FY2024
Average trade payables turnover days ⁽¹⁾	12.2	13.9	12.7

Note:

(1) Average trade payables turnover days = (average accounts payable/COGS) x days of the financial year

INVENTORY MANAGEMENT FOR FRB

Our purchases comprise mainly food ingredients such as fresh and frozen meat, seafood and vegetables, and goods such as bottled beverages, condiments, utensils, packing materials and paper napkins. As most of the food ingredients and goods we require for our restaurant operations are readily available for purchase at any time, we do not maintain a significant level of inventory. As such, our inventory comprises mainly wines which may not be readily available on the market and other products such as rice, flour, condiments and dried foods which have longer shelf lives.

To ensure the freshness and quality of our food products, we generally do not maintain inventories for ingredients which are perishable in nature. The respective restaurant managers at our outlets typically place orders for such perishable fresh foods depending on the restaurant's needs on a daily basis, and take daily deliveries of these materials from our suppliers. As for other products which have longer shelf lives, we usually maintain a supply level of around 10 days based on our estimated requirements and replenish as and when required. Restaurant managers at each of our restaurant outlets are responsible for maintaining adequate supplies of our food ingredients and goods for our restaurant operations.

Most of the main ingredients necessary for our bakery operations in Malaysia such as flour are centrally purchased and stored at our central kitchen facility while goods such as bottled beverages and condiments are stored at each bakery for daily operation. We conduct stock-takes on a monthly basis in respect of the inventories held at our central kitchen facility and bakeries.

Our average inventory turnover for the Period Under Review were as follows:

	FY2022	FY2023	FY2024
Average inventory turnover days ⁽¹⁾	36.2	24.7	20.3

Note:

(1) Average inventory turnover days = (average inventory balance/cost of inventories consumed) x days of the financial year

The higher average inventory turnover days in FY2022 was due to the COVID-19 restrictions imposed by the Japanese government which shortened the opening hours of restaurants in Japan resulting in fewer customers. Accordingly, the easing of COVID-19 restrictions in FY2023 contributed to more customers resulting in lower average inventory turnover days for FY2023 and FY2024. The lower average inventory turnover days in FY2023 and FY2024 as compared to FY2022 was also aided by our Group's inventory was centrally managed as compared to FY2022 which was separately managed by individual restaurants which resulted in a more efficient management of inventory for FY2023 and FY2024.

GENERAL INFORMATION ON OUR GROUP

RESEARCH AND DEVELOPMENT

We do not undertake research and development activities as the nature of our business does not require any research and development.

ORDER BOOK

Due to the nature of our business operations, we do not maintain an order book. Restaurant reservations are typically made on short notice, which customers may also postpone and cancel, and the restaurants will also have walk-in customers.

LICENCES, PERMITS, APPROVALS, ACCREDITATIONS AND GOVERNMENT REGULATIONS

We are subject to the relevant laws and regulations of the countries where our business operations are located and may be affected by policies which may be introduced by the relevant governments from time to time. We have identified the main laws and regulations (apart from those pertaining to general business requirements) that materially affect our operations, the relevant regulatory bodies and the licences, permits and approvals typically required for the conduct of our business.

Our Group has obtained all the relevant licences and permits for our existing operations in the jurisdictions our Group operates in and is in compliance with all the laws and regulations that would materially affect our business operations.

We will put in place the following measures prior to the Listing to prevent any non-compliance incidents: (a) our finance team will keep a register of licences and licensing renewal deadlines in all jurisdictions and will notify the respective entities within our Group when such deadlines are near; (b) our CFO will follow up closely to ensure approvals or renewals are obtained before the licences expire; and (c) any lapses will be highlighted to our Board and Audit Committee.

Material Licences, Permits, Approvals and Accreditations

Singapore

The material licences, permits, registrations and approvals required for our business and operations in Singapore include, *inter alia*, (a) Food Shop Licences issued by the Singapore Food Agency in respect of each of our restaurants; (b) Liquor Licences issued by the Singapore Police Force in respect of our restaurants which offer alcoholic beverages; (c) Electric Installation and Use Licences issued by the Energy Market Authority in respect of each of our restaurants; (d) Change of Use Permits issued by the Urban Redevelopment Authority in respect of certain restaurants operating in residential areas or other areas not designated for commercial use; and (e) Registration to Import Processed Food Products and Food Appliances issued by the Agri-Food and Veterinary Authority of Singapore.

GENERAL INFORMATION ON OUR GROUP

At the Latest Practicable Date, we have obtained the following material licences:

Licensee/Authority	Type of Licence	Expiry Date
FIS/Agri-Food and Veterinary Authority of Singapore	Licence to import Processed Food Products and Food Appliances	31 January 2025
K2 Operations Singapore Pte. Ltd. ⁽¹⁾ /Singapore Food Agency	Licence to operate a foodshop (restaurant) under FIS at 61 Circular Road #01-01 Singapore 049415	23 August 2025
K2 Operations Singapore Pte. Ltd. ⁽¹⁾ /Singapore Police Force	Class 1A liquor licence for the supply of liquor for consumption at the licensed premises, 61 Circular Road #01-01 Singapore 049415	23 August 2025
FIS/Singapore Food Agency	Licence to operate a foodshop (restaurant) under the business Niku Katsumata at 47 Duxton Road, Singapore 089511	6 September 2025
FIS/Singapore Police Force	Class 1A liquor licence for the supply of liquor for consumption at the licensed premises, Apt Blk 47 Duxton Road Singapore 089511	14 August 2025
Aketa Yasufumi ⁽²⁾ /Urban Redevelopment Authority	Grant of written permission (temporary) for the continued use of the 1st storey unit of the 3-storey building TS05 on Lot 00386X 47 Duxton Road as a restaurant (Chinatown (Tanjong Pagar) Conservation Area)	27 September 2026
Lizhi Pte. Ltd. ⁽¹⁾ /Singapore Food Agency	Licence to operate a foodshop (small restaurant) under the business The Ushi Club at 64 Circular Road #01-01 Singapore 049418	28 January 2025
Lizhi Pte. Ltd. ⁽¹⁾ /Singapore Police Force	Class 1A liquor licence for the supply of liquor for consumption at the licensed premises, Apt Blk 64 Circular Road Floor No 01-Unit No 01 Singapore 049418	24 January 2025
FIS/Energy Market Authority	Licence to use or operate electrical installation at 64 Circular Road #01-01 Singapore 049418	13 November 2024
FIS/Singapore Food Agency	Licence to operate a foodshop (restaurant) under the business Yatagarasu Hanare at 66 Circular Road Singapore 049420	19 March 2025
FIS/Singapore Police Force	Class 1A liquor licence for the supply of liquor for consumption at the licensed premises, 66 Circular Road Singapore 049420	2 July 2025
FIS/Energy Market Authority	Licence to use or operate an electrical installation at 66 Circular Road, #01-01 Singapore 049420	29 January 2025
Aketa Yasufumi ⁽²⁾ /Urban Redevelopment Authority	Grant of written permission (temporary) for the continued use of the 1st storey unit TS04 on Lot 00487A, 66 Circular Road (Singapore River Planning Area)	6 June 2026

GENERAL INFORMATION ON OUR GROUP

Licensee/Authority	Type of Licence	Expiry Date
FIS/Singapore Food Agency	Licence to operate a foodshop (restaurant) under the business <i>Sandaime Mikoto</i> at 60 Robertson Quay #01-12 The Quayside Singapore 238252	6 December 2024
FIS/Singapore Police Force	Class 1A liquor licence for the supply of liquor for consumption at the licensed premises, Apt Blk 60 Robertson Quay Floor No 1 Unit 12 The Quayside Singapore 238252	6 December 2024
FIS/Singapore Police Force	Class 1A liquor licence Base Licence and Extension Hours Licence	6 December 2024
FIS/Energy Market Authority	Licence to use or operate an electrical installation at 60 Robertson Quay #01-12 The Quayside Singapore 238252	25 April 2025
FIS/Singapore Food Agency	Licence to operate a foodshop (restaurant) under the business <i>Yatagarasu</i> at 72 Circular Road #01-01 Singapore 049426	30 May 2025
FIS/Singapore Police Force	Class 1A liquor licence for the supply of liquor for consumption at the licensed premises, Apt Blk 72 Circular Road Floor 1 Unit 1 Singapore 049426	31 May 2025
Aketa Yasufumi ⁽²⁾ / Urban Redevelopment Authority	Grant of written permission (temporary) for the continued use of the 1st storey unit of TS04 on Lot 00484V 72 Circular Road as a restaurant (Singapore River Planning Area)	17 April 2025
Teppei Pte. Ltd. ⁽¹⁾ / Singapore Food Agency	Licence to operate a foodshop (restaurant) under the business <i>Teppei Manman</i> at 7 Fraser Street #01-48, Singapore 189356	9 October 2024
Teppei Pte. Ltd. ⁽¹⁾ / Singapore Police Force	Class 1A liquor licence for the supply of liquor for consumption at the licensed premises, Apt Blk 7 Fraser Street Floor No 01-Unit No 48 Duo Galleria, Singapore 189356	16 October 2024
K2 Operations Singapore Pte. Ltd. ⁽¹⁾ /Singapore Food Agency	Licence to operate a foodshop (restaurant) under the business <i>Unagi Manman</i> at 6 Eu Tong Sen Street #B1-52, The Central, Singapore 059817	10 February 2025
K2 Operations Singapore Pte. Ltd. ⁽¹⁾ /Singapore Police Force	Class 1A liquor licence for the supply of liquor for consumption at the licensed premises, 6 Eu Tong Sen Street #B1-52 and #B1-53, The Central, Singapore 059817	31 January 2025
K2 Operations Singapore Pte. Ltd. ⁽¹⁾ / Singapore Food Agency	Licence to operate a foodshop (restaurant) under the business <i>Kohaku</i> at 6 Eu Tong Sen Street #B1-53, The Central, Singapore 059817	14 February 2025
K2 Operations Singapore Pte. Ltd. ⁽¹⁾ /Singapore Police Force	Class 1A liquor licence for the supply of liquor for consumption at the licensed premises, 6 Eu Tong Sen Street #B1-52 and #B1-53, The Central, Singapore 059817	31 January 2025

GENERAL INFORMATION ON OUR GROUP

Licensee/Authority	Type of Licence	Expiry Date
Lizhi Pte. Ltd. ⁽¹⁾ / Singapore Food Agency	Licence to operate a foodshop (restaurant) under the business <i>The Hitsuji Club</i> at 65 Circular Road #01-01 Singapore 049419	17 January 2025
Lizhi Pte. Ltd. ⁽¹⁾ / Singapore Police Force	Class 1A liquor licence for the supply of liquor for consumption at the licensed premises, 65 Circular Road (1st Storey) Singapore 049419	26 January 2025
FIS/Energy Market Authority	Licence to use or operate an electrical installation at 65 Circular Road, #01-01. Singapore 049419	13 November 2024

As at the Latest Practicable Date, none of the aforesaid licences obtained by our Group have been suspended or revoked and to the best of our Directors' knowledge and belief, there are at present no facts or circumstances which would cause such licences to be suspended or revoked or for any applications for, or for the renewal of, any of these licences to be rejected by the relevant authorities. In respect of the abovementioned licences, permits or approvals that will be expiring within the next 12 months, our Group does not foresee any difficulties in renewing the abovementioned licences, permits or approvals when they expire.

Notes:

- (1) K2 Operations Singapore Pte. Ltd. ("**K2**"), Lizhi Pte. Ltd. ("**Lizhi**") and Teppei Pte. Ltd. ("**Teppei**") are unrelated third party business partners and are not owned and/or controlled by our Group. In the event that any of K2, Lizhi or Teppei is unable to renew the foodshop and/or liquor licences, there may be a material impact to our Group's financials and/or operations. However, to the best of the knowledge of our Company, there have been no instances of late renewal or non-renewal of licences by K2, Lizhi and Teppei as at the Latest Practicable Date. Our Group has put in place a monitoring system to track the expiry of such licences and will notify K2, Lizhi and Teppei to renew the licences if such renewal does not take place within two (2) months prior to expiry.
- (2) Aketa Yasufumi is the senior manager of FIS and has been authorised by FIS to be the applicant of several grants from the URA for the continued use of certain properties in Singapore.
- (3) For the restaurant licences held under K2, Lizhi and Teppei, these restaurants are owned by FIS but the operations are outsourced to K2, Lizhi and Teppei pursuant to the outsourcing agreements entered into by FIS. As part of the services provided by K2, Lizhi and Teppei, they are responsible for applying for the restaurant licences.

Japan

The material licences, permits, registrations and approvals required for our business and operations in Japan include, *inter alia*, (a) business approvals issued by the Director of the respective district health centre under the Food Sanitation Act for each restaurant operated; and (b) Real Estate Brokerage Licence issued by the Governor of Tokyo in respect of our Company's operation of the property subleasing business.

At the Latest Practicable Date, we have obtained the following material licences:

Licencee/Authority	Type of Licence	Expiry Date
FIJ/Director of the Minato-ku Health Center	Business approval under the Food Sanitation Act for <i>Kyoto Unagi Maehara</i>	31 March 2027
FIJ/Director of the Chiyoda-ku Health Center	Business approval under the Food Sanitation Act for <i>Yakiniku Yazawa</i>	31 October 2028

GENERAL INFORMATION ON OUR GROUP

Licencee/Authority	Type of Licence	Expiry Date
FIJ/Public Safety Commission of Tokyo	Permission for Second hand dealer	N/A
FIJ/Governor of Tokyo	Real Estate Brokerage Licence	5 August 2026
TMT/Director of the Health Center in Sayama, Saitama	Business approval under the Food Sanitation Act for “LAGOM”	31 October 2029
TMT/Director of the Health Center in Sayama, Saitama	Business approval under the Food Sanitation Act for “Nordics”	31 October 2029
TMT/Director of the Health Center in Saku, Nagano	Business approval under the Food Sanitation Act for “Moomin café Karuizawa”	31 July 2030
TMT/Director of the Minato-ku Health Center	Business approval under the Food Sanitation Act for “TRATTORIA Niwa by FARM AKIRA”	30 November 2027

As at the Latest Practicable Date, none of the aforesaid licences obtained by our Group have been suspended or revoked and to the best of our Directors’ knowledge and belief, there are at present no facts or circumstances which would cause such licences to be suspended or revoked or for any applications for, or for the renewal of, any of these licences to be rejected by the relevant authorities. In respect of the abovementioned licences, permits or approvals that will be expiring within the next 12 months, our Group does not foresee any difficulties in renewing the abovementioned licences, permits or approvals when they expire.

Malaysia

The material licences, permits, registrations and approvals required for our business and operations in Malaysia include, *inter alia*, (i) registration of employers in the service sector with the Pembangunan Sumber Manusia Berhad (Human Resources Development Fund); (ii) wholesale, retail and trade approval from the Ministry of Domestic Trade, Co-operatives and Consumerism; (iii) business/advertisement licence issued by the local councils; and (iv) registration of food premises with the Ministry of Health Malaysia.

At the Latest Practicable Date, we have obtained the following material licences:

Licencee/Authority	Type of Licence	Expiry Date
FIM/DBKL	Licence to carry on business as bakery cafe and to place the signboard for advertisement at Unit G-20, 1 Mont-Kiara, 1 Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur (<i>Bakery Café Hachi</i>)	25 January 2025
FIM/DBKL	Licence to carry on business as bakery at Unit C-OG-01C, No.2 Plaza Mont-Kiara, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur (central kitchen)	25 January 2025
FIM/DBKL	Licence to carry on business as restaurant and to place the signboard for advertisement at Unit GF-08, Ground Floor, 163 Retail, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur (<i>MK Kanbe Ramen</i>)	14 May 2025

GENERAL INFORMATION ON OUR GROUP

Licencee/Authority	Type of Licence	Expiry Date
FIM/DBKL	Licence to carry on business as restaurant and to place the signboard for advertisement at Lot 1E, Ground Floor, New Wing @ Mont Kiara Shoplex, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur (<i>Kanbe Yakiniku</i>)	12 April 2025
FIM/DBKL	Licence to carry on business as restaurant and to place the signboard for advertisement at Lot G-81, Ground Floor, No.2 Mitsui Lalaport, Jalan Hang Tuah, Bukit Bintang, 55100 Kuala Lumpur (<i>Osaka Kitchen</i>)	28 January 2025
FIM/DBKL	Licence to carry on business as restaurant and to place the signboard for advertisement at Unit No. PL.08.0 Park Level, Plaza The Exchange TRX, Persiaran TRX, Tun Razak Exchange 55188 Kuala Lumpur (<i>TRX Kanbe Ramen</i>)	29 November 2024
FIM/DBKL	Licence to carry on business as restaurant and to place the signboard for advertisement at Lot 1A, Lower Ground Floor, New Wing @ Mont Kiara Shoplex, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur (<i>Sushi Izakaya</i>)	28 May 2025
Daisuke Yamaguchi ⁽¹⁾ /DBKL	Licence to sell liquor at Lot 1E, Ground Floor, New Wing @ Mont-Kiara Shoplex, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur (<i>Kanbe Yakiniku</i>)	30 November 2024
Daisuke Yamaguchi ⁽¹⁾ /DBKL	Licence to sell liquor at Lot G-81, Ground Floor, No.2 Mitsui Lalaport, Jalan Hang Tuah, Bukit Bintang, 55100 Kuala Lumpur (<i>Osaka Kitchen</i>)	31 December 2024
Daisuke Yamaguchi ⁽¹⁾ /DBKL	Licence to sell liquor at Unit No. PL.08.0 Park Level, Plaza The Exchange TRX, Persiaran TRX, Tun Razak Exchange 55188 Kuala Lumpur (<i>TRX Kanbe Ramen</i>)	31 March 2025
Daisuke Yamaguchi ⁽¹⁾ /DBKL	Licence to sell liquor at Lot 1A, Lower Ground Floor, New Wing @ Mont Kiara Shoplex, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur (<i>Sushi Izakaya</i>)	In the process of obtaining the licence pursuant to the application made on 6 May 2024
FIM/MDTCL	Approval to carry out distributive trade service (which includes food catering and restaurant services outside hotel premises).	28 January 2025
FIM/PPM	Licence by PPM to use copyright music for commercial purpose in the outlets at Unit G-20, 1 Mont-Kiara, 1 Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur (<i>Bakery Café Hachi</i>)	22 July 2025
FIM/PPM	Licence by PPM to use copyright music for commercial purpose in the outlets at Unit GF-08, Ground Floor, 163 Retail, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur (<i>MK Kanbe Ramen</i>)	28 June 2025

GENERAL INFORMATION ON OUR GROUP

Licencee/Authority	Type of Licence	Expiry Date
FIM/PPM	Licence by PPM to use copyright music for commercial purpose in the outlets at Lot 1E, Ground Floor, New Wing @ Mont Kiara Shoplex, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur (<i>Kanbe Yakiniku</i>)	19 September 2024 ⁽¹⁾
FIM/PPM	Licence by PPM to use copyright music for commercial purpose in the outlets at Lot G-81, Ground Floor, No.2 Mitsui Lalaport, Jalan Hang Tuah, Bukit Bintang, 55100 Kuala Lumpur (<i>Osaka Kitchen</i>)	10 May 2025
FIM/PPM	Licence by PPM to use copyright music for commercial purpose in the outlets at Unit No. PL.08.0 Park Level, Plaza The Exchange TRX, Persiaran TRX, Tun Razak Exchange 55188 Kuala Lumpur (<i>TRX Kanbe Ramen</i>)	2 January 2025
FIM/MOH	Registration of food premises pursuant to Food Hygiene Regulations 2009 in respect of the outlets at Unit G-20, 1 Mont-Kiara, 1 Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur (<i>Bakery Café Hachi</i>)	31 May 2026
FIM/MOH	Registration of food premises pursuant to Food Hygiene Regulations 2009 in respect of the outlets at Unit C-OG-01C, No.2 Plaza Mont-Kiara, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur (central kitchen)	17 November 2024
FIM/MOH	Registration of food premises pursuant to Food Hygiene Regulations 2009 in respect of the outlets at Unit GF-08, Ground Floor, 163 Retail, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur (<i>MK Kanbe Ramen</i>)	1 May 2027
FIM/MOH	Registration of food premises pursuant to Food Hygiene Regulations 2009 in respect of the outlets at Lot 1E, Ground Floor, New Wing @ Mont Kiara Shoplex, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur (<i>Kanbe Yakiniku</i>)	14 April 2025
FIM/MOH	Registration of food premises pursuant to Food Hygiene Regulations 2009 in respect of the outlets at Lot G-81, Ground Floor, No.2 Mitsui Lalaport, Jalan Hang Tuah, Bukit Bintang, 55100 Kuala Lumpur (<i>Osaka Kitchen</i>)	25 January 2026
FIM/MOH	Registration of food premises pursuant to Food Hygiene Regulations 2009 in respect of the outlets at Unit No. PL.08.0 Park Level, Plaza The Exchange TRX, Persiaran TRX, Tun Razak Exchange 55188 Kuala Lumpur (<i>TRX Kanbe Ramen</i>)	29 November 2026
FIM/MOH	Registration of food premises pursuant to Food Hygiene Regulations 2009 in respect of the outlets at Lot 1A, Lower Ground Floor, New Wing @ Mont Kiara Shoplex, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur (<i>Sushi Izakaya</i>)	24 June 2027

Note:

(1) This licence has been renewed till 19 September 2025.

GENERAL INFORMATION ON OUR GROUP

As at the Latest Practicable Date, none of the aforesaid licences obtained by our Group have been suspended or revoked and to the best of our Directors' knowledge and belief, there are at present no facts or circumstances which would cause such licences to be suspended or revoked or for any applications for, or for the renewal of, any of these licences to be rejected by the relevant authorities. In respect of the abovementioned licences, permits or approvals that will be expiring within the next 12 months, our Group does not foresee any difficulties in renewing the abovementioned licences, permits or approvals when they expire.

Note:

(1) As the director of FIM, FIM has authorised Yamaguichi Daisuke to be the applicant of the liquor licences in Malaysia.

Material Laws and Regulations

The following description is a summary of material laws and regulations applicable to our Group. The regulations and policies set out below are not exhaustive and are only intended to provide general information to investors and are neither designed nor intended to be a substitute for professional advice. Prospective investors should consult their own advisers regarding the implication of the laws and regulations on our Group.

Singapore

The following is a summary of the main laws and regulations of Singapore that are material to our business operations as at the Latest Practicable Date.

(a) The Environmental Public Health Act

The Environmental Public Health Act (“**EPHA**”) requires any person who operates or uses a food establishment to obtain a licence from the Director-General, Food Administration in order to operate this establishment.

Under the first schedule of the EPHA, “food establishment” includes any retail food establishments where food is sold wholly by retail, such as restaurants and any catering establishments providing a catering service whereby food is prepared, packed and thereafter delivered to a consumer for his consumption or use. Any failure to comply with the licencing requirement could result in the Director-General issuing an order that the licenced premises may no longer be operated or used as a food establishment.

The SFA administers a Points Demerit System (“**PDS**”) used to deal with the suspension and cancellation of licences for food safety infringement of food businesses, such as, *inter alia*, restaurants, food caterers and food stalls. This system seeks to motivate licensees to avoid getting demerit points, thereby improving their food safety standards. Under PDS, differing demerit points are accorded based on the severity of offences. The offences are categorised as follows:

- Minor offences – zero (0) demerit points
- Major offences – four (4) demerit points
- Serious offences – six (6) demerit points

GENERAL INFORMATION ON OUR GROUP

Where the licensee accumulates 12 demerit points or more within 12 months, the licence will be suspended either for two (2) weeks or four (4) weeks, or be revoked, depending on past suspension records.

The Environmental Public Health (Food Hygiene) Regulations (the “**EPHR**”) requires a licensee holding a Food Shop Licence to exhibit such licence in a conspicuous and accessible position within the licensed premises or in such position as the Director-General considers fit. The EPHR also provides that a licensee holding a Food Shop Licence must adhere to certain requirements in relation to:

- (i) the registration of any employees who are engaged in the sale or preparation for sale of any food with the Director-General, Food Administration;
- (ii) the storage and refrigeration, packaging, transportation, sale and preparation of food;
- (iii) the cleanliness of equipment used in the licensed premises;
- (iv) the time-stamping of catered food;
- (v) the upkeep of the licensed premises; and
- (vi) the personal cleanliness of any persons who are engaged in the sale or preparation for sale of food.

Any failure to comply with any of the provisions of the EPHR will make the licensee liable to (i) to a fine not exceeding S\$2,000 and in the case of a continuing offence, (ii) a further fine not exceeding S\$100 for every day or part thereof during which the offence continues after conviction.

(b) Safety Assurance for Food Establishments (“**SAFE**”)

In place of the 1997 grading system for eating establishments and food stalls, where retail food establishments were assessed by the Singapore Food Agency and awarded a grade ranging from A to D, the new SAFE licensing framework for food establishments was established from 1 January 2023. Under the new framework, food establishments which maintain a good track record and are able to fulfil the Food Hygiene Officer (“**FHO**”), Advanced FHO and Food Safety Management System requirements will qualify for “Gold”, “Silver” or “Bronze” awards, corresponding to three (3), five (5) and ten (10)-year licences.

To complement the SAFE framework, the SFA has also implemented a training framework, comprising of four levels, requiring food handlers and supervisory personnel to complete relevant courses. The courses cover training from basic food safety principles for food handlers to higher level responsibilities such as how to conduct broader food safety checks and internal audits. The breadth and depth of the courses increase through the levels.

(c) Wholesome Meat and Fish Act 1999

The Wholesome Meat and Fish Act 1999 of Singapore (“**WMFA**”) provides that a license must be required before a person can use any premises or permit any premises to be used as a processing establishment or cold store. Failure to comply with this makes a person

GENERAL INFORMATION ON OUR GROUP

guilty of an offence and liable to a conviction to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 12 months or to both.

The WMFA also requires any person who imports any meat product or fish product or for the sale, supply or distribution into Singapore to apply for a licence from the Director-General. Failure to comply with this requirement is an offence and makes the person liable on conviction to a fine not exceeding S\$50,000 or to imprisonment for a term not exceeding two (2) years or to both. In the case of a second or subsequent conviction, the person is liable to a fine not exceeding S\$100,000 or to imprisonment for a term not exceeding three (3) years or to both.

(d) Liquor Control (Supply and Consumption) Act 2015

The Liquor Control (Supply and Consumption) Act 2015 of Singapore (“**LCA**”) provides that a person must not supply liquor unless authorised by a liquor licence to do so. Failure to comply with this makes a person liable on conviction to (i) a fine not exceeding S\$20,000; and (ii) where the person is a repeat offender, a fine not exceeding S\$20,000 or imprisonment for a term not exceeding three (3) months or both.

The licence holder is also prevented from supplying liquor, keeping open and allowing the consumption of liquor on the licenced premises, outside of trading hours, from 10.30 pm to 7.00 a.m. daily.

(e) Import of Processed Food Products and Food Appliances

(1) *Regulated Source Programme*

Under the Regulated Source Programme, documentary proof that the imported products are produced under sanitary conditions in a regulated establishment is required. The documentation must be submitted to the Singapore Food Agency (“**SFA**”) for certain food products such as packaged mineral and drinking water and ice; land snails; mooncakes and others. The documentary proof can take the form of accepted regulated source documents such as the Certificate of HACCP (Hazard Analysis Critical Control Point) and can be submitted via a one-time submission under the SFA’s online feedback form or via TradeNet.

(2) *Enhanced Regulated Source Programme*

The Enhanced Regulated Source Programme deals with the safety of processed food products imported from Malaysia and requires the importer to submit relevant documentary proof and follow certain procedures during import permit declaration. Documentary proof that the following products have been obtained from the Malaysian food manufacturing establishments registered with the Malaysian Ministry of Health (“**MOH**”) is required: infant formula; infant cereal; traditional cakes/kueh kueh, cooked rice and perishable cooked food; mooncakes; dried beancurd sticks, skins and sheets and edible oil. Upon submission of the relevant documents via SFA’s online feedback form or TradeNet, an establishment code for each manufacturer will be provided, which will be necessary at the import permit declaration stage.

GENERAL INFORMATION ON OUR GROUP

(f) Electrical and Supply Licensing

Under the Electricity Act 2001 and the Electricity (Electrical Installations) Regulations 2002, the use and operation of electrical and supply installations require licensing by Energy Market Authority (“**EMA**”) to ensure that they are operated and maintained by licensed electrical workers, and are safe to use. The owners of the electrical and supply installations must appoint a licenced electrical worker to regularly inspect and certify these installations as fit for operation before use. The grant or renewal of the licence may be subject to such conditions as EMA determines. EMA may in its discretion reject an application for the licence or its renewal from any person whose licence was previously cancelled or suspended.

(g) Conservation Permission

The Urban Development Authority requires that conservation permission be sought to use buildings in Historic Conservation Areas inclusive of Chinatown (Kreta Ayer, Telok Ayer, Bukit Pasoh, Tanjong Pagar), Little India, Kampong Glam, Boat Quay, Blair Plain, Emerald Hill and Cairnhill. Certain types of uses of the building such as for bars, pubs, nightclubs and karaoke lounges, are not permitted as they could create dis-amenity to the surroundings. Based on the type of conservation area, different degrees of restrictions imposed on the adaptations made to the structural and architectural elements of the buildings. Where the premises are subject to unauthorised works or uses or the use of the premises causes inconvenience and dis-amenity, the relevant authority may revoke the permission.

(h) Workplace Safety and Health Act 2006

The Workplace Safety and Health Act 2006 of Singapore (“**WSHA**”) governs the safety, health and welfare of persons at work in workplaces. Under the WSHA, every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include, *inter alia*, providing and maintaining for the employees a work environment which is safe, without risk to health and adequate as regards facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken and ensuring that the person at work has adequate instruction, information, training and supervision as is necessary for that person to perform his work. More specific duties imposed by the Ministry of Manpower (“**MOM**”) on employers are laid out in the Workplace Safety and Health (General Provisions) Regulations. Some of these duties include taking effective measures to protect persons at work from the harmful effects of any exposure to any bio-hazardous material which may constitute a risk to their health.

Under the WSHA, inspectors appointed by the Commissioner for Workplace Safety and Health (“**CWSH**”) may at any time, among others, enter, inspect and examine any workplace or any machinery, equipment, plant, installation or article at any workplace, to take samples of any material or substance found in a workplace or being discharged from any workplace for the purpose of analysis or test, to assess the levels of noise, illumination, heat or harmful or hazardous substances in any workplace and the exposure levels of persons at work therein and to take into custody any article in the workplace which is relevant to an investigation or inquiry under the WSHA. Any person who obstructs, delays, conceals, prevents or fails to comply with the inspection will be guilty of an offence and be liable on conviction to a fine not exceeding S\$5,000 or imprisonment for a term not exceeding six (6) months or both.

GENERAL INFORMATION ON OUR GROUP

Any person guilty of an offence under the WSHA (but not including the relevant regulations) for which no penalty is expressly provided by the WSHA shall be liable on conviction:

- (a) in the case of a natural person, to a fine not exceeding S\$200,000 or to imprisonment for a term not exceeding two (2) years or to both; and
- (b) in the case of a body corporate, to a fine not exceeding S\$500,000,

and, if the contravention in respect of which he was so convicted continues after the conviction, he shall (subject to Section 52 of the WSHA) be guilty of a further offence and shall be liable to a fine:

- (i) in the case of a natural person, not exceeding S\$2,000 for every day or part thereof during which the offence continues after conviction; or
- (ii) in the case of a body corporate, not exceeding S\$5,000 for every day or part thereof during which the offence continues after conviction.

(i) Employment Act 1968

The Employment Act 1968 (“EA”) is administered by MOM and sets out the basic terms and conditions of employment and the rights of employees, as well as the responsibilities of employers.

In particular, Part 4 of the EA sets out requirements for rest days, hours of work and other conditions of service for workmen who receive salaries not exceeding S\$4,500 a month and employees (other than workmen, and other than persons employed in managerial or executive positions) who receive salaries not exceeding S\$2,600 a month. Section 38(8) of the EA provides that an employee is not allowed to work for more than 12 hours in any one (1) day except in specified circumstances, such as where the work is essential to the life of the community, defence or security. In addition, Section 38(5) of EA limits the extent of overtime work that an employee can perform to 72 hours a month.

Employers must seek the prior approval of the Commissioner for Labour (the “CL”) in writing for exemption if they require an employee or class of employees to work for more than 12 hours a day or more than 72 overtime hours a month. The CL may, after considering the operational needs of the employer and the health and safety of the employee or class of employees, by order in writing, exempt such employees from the overtime limits subject to such conditions as the CL thinks fit. Where such exemptions have been granted, the employer shall display the order or a copy thereof conspicuously in the place where such employees are employed.

Part 10 of the EA also sets out the annual leave and sick leave entitlements of employees. Section 88A of the EA prescribes a certain minimum number of days of annual leave depending on the employee’s length of service. Employees are entitled to seven (7) days paid annual leave for the first 12 months of continuous service with the same employer and an additional day of paid annual leave, for every subsequent 12 months of continuous service with the same employer, up to a maximum of 14 days paid annual leave. Section 89 of the EA entitles the employee to 14 days of sick leave a year (where no hospitalisation is necessary) or 60 days in each year (where hospitalisation is necessary).

GENERAL INFORMATION ON OUR GROUP

To the best of our Directors' knowledge, we have complied with the requirements of the EA.

(j) Immigration Act and Employment of Foreign Manpower Act

The Immigration Act 1959 provides that no person, other than a citizen of Singapore, shall enter or attempt to enter Singapore unless, amongst others, he is in possession of a valid pass lawfully issued to him to enter Singapore.

The employment of foreign employees in Singapore is governed by the Employment of Foreign Manpower Act 1990 ("**EFMA**"), and falls under the regulatory purview of MOM. The EFMA provides that no person shall employ a foreign employee unless the foreign employee has obtained a valid work pass from MOM, which allows the foreign employee to work for the employer. A work pass includes the following: (a) employment pass, for foreign professionals, managers and executives earning at least S\$5,000 per month and pass the Complementarity Assessment Framework; (b) S pass, for mid-level skilled staff who earn at least S\$3,150 per month and who meet the assessment criteria; and (c) work permit for skilled and semi-skilled foreign workers in the services sector.

Any person who fails to comply with or contravenes the EFMA shall be guilty of an offence and shall:

- (a) be liable on conviction to a fine of not less than S\$5,000 and not more than S\$30,000 or to imprisonment for a term not exceeding 12 months or to both; and
- (b) on a second or subsequent conviction:
 - (i) in the case of an individual, with a fine of not less than S\$10,000 and not more than S\$30,000 and with imprisonment for a term of not less than one (1) month and not more than 12 months; or
 - (ii) in any other case, be punished with a fine of not less than S\$20,000 and not more than S\$60,000.

The Employment of Foreign Manpower (Work Passes) Regulations 2012 ("**EFMR**") requires the employers of work permit holders, to, among others:

- (a) upkeep and maintain the foreign employees and bear the costs of such upkeep and maintenance, including the provision of adequate food and medical treatment (unless agreed otherwise);
- (b) provide safe working conditions and take such measures as are necessary to ensure the safety and health of the foreign employees at work; and
- (c) provide acceptable accommodation for the foreign employees in accordance with any law or governmental regulations.

The EFMR also requires the employers of S Pass holders, to, among others:

- (a) pay not less than the fixed monthly salary due to the foreign employees for the month; and

GENERAL INFORMATION ON OUR GROUP

- (b) be responsible for and bear the costs of the foreign employees' medical treatment in Singapore, subject to certain exceptions (unless agreed otherwise).

We have applied for the relevant work passes from MOM for all of our foreign employees and are within the quota provided by MOM. To the best of our Directors' knowledge, we have complied with the requirements of the EFMA and the conditions of such work passes.

An employer of foreign workers is also subject to, amongst others, the provisions set out in the EA, the Immigration Act 1959 and their respective regulations.

(k) Work Injury Compensation Act 2019

The Work Injury Compensation Act 2019 of Singapore ("**WICA**"), regulated by MOM, applies to all employees (with the exception of those set out in the Third Schedule of the WICA) who have entered into or work under a contract of service or apprenticeship with an employer, whether (a) by way of manual labour or otherwise; (b) the contract is express or implied or is oral or in writing; and (c) the remuneration is calculated by time or by way done, and relates to the payment of compensation to employees for injury suffered in the course of their employment.

The WICA provides that if in any employment, personal injury by accident arising out of and in the course of the employment is caused to an employee, his employer shall be liable to pay compensation in accordance with the provisions of the WICA. The amount of compensation under the WICA in respect of any personal injury of an employee caused by accident arising out of and in the course of his employment shall be computed in accordance with the First Schedule of the WICA, subject to a maximum and minimum limit.

Employers are required to maintain work injury compensation insurance for two categories of employees engaged under contracts of service (unless exempted) – firstly, all employees doing manual work and secondly, non-manual employees earning S\$1,600 or less a month. Failure to comply is an offence punishable by a maximum fine of \$10,000 and/or imprisonment of up to 12 months.

Japan

The following is a summary of the key laws and regulations of Japan that are material to our business operations as at the Latest Practicable Date.

(a) Civil Code

The basic terms of a lease contract are set forth in the Civil Code. A lease becomes effective if one of the parties promises to make a certain property available for the other party to use and make profit, and the other party promises to pay rent for the leased property and return the delivered property when the contract is terminated.

A lessor assumes an obligation to make repairs necessary for making profit from and the use of the leased property.

A lessee may not assign the lease or sublease the leased property without obtaining the approval of the lessor. If the lessee allows any third party to make use of or take the profits of a leased property without such approval, the lessor may terminate the contract.

GENERAL INFORMATION ON OUR GROUP

If any damage is caused to a leased property after the lessee receives it (excluding any wear and tear of the leased property caused by the ordinary manner of using and making profit from it and any degradation due to the ageing of the leased property), the lessee has an obligation to restore the damaged property when the lease is terminated, provided, however, that this does not apply if the damage is caused due to any grounds not attributable to the lessee.

If a lessor receives a security deposit (meaning money to be delivered by the lessee to the lessor under any name, for the purpose of securing an obligation to pay money that is owed by the lessee to the lessor based on a lease, such as an obligation to pay rent), upon termination of the lease and the leased property is returned to the lessor, the lessor must return to the lessee the amount remaining after deducting the amount of the obligation to pay money that is owed by the lessee to the lessor based on the lease, from the amount of security deposit received.

(b) Act on Land and Building Leases

The Act on Land and Building Leases is a special law that takes precedence over the Civil Code for the purposes of lessee protection. It sets out regulations that take precedence over the Civil Code concerning the duration and effectiveness of superficies and land lease rights for the purpose of building ownership, as well as the renewal and effectiveness of building leases. In particular, it sets forth the following provisions regarding building leases.

When building rent becomes unreasonable as a result of an increase or decrease in tax and other burdens relating to lands or buildings, as a result of the rise or fall of land or building prices or fluctuations in other economic circumstances, or in comparison to the rents on similar buildings in the vicinity, the parties may request future increases or decreases in the amount of the building rent. This term cannot be modified by contract, but it is possible to stipulate a special provision not to increase the rent for a certain period. If the parties cannot reach an agreement on the rent increase or decrease, until a court decision validating the adjustment is finalised, the party receiving the claim may pay or demand payment of the rent amount as it deems appropriate. However, once the court decision is finalised, any difference must be paid or refunded with interest.

In cases where interior decorations are added to a building with the consent of the lessor, when the building lease has been terminated, the lessee may request that the lessor purchase those interior decorations at the prevailing market value.

In cases where a building is legally subleased, when the building lease is terminated by reason of the expiration of the period or by a notice of termination, the lessor may not assert termination against the sublessee without providing notice to that effect to the sublessee. When the lessor delivers the said notice, the building sublease is terminated by the passage of six months from the day the notice was given. These terms cannot be modified by contract.

GENERAL INFORMATION ON OUR GROUP

In cases where a period has been prescribed for a building lease, when, from between one year to six months prior to the expiration of the period, the relevant party fails to notify the other party that the lease will not be renewed or that it will not be renewed unless the conditions are changed, it is deemed that the contract has been renewed with conditions identical to those of the existing contract. Even in cases where the said notice has been given, where the lessee continues to use the building after the term of the building lease has expired, the same conditions also apply as when the lessor fails to make an objection without delay. Moreover, in cases where the buildings are being subleased, continuing use of the buildings on the part of the sublessee is deemed to be continuing use of the buildings on the part of the lessee. These terms cannot be modified by contract.

The above notices on the part of the lessor of refusal to renew or termination of a building lease may not be given, unless it is found, upon consideration of the history of the building lease, the conditions of the building's use, the current state of the building and, in cases where the lessor has offered payment to the lessee as a condition for evicting the buildings or in exchange for evicting the buildings, the consideration of the offer, that there are justifiable grounds for doing so in addition to the circumstances pertaining to the necessity of using the buildings on the part of the lessor and the lessee (including the sublessee). This term cannot be modified by contract.

When entering into a lease agreement for a building with a fixed term, it is possible to stipulate that the lease may not be renewed but only if such agreement is made in writing. In such cases, the lessor must provide to the lessee in advance, an explanation that the building lease contract will not be renewed and that the building lease will be terminated by reason of the expiration of the period by delivering a written statement to that effect. If this explanation is not provided, the stipulation that the lease will not be renewed will be invalid.

(c) Real Estate Brokerage Act

The Real Estate Brokerage Act ("**REBA**") requires any person who operates a real estate brokerage business ("**Real Estate Broker**") to obtain a licence from (i) the Governor of the prefecture with jurisdiction over the locations in which the offices of the person are situated, if that person's offices are all located within a single prefecture, or (ii) the Minister of Land, Infrastructure, Transport and Tourism, if that person's offices are located in several prefectures ("**Real Estate Brokerage Licence**").

The REBA defines "real estate brokerage business" to mean the business of (i) buying, selling, or exchanging of building lots or buildings, or (ii) providing intermediary or agency services for the buying, selling, exchanging or leasing of building lots or buildings, in each case conducted in the course of a trade. Leasing of buildings as a lessor or lessee does not constitute the conduct of real estate brokerage business. However, provision of intermediary or agency services for a lessor and/or lessee falls within the definition of the real estate brokerage business.

A Real Estate Brokerage Licence is valid for five (5) years, and is renewable.

The REBA regulates various aspects of a Real Estate Broker's business. A Real Estate Broker must, among others:

- (i) have a certain number of licensed real estate agents assigned to each of its offices;

GENERAL INFORMATION ON OUR GROUP

- (ii) provide lessees with (i) an explanation, through its real estate agents, of certain important matters in respect of the building being leased, and (ii) a document detailing such matters before conclusion of the relevant lease agreement;
- (iii) provide a document to the parties of a leasing transaction without delay after the conclusion of the transaction, detailing certain matters in respect of the lease, such as the parties to the transaction, the location and name of the building, the amount of rent payable, the terms applicable to lease cancellation, and the liquidated damages or penalty payable for cancellation;
- (iv) not receive, for its intermediary or agency services, a fee in excess of 1.1 times the monthly rent of the lease;
- (v) prepare and maintain a list of its employees, and cause its employees to carry proof of their employment for presentation to the parties of the transaction upon request;
- (vi) maintain records of certain matters relating to its real estate brokerage business at each of its offices; and
- (vii) display its Real Estate Brokerage Licence at each of its offices, at a conspicuous location accessible to the public.

(d) Food Sanitation Act

Under the Food Sanitation Act, a person who operates a restaurant business is required to obtain a license from a competent authority ("**Restaurant Licence**"). The competent authority for a restaurant located in a ward within Tokyo Metropolis is the mayor of the ward.

To obtain a license, the restaurant must conform to the standards set forth in the relevant ordinance issued by the competent local government. The standards applicable to restaurants located in a ward within Tokyo Metropolis sets forth, among others, the following:

- (a) the requirement to appoint a food sanitation manager (*shokuhin eisei sekininsha*) responsible for the management and operation of food sanitary issues under the direction of the restaurant operator. A food sanitation manager is required to fulfil certain qualification requirements, including completion of a training course;
- (b) the structural requirements of the establishment, and the facilities and equipment that the establishment is required to have;
- (c) the requirements for sanitary management of food, facilities and equipment; and
- (d) the requirements for water supply, drainage, and waste disposal management.

A Restaurant Licence will be valid for at least five (5) years, and is renewable.

(e) The Second-hand Articles Dealer Act

The Second-hand Articles Dealer Act requires a dealer of second-hand articles to hold a licence issued by the Public Safety Commission of the relevant prefecture.

GENERAL INFORMATION ON OUR GROUP

The Second-hand Articles Dealer Act defines a dealer of second-hand articles as a person who engages in the business of selling or exchanging (including selling and exchanging on consignment) second-hand articles, except where the business of such person involves only the sale and repurchase of second-hand articles. Second-hand articles include, among others, (i) used articles, and (ii) articles that have been sold or purchased for use, but have not been used. Certain large marine vessels, automobiles, and manufacturing machines are excluded from the definition of second-hand articles.

A second-hand articles dealer is required, among others, to carry out the following:

- (a) appoint a compliance manager at each of its offices;
- (b) display its license at each of its offices;
- (c) verify the identities of the sellers and purchasers of second-hand articles;
- (d) maintain records of second-hand article transactions and retain them for three years from the date of the transactions;
- (e) report to the police any product that the dealer believes to be counterfeit; and
- (f) immediately notify the police of any stolen articles discovered during the six months effective period of a notice given by the police to the second-hand dealer specifying the stolen articles.

(f) Industrial Safety and Health

The Industrial Safety and Health Act, which is aimed at ensuring the safety and health of workers in the workplace and promoting the formation of comfortable working environments, imposes several obligations on employers. For example, depending on the number of workers in the workplace, employers must designate various responsible persons who manage the safety of workers, appoint industrial doctors and entrust the healthcare of the workers with the industrial doctors.

The Act also imposes obligations on employers to conduct workers' medical examinations regularly. Employers are required to conduct the health examinations at their own expense. If the results of the medical examination indicate abnormalities, employers should take appropriate measures such as changing the workplace and/or the work assigned to the worker, and shortening the working hours, taking into consideration the opinion of the doctor.

An employer who has 50 or more employees must appoint an industrial doctor and must provide the following information to its industrial doctor: (i) results of the medical examination, results of interviews with workers who have actually worked overtime and during holidays for more than 80 hours in any given month, results of stress check and details of measures for improving working environment in light of the results thereof; (ii) names, the number of working hours and relevant information of workers who worked overtime and during holidays for more than 80 hours in any given month; and (iii) any other information necessary to manage workers' health conditions. In addition, employers must arrange face-to-face consultations with a doctor for the worker who is deemed to be suffering from fatigue as a result of excessive working hours, amounting to more than 80 hours in any given month, upon his/her request.

GENERAL INFORMATION ON OUR GROUP

Violation of the Industrial Safety and Health Act will result in penalties in principle and can be taken into account as a factor in considering whether the employer's obligation to consider the safety of workers has been fulfilled. The obligation of employers to consider the safety of workers is to take necessary care to ensure the safety of workers' lives, bodies, etc. as they work, in addition to the employment contract (Article 5 of the Labour Contracts Act). It is important to note that if employers violate this obligation, they will be liable to compensate for any damages that have been caused on the grounds of a default in obligations or an act of tort.

(g) Minimum wage

Wages to be paid for normal working hours must exceed the minimum standards of wages provided under the Minimum Wages Act. Such minimum standards mean either: (i) the minimum wage stipulated by each region, which are specified by each prefectural or city government; or (ii) the minimum wage stipulated by each industry.

(h) Working Hours, Rest Periods, Days Off, and Leave

(1) *Working hours*

Article 32 of the Labour Standards Act prescribes that working hours shall not exceed eight (8) hours per day and 40 hours per week, excluding rest periods (the "**Statutory Working Hours**"), and employers shall not have workers work more than the Statutory Working Hours. The Labour Standards Act provides for penalties for employers in cases where the actual working hours of workers exceed the Statutory Working Hours. These penalties are applicable to employers unless they satisfy the requirements of overtime work.

Employers must prescribe the working hours of workers in a labour contract or the rules of employment, in which the employers specify the rest periods as well as the start/finish times of each working day (the period from the start to the finish time, excluding the rest period, is hereinafter referred to as the "**Prescribed Working Hours**"). Accordingly, the Prescribed Working Hours must be equal to or shorter than the Statutory Working Hours.

Employers must duly monitor, manage and record the working hours, days off and rest periods of workers. In order to properly monitor workers' working hours, it is recommended that employers take measures stipulated in the Guidelines for Measures to Be Taken by Employers to Properly Monitor Working Hours ("**Guidelines**"), which are as follows:

- on-the-spot confirmation by the employer; or
- confirmation based on objective records such as timecards and IC cards.

Pursuant to the Industrial Safety and Health Act, employers are obliged to properly monitor all of the workers' working hours, including those in managerial or supervisory positions. In addition, employers must notify a worker who worked overtime and during holidays for more than 80 hours about his/her working hours in order to encourage the worker to request a face-to-face consultation with a doctor.

GENERAL INFORMATION ON OUR GROUP

(2) *Rest periods*

Employers must grant workers a rest period of at least 45 minutes if their working hours exceed six (6) hours per day, and at least one (1) hour if their working hours exceed eight (8) hours per day. In principle, these rest periods must be given to all workers at the workplace all at once during working hours.

The Labour Standards Act provides for the principle of granting workers' rest periods all at once for convenience in managing the working hours and rest periods. However, the principle does not apply to workers engaged in businesses defined by the Ordinance of the Ministry of Health, Labour and Welfare as being necessary to be treated as exceptional due to their nature. Such exempted businesses include agriculture, fishing and several service industries.

Employers that do not fall within the exempted businesses are still permitted to grant rest periods to workers at different times by entering into a labour-management agreement to the same effect. For example, it is possible for these employers to give different lunch times to each worker. It should also be noted that employers must let workers use their rest periods freely.

(3) *Interval between working days*

Employers are obligated to take measures to ensure that workers in all workplaces can have a certain rest period between the time they finish work on the first day and the start of work on the following day ("**Interval**"). Regarding the length of such Interval, employers may freely designate the length of the Interval at their discretion, since there is no general regulation.

(4) *Days off*

Employers must provide workers with at least one (1) day off per week, i.e., at least once every seven (7) days (Article 35 of the Labour Standards Act).

The provision above does not apply to an employer who provides workers with four (4) or more days off during a four (4) week period. In this case, the employer is required to prescribe the initial date of computing the four (4) week period in the rules of employment or other rules.

"Days off" (*kyujitu*) means days on which workers are not obliged to work pursuant to labour contracts. Besides "days off", "leave" (*kyuka*) and "non-business days", (*kyugyo*) mean the days on which workers are not required to work. "Non-business days" are working days for which an employer exempts workers from working. On the other hand, "leave" is comprised of days where a worker has the right to release himself or herself from working. Each of these concepts are distinct from the concept of "days off".

A day off shall be, in principle, one calendar day (i.e., the period from 12:00 am to 11:59 pm). However, exceptional treatment is permitted for businesses such as hotel businesses or vehicle services. Also, an employer may grant workers a day off on any day of the week as long as the principle of at least one day off per week is abided by (in other words, days off are not necessarily Sundays). In addition, employers are not required by law to grant workers days off on national holidays.

GENERAL INFORMATION ON OUR GROUP

Also, it should be noted that an employer may grant a worker a substitute day off on a working day after having him or her work on his or her day off to meet temporary business needs. In this case, if the employer has specified the substitute date in advance (substitution in advance), there will be no need to enter into a labour-management agreement for work on a day off or to pay the worker an increased wage as the work done on the day off will be treated, in principle, as work done on a normal working day. On the other hand, if an employer grants a worker a substitute day off after having the worker work on his or her day off (substitution after the event), this work will be treated as work on a day off, and accordingly, the employer is required to meet the requirements regarding working on a day off as stipulated by the Labour Standards Act and pay an increased wage for this work. In this case, however, the Labour Standards Act does not require the employer to grant the worker a substitute day off.

It should also be noted that if an employer grants a worker a substitute day off in accordance with either of the above cases, the employer is required to have certain grounds for such substitution under the labour contracts (*i.e.* provisions under labour agreements, the rules of employment, or individual consent from the worker).

In conclusion, it should be noted again that as explained above, different treatments will apply to the case of substitution in advance and the case of substitution after the event.

(5) *Overtime work and work on a day off*

(i) General

Under the Labour Standards Act, “overtime work” means extra work conducted by a worker for extra hours exceeding the Statutory Working Hours per day or per week (*i.e.*, eight hours per day and 40 hours per week). On the other hand, “work on a day off” means extra work conducted by a worker on a Statutory Day Off. Under the Labour Standards Act, extra work within the Statutory Working Hours (*i.e.*, if the working hours designated by an employer are shorter than the Statutory Working Hours) is not categorised as “overtime work”, and work provided on a day off other than the Statutory Days Off is categorised as “overtime work”, not “work on a day off”.

Regulations concerning overtime work and work on a day off under the Labour Standards Act as described below are intended to apply only to working hours exceeding the Statutory Working Hours and work on a Statutory Day Off. However, in practice, any work exceeding the Prescribed Working Hours (*i.e.*, work exceeding the working hours prescribed by the rules of employment or labour agreements and work on the days off prescribed by the rules of employment or labour agreements) as well as work exceeding the Statutory Working Hours is often treated similarly in the rules of employment or labour agreements and accordingly, both types of overtime work are subject to the regulations under the Labour Standards Act.

Regulations concerning overtime work and work on days off under the Labour Standards Act require: (a) a labour-management agreement called a “36 Agreement”, which is intended to regulate overtime work and work on days off; and (b) the payment of increased wages.

GENERAL INFORMATION ON OUR GROUP

(ii) 36 Agreement

Where an employer has entered into a labour-management agreement and has submitted the agreement to the Labour Standards Inspection Office in the relevant jurisdiction in the prescribed manner, the employer may extend the working hours or have workers work on days off in accordance with the provisions of the 36 Agreement (“**sabu-roku kyoutei**”) which are executed in accordance with Article 36 of the Labour Standards Act.

In a 36 Agreement, employers must specify: (a) the reasons why it is necessary to have workers work overtime or on days off; (b) the type of work; (c) the number of workers; (d) the number of extra working hours; and (e) the days off on which the employer may have the workers work, etc. The number of extra working hours must be specified for certain periods of time exceeding one calendar day. The maximum limit of such extra working hours is prescribed as 45 hours per month and 360 hours per year in principle (Article 36, paras 3 and 4 of the Labour Standards Act). However, subject to temporary and extraordinary circumstances, the employers may have workers work over the maximum limit of the specified working hours by entering into a “36 Agreement with Special Clauses” with the workers. The maximum limit of working hours that may be provided for in the Special Clauses must be less than 100 hours per month for overtime work and work during holidays and must not exceed 720 hours per year for overtime work (Article 36, para 5 of the Labour Standards Act). In this case, in addition to the aforementioned requirements, the employers must: (a) specify the rate of the increased wage for a certain period during which the workers are expected to work over the maximum limit of the specified working hours (this period shall be both (1) longer than one (1) day and less than three (3) months, and (2) one (1) year); (b) make efforts to keep the rate mentioned in (a) above the legally specified rate of increased wage (25.0%); and (c) make efforts to limit the extended working hours to the shortest possible period of time.

In addition, for the total working hours actually worked during holidays in accordance with the 36 Agreements, the maximum limit has been prescribed to be less than 100 hours for a single month and not more than 80 hours per month on average over a two (2) to six (6) month period, including the current month (Article 36, para 6, items 2 and 3 of the Labour Standards Act). A violation of this clause (i.e., Article 36, para 6 of the Labour Standards Act) is punishable with up to six (6) months imprisonment or a fine of up to 300,000 yen to be imposed on any person violating these clauses (Article 119 of the Labour Standards Act). In addition, an employer may be subject to a fine of up to 300,000 yen, and a representative of the employer may be subject to up to a punishment of six (6) months imprisonment (Article 121 of the Labour Standards Act).

After the execution of a 36 Agreement and the notification thereof, during the period of the agreement, an employer is allowed to have workers work overtime or on days off without violating the Labour Standards Act, provided it abides by the terms and conditions of the agreement.

GENERAL INFORMATION ON OUR GROUP

However, it should be noted that the effect of a 36 Agreement is only to exempt employers from liability for violation of the Labour Standards Act. In order to have individual workers work overtime or on days off, employers need to have valid grounds under the labour contracts executed with such individual workers (i.e., provisions in collective labour agreements or the rules of employment, or consent separately given by individual workers).

(iii) Increased wages

If an employer extends a worker's working hours or has a worker work on his or her day off, or if an employer has a worker work during the period between 10:00 p.m. and 5:00 a.m. the next morning, the employer shall pay an increased rate of wages in accordance with the Labour Standards Act.

The amount of the increased wages will be calculated by multiplying the normal wage per working hour or working day by a rate that is no less than the following rate:

- (a) Overtime work on a working day: 25.0%.
- (b) Work on a Statutory Day Off: 35.0%.
- (c) Overtime work for work that is longer than 60 hours a month: 50.0%.
- (d) Work during the period between 10:00 pm and 5:00 am: generally, in addition to either of the rates specified above (although depending on the cases): 25.0%.

Malaysia

The following is a summary of the key laws and regulations of Malaysia that are material to our business operations as at the Latest Practicable Date.

(a) The Pembangunan Sumber Manusia Berhad Act 2001

Under the Pembangunan Sumber Manusia Berhad Act 2001 ("**PSMBA**") and its subsidiary legislation, the Pembangunan Sumber Manusia Berhad (Regulation of Employers and Payment of Levy) Regulations 2001, employers in the F&B service sector with 10 or more local employees must be registered with the Pembangunan Sumber Manusia Berhad (Human Resources Development) ("**HRDF**").

HRDF is a corporation governed by the PSMBA and it has been accorded the mandate by the Government of Malaysia to catalyse the development of a competent local workforce. Accordingly, pursuant to Section 3 of the PSMBA, HRDF is authorised to impose and collect a human resources development levy for the purpose of promoting the training and development of employees, apprentices and trainees and the establishment and administration of all funds collected from the registered employers.

An employer who fails to register with the HRDF commits an offence under the PSMBA and shall on conviction be liable to a fine not exceeding RM10,000.00 or to imprisonment for a term not exceeding one (1) year or both.

GENERAL INFORMATION ON OUR GROUP

In addition, the PSMBA provides that every employer to whom the PSMBA applies shall pay a levy in respect of each of its employees at the rate of 1.0% of the monthly wages of the employee, failing which the employer shall be regarded as committing an offence under and shall on conviction be liable to a fine not exceeding RM20,000.00 or to imprisonment for a term not exceeding two (2) years or to both.

FIM has complied with the requirements of PSMBA as at the Latest Practicable Date.

(b) Local Government Act 1976

The Local Government Act 1976 (“**LGA**”) is applicable to West Malaysia and purports to consolidate the laws relating to local government. Under the LGA, local government authorities in West Malaysia have the power to issue any by-laws enforceable within its jurisdiction, including business, trade and advertisement licences.

The business outlets operated by our Malaysian subsidiary are regulated by the by-laws of the state in which they are located, which require us to obtain the necessary business licences from the relevant local councils in Malaysia. The relevant by-laws include, amongst others, the Licensing of Food Establishments (Federal Territory of Kuala Lumpur) By-Laws 1985 and the Food Establishment Licensing By-Laws (MBPJ) 2007.

Any person who contravenes any by-laws shall be guilty of an offence and shall upon conviction be liable to a maximum fine of RM2,000.00 or to imprisonment for a term not exceeding one (1) year or both such fine and imprisonment and in the case of a continuing offence, to a fine not exceeding RM2,000.00 for each day during which such offence is continued after conviction.

All outlets in Malaysia have obtained business licences from the relevant local authorities as at the Latest Practicable Date.

(c) Certificate of Registration for Food Premises

Our outlets in Malaysia are required to comply with the registration requirements under the Food Act 1983 and the Food Hygiene Regulations 2009 (“**Food Regulations**”).

Under Regulation 3 of the Food Regulations, no person shall use any food premise which is involved in, amongst others, catering or mass catering of food, or any food premise where food is prepared, processed, stored or for the purposes of, or in connection with the preparation, preservation, packaging, storage, conveyance, distribution or sale of any food or the re-labelling, reprocessing or reconditioning of any food, unless the premises is registered under the Food Regulations. Any person who fails to comply with Regulation 3 of the Food Regulations commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding two (2) years.

All outlets in Malaysia have obtained certificate of registration for food premises from the Ministry of Health of Malaysia as at the Latest Practicable Date.

GENERAL INFORMATION ON OUR GROUP

(d) Guidelines On Foreign Participation In The Distributive Trade Services Malaysia (“Guidelines”)

The Guidelines require foreign business operators engaged in the distributive trade services in Malaysia to obtain wholesale, retail and trade approval (“**WRT Approval**”) from the Ministry of Domestic Trade and Consumer Affairs (currently known as Ministry of Domestic Trade and Cost of Living (“**MDTCL**”)) of Malaysia. The requirement for FIM to obtain WRT approval will apply to specialty stores dealing with one main brand name/product/line of goods associated with food/drink.

All specialty store businesses with foreign equity must be incorporated locally under the Companies Act 2016, subject to a minimum capital investment in terms of a company’s shareholders funds of RM 1.0 million, which includes paid-up capital. Addition of branch is subject to approval of KPDN.

All specialty store businesses with foreign equity must conduct impact study on existing local retailers if the sales floor area is more than 5,000 square meters.

KPDN has the right to reject any application by business operators to open any new branch if they fail to comply with any provision of the Guidelines. KPDN reserves the right to reject any application or revoke any approval granted on grounds of national security or non-compliance of the Guidelines.

All outlets in Malaysia have obtained WRT Approval from KPDN as at the Latest Practicable Date.

(e) Copyright Music Licence

As some of our outlets in Malaysia provide music to the public in our premises during operational hours, we are required to obtain a copyright music licence from the Public Performance Malaysia (PPM) Berhad (“**PPM**”) authorising the performance and reproduction of any and all music recordings and musical works protected under the PPM’s purview.

Failure to do so may result in copyright infringement under the Copyright Act 1987, which shall, on conviction, result in a fine of not less than RM10,000.00 and not more RM50,000.00 or imprisonment for a term not exceeding five (5) years or to both.

As at the Latest Practicable Date, save for our central kitchen who do not play music, all outlets in Malaysia have obtained copyright music licences from PPM.

(f) Liquor Licence

As some of our outlets in Malaysia sell intoxicating liquors in our premises, we are required to obtain a liquor licence from the local government authorities under the Excise Act 1976.

Any person who shall sell intoxicating liquors otherwise than in accordance with a liquor license issued shall, on conviction, be liable to a fine not exceeding RM50,000.00.

All outlets in Malaysia who sells intoxicating liquor have obtained business licences from the relevant local authorities as at the Latest Practicable Date.

As at the Latest Practicable Date, we have complied with all relevant laws and regulations that would materially impact our Group’s business operations.

GENERAL INFORMATION ON OUR GROUP

PROPERTIES AND FIXED ASSETS

Properties

As at the Latest Practicable Date, our Group does not own any properties and we lease or are licensed to use the following properties:

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of property
Singapore				
FIS	6 Eu Tong Sen, #09-17 The Central, Singapore 059817	650	7 July 2024 to 6 July 2026	Office space
FIS	6 Eu Tong Sen, #08-05 The Central, Singapore 059817	650	13 May 2023 to 12 May 2025 sub rent to K2 Operations Singapore Pte. Ltd. (business partner)	Office space
<i>Under the "Sushi Izakaya Kadohachi" brand</i>				
FIS	No. 61 Circular Road #01-01 Singapore 049415	753	1 April 2022 to 31 March 2025	Restaurant
<i>Under the "The Hitsuji Club" brand</i>				
FIS	No. 65 Circular Road #01-01 Singapore 049419	700	17 October 2022 to 16 October 2025	Restaurant
<i>Under the "Niku Katsumata" brand</i>				
FIS	47 Duxton Road Singapore 089511	885	11 July 2023 to 10 July 2025	Restaurant
<i>Under the "Ushi Club" brand</i>				
FIS	No. 64 Circular Road #01-01 Singapore 049418	700	17 October 2022 to 16 October 2025	Restaurant
<i>Under the "Yatagarasu Hanare" brand</i>				
FIS	No. 66 Circular Road #01-01 Singapore 049420	720	1 December 2023 to 30 November 2026	Restaurant
<i>Under the "Mikoto" brand</i>				
FIS	#01-12 The Quayside, 60 Robertson Quay, Singapore 238252	480	1 April 2023 to 31 March 2026	Restaurant

GENERAL INFORMATION ON OUR GROUP

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of property
<i>Under the “Yatagarasu” brand</i>				
FIS	No. 72 Circular Road #01-01 Singapore 049426	786	1 May 2023 to 30 April 2026	Restaurant
<i>Under the “Man Man” brand</i>				
FIS	#01-48 Duo Galleria, 7 Fraser Street, Singapore 189356	732	26 November 2023 to 25 November 2024	Restaurant
<i>Under the “Man Man” and “Tendon Kohaku” brands</i>				
FIS	6 Eu Tong Sen Street, B1-52 and B1-53, The Central, Singapore 059817	1,647	15 July 2022 to 14 July 2025	Restaurant
Japan				
FIJ	Dai-3 Aiwa Building 5th floor north, 5-18-11 Nishi-Ikekuburo, Toshima ward	2,052.08	1 October 2022 to 30 September 2024 ⁽¹⁾	Office space
FIJ	Dai-3 Aiwa Building 5th floor south, 5-18-11 Nishi-Ikekuburo, Toshima ward	2,248.86	1 March 2024 to 28 February 2026	Head Office Properties
TMT	3-chōme-11-13 Jingūmae, Shibuya City, Tokyo 150- 0001	552.78	10 February 2024 to 09 February 2026	Office space
<i>Under the “Maehara” brand</i>				
FIJ	Azabudai Hills Garden Plaza C B2 East Block B1F, Azabudai 1-2-4, Minato-ku	44.83	1 September 2023 to 28 February 2027	Restaurant
FIJ	Toranomon Hills Business Tower 3rd floor 304-4, Toranomon 1-17-1, Minato-ku	873.57	15 January 2020 to 31 January 2027	Restaurant

GENERAL INFORMATION ON OUR GROUP

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of property
<i>Under the "Moomin Café Karuizawa" brand</i>				
TMT	Karuizawa Prince Shopping Plaza West A-1 and 2 sections, Karuizawa Karuizawa Prince Shopping Plaza West, Karuizawa Town, Kitasaku District, Nagano Prefecture	1,501.61	1 November 2023 to 31 March 2026	Restaurant
<i>Under the "LAGOM" brand</i>				
TMT	Metsä Village Restaurant Building 2nd floor, Miyazawa Mishimayama 327-6, Hanno City, Saitama Prefecture	4,295.60	1 February 2023 to 1 February 2027	Restaurant
<i>Under the "Yazawa" brand</i>				
FIJ	Otemachi Financial City South Tower 3rd basement floor B308 Ward (warehouse), Otemachi 1-9-7, Chiyoda Ward	45.90	1 October 2022 to 30 September 2027	Restaurant
FIJ	Otemachi Financial City South Tower B107 Ward, B1F, Otemachi 1-9-7 Otemachi Financial City South Tower B1, Chiyoda Ward	895.27	1 October 2022 to 30 September 2027	Restaurant
<i>Under the "Nordics" brand</i>				
TMT	Metsä Village Small independent store building, Oaza Miyazawa Aza Konokami 319-1, Hanno City	1,247.55	1 March 2024 to 31 August 2024 ⁽²⁾	Restaurant
<i>Under the "Trattoria Niwa" brand</i>				
TMT	Omoteshando Lab 1st floor, Kita Aoyama 3-5-43, Minato-ku	1,326.19	21 June 2023 to 20 June 2025	Restaurant

GENERAL INFORMATION ON OUR GROUP

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of property
Malaysia				
<i>Under the “Bakery Café Hachi” brand</i>				
FIM	Unit G-20, Ground Floor, 1 Mont Kiara, Kuala Lumpur, Malaysia	1,011	29 April 2024 to 28 April 2027	Bakery
FIM	LOT C/0G/01C&LOT C/0G/01D Courtyard Level Block C Plaza Mont Kiara, 50480 Kuala Lumpur	1,730	1 December 2023 to 30 November 2025	Bakery, central kitchen
<i>Under the “Kanbe Ramen” brand</i>				
FIM	LOT GF-08, Ground Floor, 163 Retail Park	1,465	1 January 2024 to 31 December 2026	<i>Kanbe Ramen</i>
<i>Under the “Kanbe Yakiniku” brand</i>				
FIM	Unit No. Lot 1E, Ground Floor New Wing @Mont Kiara Shoplex, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur, Malaysia	2,202	1 April 2022 to 31 March 2025	<i>Kanbe Yakiniku</i>
<i>Under the “Kanbe TRX” brand</i>				
FIM	Unit No. PL08.0, Park Level, Persiaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur, Malaysia	2,118	17 August 2023 to 16 August 2026	<i>Kanbe TRX</i>
<i>Under the “Kanbe Sushi” brand</i>				
FIM	Unit No. Lot 1A, Lower Ground Floor New Wing @Mont Kiara Shoplex, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur, Malaysia	2,142	3 June 2024 to 2 June 2027	<i>Kanbe Sushi (Hon Uogashi Kanbe)</i>
<i>Others</i>				
FIM	G-81, Ground Floor, Gourmet Street, Lalaport, Jalan Hang Tuah, Pudu, 55100, Kuala Lumpur	871.91	1 September 2022 to 31 August 2025	Osaka Kitchen restaurant

GENERAL INFORMATION ON OUR GROUP

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of property
FIM	17-27-5, Mont Kiara Palma, Jalan 1/70c, Mont Kiara, 50480 Kuala Lumpur	1,280	1 May 2024 to 30 April 2025	Staff accommodation
FIM	Unit A-23-3, Crown Tower, Mont Kiara Astana, Jalan Kiara 2, Mont Kiara, 50480 Kuala Lumpur	1,700	20 May 2024 to 19 May 2026	Staff accommodation
FIM	Unit A-8-3A, Gateway Kiaramas Residence, 1, Jalan Kiara 5, Mont Kiara, 50480 Kuala Lumpur	1,733	1 December 2023 to 30 November 2024	Staff accommodation
FIM	Unit No. 11-3, TWY Mont Kiara Condo, No. 21, Jalan Duta Kiara, 50480 Kuala Lumpur	821	1 March 2024 to 28 February 2025	Staff accommodation
FIM	B-20-4, Vista Kiara Condominium, Jalan Kiara 3, Mont Kiara, 50480, Kuala Lumpur	1,235	24 July 2024 to 23 July 2025	Staff accommodation

Notes:

- (1) This lease has been renewed till 30 September 2026.
- (2) This lease has been renewed till 31 August 2025.

In a majority of the above leases, the lessor is not entitled to unilaterally terminate the lease for convenience by giving notice to the lessee but is entitled to unilaterally terminate the relevant lease for cause in the event of, among others, breach of contract or non-performance or default by the lessee of the covenants stipulated in such lease. Our Directors are of the view that any unilateral termination by any lessor is unlikely to have a material impact on our Group's business or operations, as we believe that we will be able to secure leases for alternative premises in the event of such termination.

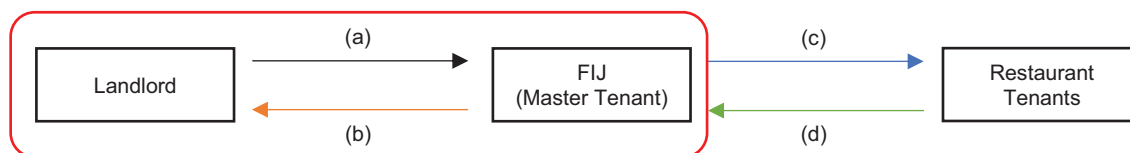
As at the Latest Practicable Date, our Directors are not aware of any existing breach of any obligations under the abovementioned lease agreements that would result in their termination by the landlords or non-renewal, if required, when they expire. In respect of the abovementioned leases that will be expiring within the next 12 months, our Group does not foresee any difficulties in renewing the abovementioned leases when they expire.

Master Lease Agreements with Landlords

Our RLSB business model entails leasing restaurant premises from landlords and subleasing them to restaurant tenants who want to open a restaurant or relocate their existing restaurant operations. As such, FIJ has entered into various Master Lease Agreements with the landlords for this business. FIJ engages in periodic review of the Master Lease Agreements with the Landlords and may exercise its right of termination subject to any requirements of notice period stipulated in the Master Lease Agreements pursuant to the rationalisation of our Group's subleased property portfolio. In the event of termination without giving sufficient notice to the Landlords as stipulated in the Master Lease Agreements, FIJ shall be obligated to pay the Landlords an amount equivalent to the rent for the period that falls short of the required notice period. Please refer to the

GENERAL INFORMATION ON OUR GROUP

sub-section entitled “General Information of Our Group – Business Overview – RLSB” of this Offer Document for more information on the RLSB business model. For the Period Under Review, our Group did not terminate any Master Lease Agreements without giving sufficient notice and hence, there was no material impact on our Group’s financials and/or operations.



	Ordinary Building Sublease	Fixed-term Building Sublease
(a)	In the event that the landlord wishes to terminate the master lease agreement, landlord must provide prior written notice as stipulated in the master lease agreement to the restaurant tenant with justifiable grounds.	The landlord may only terminate the master lease agreement if mutually agreed between parties.
(b)	In the event that FIJ wishes to terminate the master lease agreement, the FIJ must provide prior written notice as stipulated in the master lease agreement or an amount equivalent to the rent for the period falling short of the notice period.	FIJ may only terminate the master lease agreement if mutually agreed between parties.

The details of the subleased properties are as follows:

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of Property
FIJ	2-13-15 Nishiazabu, Minato-ku, Tokyo	1,302.34	1 February 2023 to 31 January 2026	Sublease
FIJ	1-13-4 Toranomom, Minato-ku, Tokyo	1,731.83	1 March 2023 to 28 February 2026	Sublease
FIJ	3-20-2 Akasaka, Minato-ku, Tokyo	433.40	1 November 2019 to 31 October 2024 ⁽¹⁾	Sublease
FIJ	3-11-6 Shinjuku, Shinjuku-ku, Tokyo	439.45	1 April 2023 to 31 March 2026	Sublease
FIJ	1-41 Kanda Jinbocho, Chiyoda-ku, Tokyo	1,478.13	1 May 2020 to 30 April 2025	Sublease
FIJ	1-4-8 Azabu-Juban, Minato-ku, Tokyo	857.20	1 June 2020 to 31 May 2025	Sublease
FIJ	3-17-5 Shinjuku, Shinjuku-ku, Tokyo	1,923.98	1 February 2023 to 31 January 2026	Sublease
FIJ	1-4-5 Nishi-Shinjuku, Shinjuku-ku, Tokyo	1,067.50	15 February 2023 to 14 February 2026	Sublease

GENERAL INFORMATION ON OUR GROUP

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of Property
FIJ	3-11-6 Shinjuku, Shinjuku-ku, Tokyo	406.36	1 April 2023 to 31 March 2026	Sublease
FIJ	2-28-5 Dogenzaka, Shibuya-ku, Tokyo	1,197.02	1 April 2023 to 31 March 2026	Sublease
FIJ	Kanagawa Prefecture Kawasaki City Nakahara Ward Shinjo 3-17-9	1,097.74	16 May 2020 to 15 May 2025	Sublease
FIJ	1-19-4 Nishi-Shinjuku, Shinjuku-ku, Tokyo	754.36	1 March 2024 to 28 February 2027	Sublease
FIJ	4-33-3 Tokiwadai, Itabashi-ku, Tokyo	741.20	1 September 2020 to 31 August 2025	Sublease
FIJ	3-17-5 Shinjuku, Shinjuku-ku, Tokyo	3,514.55	1 May 2023 to 30 April 2026	Sublease
FIJ	2-15-7 Shimbashi, Minato-ku, Tokyo	1,812.25	1 November 2019 to 31 October 2024	Sublease
FIJ	2-4 Yokoyamacho, Nihonbashi, Chuo-ku, Tokyo	560.44	1 May 2023 to 30 April 2026	Sublease
FIJ	1-49-16, Fuda, Chofu City, Tokyo	338.04	1 November 2020 to 31 October 2030	Sublease
FIJ	1-7-2 Ebisu Nishi, Shibuya-ku, Tokyo	612.03	1 April 2023 to 31 March 2026	Sublease
FIJ	7-25-10 Minamikojiwa, Edogawa-ku, Tokyo	898.83	1 June 2023 to 31 May 2026	Sublease
FIJ	5-21-12 Hirai, Edogawa-ku, Tokyo	982.10	1 July 2023 to 30 June 2026	Sublease
FIJ	3-17-10 Akasaka, Minato-ku, Tokyo	1,458.56	30 June 2023 to 29 June 2026	Sublease
FIJ	3-4-8 Toyosu, Koto-ku, Tokyo	860.05	1 July 2023 to 30 June 2027	Sublease
FIJ	2-25-18 Nishiazabu, Minato-ku, Tokyo	745.82	1 November 2023 to 31 October 2026	Sublease
FIJ	3-34-3 Shinjuku, Shinjuku-ku, Tokyo	1,426.53	15 January 2024 to 14 January 2027	Sublease
FIJ	3-38-13 Shoan, Suginami-ku, Tokyo	676.79	19 January 2024 to 18 January 2027	Sublease
FIJ	4-8 Kagurazaka, Shinjuku-ku, Tokyo	1,058.96	1 March 2022 to 28 February 2025	Sublease
FIJ	3-8-1 Akasaka, Minato-ku, Tokyo	1,772.40	1 April 2024 to 31 March 2027	Sublease

GENERAL INFORMATION ON OUR GROUP

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of Property
FIJ	3-10-14 Sakaemachi, Kawaguchi City, Saitama Prefecture	427.00	1 April 2024 to 31 March 2027	Sublease
FIJ	1-3-7 Yanagibashi, Taito-ku, Tokyo	1,353.23	1 April 2024 to 31 March 2027	Sublease
FIJ	2-9-2 Kanda Tsukasacho, Chiyoda-ku, Tokyo	711.66	1 May 2024 to 30 April 2027	Sublease
FIJ	1-3-7 Iidabashi, Chiyoda-ku, Tokyo	988.86	1 May 2024 to 30 April 2027	Sublease
FIJ	1-20-2 Minami-Ikebukuro, Toshima-ku, Tokyo	1,565.66	1 May 2022 to 30 April 2032	Sublease
FIJ	2-27-2 Kami-Osaki, Shinagawa-ku, Tokyo	925.16	1 June 2024 to 31 May 2027	Sublease
FIJ	1-6-3 Tsunashimahigashi, Kohoku-ku, Yokohama- shi, Kanagawa	902.39	1 June 2024 to 31 May 2026	Sublease
FIJ	15-15 Ueno 5-chome, Taito-ku, Tokyo	2,312.91	2 June 2024 to 1 June 2027	Sublease
FIJ	4-8 Hirakawacho, Kanda, Chiyoda-ku, Tokyo	311.35	19 June 2024 to 18 June 2027	Sublease
FIJ	1-8-10 Ebisu Nishi, Shibuya Ward, Tokyo	1,044.72	1 July 2024 to 30 June 2027	Sublease
FIJ	1-14-10 Kamiooka Nishi, Konan Ward, Yokohama City, Kanagawa Prefecture	2,382.29	1 February 2024 to 31 January 2026	Sublease
FIJ	1-14-15 Nishi-Shinjuku, Shinjuku-ku, Tokyo	1,882.71	1 August 2012 to 31 July 2027	Sublease
FIJ	1-14-15 Nishi-Shinjuku, Shinjuku-ku, Tokyo	693.87	1 August 2012 to 31 July 2027	Sublease
FIJ	7-14-16 Roppongi, Minato-ku, Tokyo	366.86	20 January 2023 to 19 January 2028	Sublease
FIJ	2-13-11 Tsuruyacho, Kanagawa-ku, Yokohama- shi, Kanagawa Prefecture	729.46	1 September 2024 to 31 August 2027	Sublease
FIJ	5-2-25 Hiroo, Shibuya-ku, Tokyo	941.89	1 September 2021 to 31 August 2024 ⁽²⁾	Sublease
FIJ	1-1-11 Nerima, Nerima-ku, Tokyo	1,134.39	20 September 2021 to 19 September 2024 ⁽²⁾	Sublease
FIJ	3-2-15 Ginza, Chuo-ku, Tokyo	2,001.55	1 April 2022 to 31 March 2027	Sublease

GENERAL INFORMATION ON OUR GROUP

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of Property
FIJ	2-37-8 Kitamachi, Nerima-ku, Tokyo	818.41	1 August 2024 to 31 July 2029	Sublease
FIJ	3-9-18 Yotsuya, Shinjuku-ku, Tokyo	782.83	1 October 2021 to 30 September 2024 ⁽²⁾	Sublease
FIJ	7-9-13 Nishi-Shinjuku, Shinjuku-ku, Tokyo	902.03	1 October 2022 to 30 September 2024 ⁽²⁾	Sublease
FIJ	2-21-3 Hyakunincho, Shinjuku-ku, Tokyo	1,031.91	1 November 2021 to 31 October 2024 ⁽²⁾	Sublease
FIJ	2-17-6 Asagaya Minami, Suginami-ku, Tokyo	533.39	7 November 2021 to 6 November 2024 ⁽²⁾	Sublease
FIJ	3-5-1 Nishi-Nippori, Arakawa-ku, Tokyo	637.65	22 December 2022 to 21 December 2024 ⁽²⁾	Sublease
FIJ	3-14-2 Hatchobori, Chuo-ku, Tokyo	1,348.96	26 December 2021 to 25 December 2024 ⁽²⁾	Sublease
FIJ	6-5-7 Ueno, Taito-ku, Tokyo	532.68	1 January 2023 to 31 December 2024 ⁽²⁾	Sublease
FIJ	7-10-13 Nishi-Shinjuku, Shinjuku-ku, Tokyo	1,352.16	1 January 2022 to 31 December 2024 ⁽²⁾	Sublease
FIJ	1-6-8 Umezato, Suginami-ku, Tokyo	648.25	6 January 2022 to 5 January 2025	Sublease
FIJ	5-33-13 Kameari, Katsushika-ku, Tokyo	1,067.50	1 February 2022 to 31 January 2025	Sublease
FIJ	1-4-20 Yaesu, Chuo-ku, Tokyo	427.00	1 April 2023 to 31 March 2025	Sublease
FIJ	2-13-11 Tsuruyacho, Kanagawa-ku, Yokohama- shi, Kanagawa	1,239.36	1 April 2022 to 31 March 2025	Sublease
FIJ	4-2-13 Nakano, Nakano-ku, Tokyo	766.82	1 April 2022 to 31 March 2025	Sublease
FIJ	3-22-9 Uchikanda, Chiyoda-ku, Tokyo	1,280.99	16 April 2022 to 15 April 2025	Sublease
FIJ	3-16-22 Shimbashi, Minato-ku, Tokyo	266.16	1 May 2022 to 30 April 2025	Sublease
FIJ	2-10-5 Kabukicho, Shinjuku, Tokyo	641.21	1 June 2022 to 31 May 2025	Sublease
FIJ	3-32 Senju, Adachi-ku, Tokyo	1,222.28	1 June 2022 to 31 May 2025	Sublease
FIJ	2-4-14 Yutenji, Meguro-ku, Tokyo	498.16	1 June 2022 to 31 May 2025	Sublease

GENERAL INFORMATION ON OUR GROUP

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of Property
FIJ	1-19-13 Nishi-Shinjuku, Shinjuku-ku, Tokyo	999.18	1 July 2023 to 30 June 2025	Sublease
FIJ	1-27-8 Minamiikebukuro, Toshima-ku, Tokyo	3,534.12	1 August 2023 to 31 July 2028	Sublease
FIJ	1-42-3 Kanda Jinbocho, Chiyoda-ku, Tokyo	844.03	1 August 2023 to 31 July 2025	Sublease
FIJ	1-20-2 Minami-Ikebukuro, Toshima-ku, Tokyo	996.33	12 September 2023 to 11 September 2033	Sublease
FIJ	2-3-3 Akebonocho, Tachikawa City, Tokyo	2,470.90	1 January 2021 to 31 December 2025	Sublease
FIJ	1-4-5 Nishi-Shinjuku, Shinjuku-ku, Tokyo	1,280.99	1 March 2023 to 28 February 2026	Sublease
FIJ	2-15-9 Shimbashi, Minato-ku, Tokyo	1,743.58	1 April 2023 to 31 March 2026	Sublease
FIJ	1-11-3 Dogenzaka, Shibuya-ku, Tokyo	661.85	1 September 2023 to 31 August 2026	Sublease
FIJ	8-12-5 Ginza, Chuo Ward, Tokyo	996.33	1 October 2023 to 30 September 2026	Sublease
FIJ	21-10 Oyama Higashicho, Itabashi-ku, Tokyo	711.66	17 November 2023 to 16 November 2026	Sublease
FIJ	4-9-5 Ebisu, Shibuya-ku, Tokyo	1,057.18	1 November 2022 to 31 October 2024 ⁽²⁾	Sublease
FIJ	1-11-3 Ooi, Shinagawa-ku, Tokyo	2,378.02	1 October 2021 to 30 September 2026	Sublease
FIJ	3-8-1 Akasaka, Minato-ku, Tokyo	1,428.31	16 February 2024 to 15 February 2027	Sublease
FIJ	1-19-2 Kyobashi, Chuo-ku, Tokyo	832.65	1 March 2023 to 28 February 2025	Sublease
FIJ	6-4-18 Ginza, Chuo-ku, Tokyo	1,794.82	1 February 2021 to 31 January 2026	Sublease
FIJ	1-22-10 Jinnan, Shibuya-ku, Tokyo	2,384.07	8 July 2015 to 7 June 2025	Sublease
FIJ	1-3-10 Kotobukicho, Fuchu City, Tokyo	657.93	1 October 2021 to 30 September 2024 ⁽²⁾	Sublease
FIJ	3-11-3 Kotobashi, Sumida-ku, Tokyo	1,636.47	16 September 2022 to 15 September 2024 ⁽²⁾	Sublease
FIJ	2-1-13 Nishikanda, Chiyoda-ku, Tokyo	1,182.43	1 April 2021 to 31 March 2026	Sublease
FIJ	1-35-2 Nishi-Ikebukuro, Toshima-ku, Tokyo	734.44	5 July 2022 to 4 July 2025	Sublease

GENERAL INFORMATION ON OUR GROUP

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of Property
FIJ	2-37-11 Tohoku, Niiza City, Saitama Prefecture	1,774.53	1 September 2022 to 31 August 2025	Sublease
FIJ	108-1 Kitakojicho, Nijo- agaru, Ryogaemachi-dori, Nakagyo-ku, Kyoto	1,689.49	1 August 2021 to 31 July 2026	Sublease
FIJ	3-18-2 Minamimachi, Kokubunji City, Tokyo	903.81	1 November 2022 to 31 October 2025	Sublease
FIJ	6-24-10 Minamioi, Shinagawa-ku, Tokyo	1,746.07	16 January 2023 to 15 January 2026	Sublease
FIJ	2-7-2 Fujimi-cho, Chiyoda-ku, Tokyo	495.67	1 February 2023 to 31 January 2026	Sublease
FIJ	2-11-15 Ginza, Chuo-ku, Tokyo	2,258.82	1 June 2017 to 28 February 2026	Sublease
FIJ	1-21-22 Nishikoiwa, Edogawa-ku, Tokyo	2,239.96	1 July 2023 to 30 June 2026	Sublease
FIJ	2-21-3 Hyakunincho, Shinjuku-ku, Tokyo	1,453.57	13 August 2023 to 12 August 2026	Sublease
FIJ	1-14-15 Nishi-Shinjuku, Shinjuku-ku, Tokyo	23.68	1 July 2017 to 31 July 2027	Sublease
FIJ	1-14-15 Nishi-Shinjuku, Shinjuku-ku, Tokyo	305.66	1 July 2017 to 31 July 2027	Sublease
FIJ	5-1-7 Nishi-Ikebukuro, Toshima-ku, Tokyo	318.83	16 November 2023 to 15 November 2025	Sublease
FIJ	2-1-1 Nakazato, Kita-ku, Tokyo	1,743.58	1 January 2024 to 31 December 2026	Sublease
FIJ	3-1 Kagurazaka, Shinjuku-ku, Tokyo	2,253.84	1 January 2023 to 31 December 2027	Sublease
FIJ	1-9 Hibino, Mihama-ku, Chiba City, Chiba Prefecture	891.00	1 March 2018 to 29 February 2028	Sublease
FIJ	4-12-11 Roppongi, Minato-ku, Tokyo	1,024.80	1 November 2023 to 31 October 2025	Sublease
FIJ	2-16-6 Tsuruyacho, Kanagawa-ku, Yokohama- shi, Kanagawa Prefecture	2,126.45	1 July 2024 to 30 June 2026	Sublease
FIJ	2-16-1 Akabane, Kita-ku, Tokyo	848.30	1 July 2024 to 30 June 2027	Sublease
FIJ	1-17-1 Oji, Kita-ku, Tokyo	673.95	1 July 2024 to 30 June 2027	Sublease

GENERAL INFORMATION ON OUR GROUP

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of Property
FIJ	2-6-2 Minamisaiwai, Nishi-ku, Yokohama, Kanagawa Prefecture	2,303.30	20 June 2024 to 19 June 2027	Sublease
FIJ	2-3-6 Shimbashi, Minato-ku, Tokyo	1,228.69	1 August 2024 to 31 July 2027	Sublease
FIJ	3-10-2 Uchikanda, Chiyoda-ku, Tokyo	559.37	1 December 2023 to 30 November 2028	Sublease
FIJ	2-3-6 Shimbashi, Minato-ku, Tokyo	1,173.89	1 August 2024 to 31 July 2027	Sublease
FIJ	55-6 Oyama Higashicho, Itabashi-ku, Tokyo	498.16	1 September 2024 to 31 August 2027	Sublease
FIJ	2-5-8 Ueno, Taito-ku, Tokyo	624.13	1 August 2024 to 31 July 2026	Sublease
FIJ	2-15-7 Shimbashi, Minato-ku, Tokyo	1,812.25	1 November 2029 to 31 October 2024 ⁽¹⁾	Sublease
FIJ	1-30-12 Aobadai, Meguro-ku, Tokyo	836.21	1 December 2018 to 30 November 2028	Sublease
FIJ	11-6 Yokoyamacho, Hachioji City, Tokyo	398.89	1 February 2022 to 31 January 2025	Sublease
FIJ	1-14 Hibino, Mihama-ku, Chiba City, Chiba Prefecture	2,102.97	1 April 2019 to 31 March 2029	Sublease
FIJ	1-6-2 Kajicho, Chiyoda-ku, Tokyo	889.58	1 October 2022 to 30 September 2025	Sublease
FIJ	1-11-12 Kichijoji Minamimachi, Musashino City, Tokyo	1,098.81	1 July 2022 to 30 June 2025	Sublease
FIJ	6-17-6 Roppongi, Minato-ku, Tokyo	538.37	1 August 2022 to 31 July 2025	Sublease
FIJ	1-42-1 Nishi-Ikebukuro, Toshima-ku, Tokyo	296.76	1 October 2022 to 30 September 2025	Sublease
FIJ	3-13-14 Nishiazabu, Minato-ku, Tokyo	2,362.01	1 August 2022 to 31 July 2025	Sublease
FIJ	3-16-7 Shinbashi, Minato-ku, Tokyo	987.08	9 September 2023 to 8 September 2025	Sublease
FIJ	1-12-1 Nihonbashi Kayabacho, Chuo-ku, Tokyo	616.66	1 November 2022 to 31 October 2025	Sublease
FIJ	1-23-19 Nishikawaguchi, Kawaguchi City, Saitama Prefecture	1,245.41	4 October 2022 to 3 October 2025	Sublease

GENERAL INFORMATION ON OUR GROUP

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of Property
FIJ	3-22-18 Koenji Kita, Suginami-ku, Tokyo	957.90	1 February 2024 to 31 January 2027	Sublease
FIJ	3-33-17 Nishi-Ikebukuro, Toshima-ku, Tokyo	963.95	15 November 2022 to 14 November 2025	Sublease
FIJ	64-1 Nishikamata 7-chome, Ota-ku, Tokyo	366.15	20 November 2022 to 19 November 2025	Sublease
FIJ	7-4-9 Nishikamata, Ota-ku, Tokyo	451.91	16 November 2022 to 15 November 2025	Sublease
FIJ	14-1 Roppongi 7-chome, Minato-ku, Tokyo	925.87	1 December 2022 to 30 November 2025	Sublease
FIJ	1-10-6 Sasazuka, Shibuya-ku, Tokyo	924.81	10 January 2023 to 9 January 2026	Sublease
FIJ	2-49 Tsukuba, Kumagaya City, Saitama Prefecture	1,343.62	1 June 2024 to 31 May 2027	Sublease
FIJ	2-49 Tsukuba, Kumagaya City, Saitama Prefecture	2,709.66	1 June 2024 to 31 May 2027	Sublease
FIJ	2-23-1 Ikebukuro, Toshima-ku, Tokyo	481.08	1 May 2024 to 30 April 2027	Sublease
FIJ	1-4-1 Mizonokuchi, Takatsu-ku, Kawasaki City, Kanagawa Prefecture	266.87	25 October 2019 to 24 October 2024 ⁽¹⁾	Sublease
FIJ	1-5-3 Dogenzaka, Shibuya-ku, Tokyo	1,648.93	1 February 2020 to 30 June 2026	Sublease
FIJ	1-9-2 Nishi-Ikebukuro, Toshima-ku, Tokyo	2,152.43	1 March 2020 to 28 February 2027	Sublease
FIJ	1-10-3 Kanda Ogawamachi, Chiyoda-ku, Tokyo	857.20	25 March 2023 to 24 March 2026	Sublease
FIJ	3-1 Udagawacho, Shibuya-ku, Tokyo	1,239.36	31 March 2020 to 31 March 2025	Sublease
FIJ	4-4-3 Higashinakano, Nakano-ku, Tokyo	918.05	1 September 2023 to 31 August 2026	Sublease
FIJ	8-11-3 Minamikoiba, Edogawa-ku, Tokyo	387.50	1 September 2022 to 31 August 2024 ⁽²⁾	Sublease
FIJ	3-33-17 Nishi-Ikebukuro, Toshima-ku, Tokyo	604.91	16 October 2023 to 15 October 2026	Sublease
FIJ	1-2-1 Ichigayatamachi, Shinjuku-ku, Tokyo	1,406.96	1 March 2021 to 30 November 2024 ⁽²⁾	Sublease
FIJ	1-5-2 Higashi-Shinbashi, Minato-ku, Tokyo	2,724.96	1 February 2021 to 31 March 2025	Sublease

GENERAL INFORMATION ON OUR GROUP

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of Property
FIJ	3-33-17 Nishi-Ikebukuro, Toshima-ku, Tokyo	458.31	16 May 2024 to 15 May 2027	Sublease
FIJ	1-9 Hibino, Mihama-ku, Chiba City, Chiba Prefecture	1,734.32	1 April 2021 to 31 July 2027	Sublease
FIJ	5-4-15 Ginza, Chuo-ku, Tokyo	1,779.16	17 May 2021 to 31 May 2027	Sublease
FIJ	3398-1 Kamimiyata, Minamishimoura-cho, Miura-shi, Kanagawa Prefecture	1,870.96	1 September 2024 to 31 August 2027	Sublease
FIJ	911 Shimmarukocho, Nakahara-ku, Kawasaki- city, Kanagawa	863.25	1 August 2024 to 31 July 2027	Sublease
FIJ	7-64-1 Nishikamata, Ota-ku, Tokyo	498.16	10 August 2024 to 9 August 2027	Sublease
FIJ	2-15 Ginza 3-chome, Chuo-ku, Tokyo	2,400.09	15 October 2021 to 31 May 2027	Sublease
FIJ	13-12 Higashimachi, Hachioji City, Tokyo	1,031.91	1 February 2024 to 31 January 2027	Sublease
FIJ	4-2-3 Nakamachi, Atsugi City, Kanagawa Prefecture	1,870.25	1 March 2022 to 28 February 2025	Sublease
FIJ	2-28-1 Nakano, Nakano-ku, Tokyo	377.54	1 April 2024 to 31 March 2026	Sublease
FIJ	3-2 Kagurazaka, Shinjuku-ku, Tokyo	649.39	1 May 2022 to 30 April 2025	Sublease
FIJ	3-18-16 Nishiogikita, Suginami-ku, Tokyo	391.42	1 April 2022 to 31 March 2025	Sublease
FIJ	2-3-23 Shirokane, Minato-ku, Tokyo	1,406.96	1 May 2022 to 30 April 2027	Sublease
FIJ	4-2 Higashitacho, Kawasakiku, Kawasaki- shi, Kanagawa	670.03	1 May 2024 to 30 April 2026	Sublease
FIJ	2-19-5 Namiki, Kawaguchi City, Saitama Prefecture	6,683.95	10 May 2022 to 9 May 2035	Sublease
FIJ	51-6 Kononemoto, Matsudo City, Chiba Prefecture	524.85	1 July 2022 to 30 June 2025	Sublease
FIJ	4-19-15 Taito, Taito-ku, Tokyo	1,614.77	1 June 2022 to 31 May 2025	Sublease

GENERAL INFORMATION ON OUR GROUP

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of Property
FIJ	1-8-10 Ebisu Nishi, Shibuya-ku, Tokyo	522.01	1 August 2022 to 31 July 2025	Sublease
FIJ	1-15-3 Matsuyama, Kiyose City, Tokyo	1,346.47	1 July 2022 to 30 June 2025	Sublease
FIJ	3-37-12 Asagaya Minami, Suginami-ku, Tokyo	855.06	1 September 2022 to 31 August 2025	Sublease
FIJ	1-4-18 Minamiazabu, Minato-ku, Tokyo	408.85	29 March 2024 to 28 March 2027	Sublease
FIJ	4-8-6 Ueno, Taito-ku, Tokyo	1,101.30	1 December 2022 to 30 November 2025	Sublease
FIJ	2-12-2 Hirakawacho, Chiyoda-ku, Tokyo	394.97	1 November 2022 to 31 October 2025	Sublease
FIJ	110 Isezakicho 4-chome, Naka-ku, Yokohama, Kanagawa Prefecture	892.43	1 November 2022 to 31 October 2025	Sublease
FIJ	2-19-5 Namiki, Kawaguchi City, Saitama Prefecture	230.58	17 October 2022 to 9 May 2035	Sublease
FIJ	1-38-3 Nishi-Ikebukuro, Toshima-ku, Tokyo	1,621.88	9 February 2023 to 8 February 2026	Sublease
FIJ	1-14-17 Sakurashinmachi, Setagaya-ku, Tokyo	1,193.82	9 December 2022 to 8 December 2025	Sublease
FIJ	12-11 Yokoyamacho, Hachioji City, Tokyo	323.10	1 April 2024 to 31 March 2027	Sublease
FIJ	2-6-11 Dogenzaka, Shibuya-ku, Tokyo	239.12	15 December 2022 to 14 December 2024 ⁽²⁾	Sublease
FIJ	3-14-12 Minamiikebukuro, Toshima-ku, Tokyo	782.83	16 January 2023 to 15 January 2026	Sublease
FIJ	5-12 Nakane Shinden, Noda City, Chiba Prefecture	1,601.24	16 December 2022 to 15 December 2025	Sublease
FIJ	3-27-1 Shakujicho, Nerima-ku, Tokyo	867.16	17 March 2023 to 16 March 2026	Sublease
FIJ	3-16-2 Shimbashi, Minato-ku, Tokyo	2,951.63	1 February 2023 to 31 January 2033	Sublease
FIJ	6-5-11 Minami- Karasuyama, Setagaya-ku, Tokyo	491.05	1 February 2023 to 31 January 2026	Sublease
FIJ	1-20-2 Minami-Ikebukuro, Toshima-ku, Tokyo	1,313.02	20 February 2023 to 19 February 2033	Sublease
FIJ	2-7-13 Asakusa, Taito-ku, Tokyo	568.98	1 April 2023 to 31 March 2030	Sublease

GENERAL INFORMATION ON OUR GROUP

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of Property
FIJ	1-18-6 Okurayama, Kohoku-ku, Yokohama, Kanagawa Prefecture	324.52	1 April 2023 to 31 December 2032	Sublease
FIJ	5-53-5 Nakano, Nakano-ku, Tokyo	552.61	1 May 2023 to 30 April 2026	Sublease
FIJ	2-16-20 Minamisaiwai, Nishi-ku, Yokohama, Kanagawa Prefecture	658.29	1 August 2023 to 31 July 2025	Sublease
FIJ	1-53-7 Sasazuka, Shibuya-ku, Tokyo	389.99	2 June 2023 to 1 June 2025	Sublease
FIJ	3-8-8 Shimbashi, Minato-ku, Tokyo	768.60	1 July 2023 to 31 July 2026	Sublease
FIJ	3-8-8 Shimbashi, Minato-ku, Tokyo	885.88	1 July 2023 to 31 July 2026	Sublease
FIJ	1-21-13 Higashi- Ikebukuro, Toshima-ku, Tokyo	3,619.88	1 July 2023 to 30 June 2030	Sublease
FIJ	1-20-2 Minami-Ikebukuro, Toshima-ku, Tokyo	1,434.00	1 July 2023 to 30 June 2033	Sublease
FIJ	5-1-2 Kita-Urawa, Urawa-ku, Saitama City, Saitama	249.08	1 October 2023 to 30 September 2026	Sublease
FIJ	1-17-1 Oji, Kita-ku, Tokyo	331.28	20 July 2023 to 19 July 2025	Sublease
FIJ	7-40 Funamachi, Shinjuku-ku, Tokyo	642.63	1 August 2024 to 31 July 2027	Sublease
FIJ	1-20-2 Minami-Ikebukuro, Toshima-ku, Tokyo	1,434.00	1 August 2023 to 31 July 2033	Sublease
FIJ	2-22-2 Ikebukuro, Toshima-ku, Tokyo	421.66	26 June 2024 to 25 June 2026	Sublease
FIJ	1-8-2 Higashi-Shinbashi, Minato-ku, Tokyo	1,105.21	1 September 2023 to 31 August 2028	Sublease
FIJ	3-9-36 Kizuki, Nakahara-ku, Kawasaki City, Kanagawa	594.24	1 September 2023 to 31 August 2026	Sublease
FIJ	20-9 Daikanyamacho, Shibuya Ward, Tokyo	579.65	15 September 2023 to 14 September 2026	Sublease
FIJ	3-10-4 Amanuma, Suginami-ku, Tokyo	397.11	1 November 2023 to 31 October 2026	Sublease

GENERAL INFORMATION ON OUR GROUP

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of Property
FIJ	4-11-1 Meieki, Nakamura-ku, Nagoya City, Aichi	2,718.56	15 November 2023 to 14 June 2036	Sublease
FIJ	2-16-1 Konan, Minato-ku, Tokyo	1,478.13	15 March 2022 to 14 March 2025	Sublease
FIJ	1-44-1 Tomigaya, Shibuya-ku, Tokyo	384.30	9 January 2024 to 8 January 2027	Sublease
FIJ	2-6-11 Dogenzaka, Shibuya-ku, Tokyo	239.12	1 December 2023 to 30 November 2025	Sublease
FIJ	1-5-10 Ginza, Chuo Ward, Tokyo	2,174.13	1 August 2024 to 31 July 2027	Sublease
FIJ	1-7-8 Ebisu Minami, Shibuya-ku, Tokyo	1,256.80	15 March 2022 to 14 March 2025	Sublease
FIJ	1-38-1 Nishi-Ikebukuro, Toshima-ku, Tokyo	1,886.27	1 October 2023 to 30 September 2026	Sublease
FIJ	2-13-8 Yoyogi, Shibuya-ku, Tokyo	1,258.93	1 April 2024 to 31 March 2026	Sublease
FIJ	4-2-15 Kudankita, Chiyoda-ku, Tokyo	1,021.95	8 March 2024 to 7 March 2029	Sublease
FIJ	1-16 Agebacho, Shinjuku-ku, Tokyo	2,134.99	1 March 2024 to 28 February 2027	Sublease
FIJ	1F T/C Building, 2-38-16 Oshima, Koto-ku, Tokyo	736.57	1 April 2024 to 31 March 2027	Sublease
FIJ	4-11-14 Nishiazabu, Minato-ku, Tokyo	786.39	16 April 2024 to 15 April 2027	Sublease
FIJ	3-33-10 Nishi-Ikebukuro, Toshima-ku, Tokyo	1,007.36	1 May 2024 to 30 April 2027	Sublease
FIJ	3-42-2 Shirokanecho, Ichihara City, Chiba	784.25	1 June 2024 to 31 May 2027	Sublease
FIJ	15-6 Kabutocho, Nihonbashi, Chuo-ku, Tokyo	1,518.33	1 June 2024 to 31 May 2026	Sublease
FIJ	3-2-113 and 114 Sakae, Naka-ku, Nagoya	1,932.52	1 July 2024 to 30 June 2034	Sublease
FIJ	1-1515 Meieki Minami, Nakamura-ku, Nagoya- shi, Aichi	4,975.24	1 July 2024 to 30 June 2027	Sublease
FIJ	7-5-2 Wakamiyacho, Toyota-shi, Aichi	1,361.06	1 August 2024 to 31 July 2026	Sublease
FIJ	7-5-2 Wakamiyacho, Toyota-shi, Aichi	1,724.72	25 July 2024 to 24 July 2026	Sublease

GENERAL INFORMATION ON OUR GROUP

Lessee/ Tenant	Location	Approximate area (sq ft)	Tenure	Use of Property
FIJ	3-7 Senju Asahicho, Adachi-ku, Tokyo	1,088.85	1 August 2024 to 31 July 2031	Sublease
FIJ	5-20-4 Sakae, Naka-ku, Nagoya-shi, Aichi	320.25	1 September 2024 to 31 August 2026	Sublease
FIJ	3-7 Senju Asahicho, Adachi-ku, Tokyo	1,088.85	1 September 2024 to 31 August 2031	Sublease

Notes:

- (1) This is a fixed-term building lease.
 (2) This is an ordinary building lease which will be renewed automatically upon expiry.

In respect of the abovementioned master lease agreements that will be expiring within the next 12 months, our Group does not foresee any difficulties in renewing the abovementioned master lease agreements when they expire.

A typical master lease agreement contains the following terms and conditions:

General Nature of Contract	Fixed-Term Building Lease Agreement or Ordinary Building Lease Agreement
Duration of Contract	Fixed-Term Building Leases: Typically for terms of five (5) to ten (10) years and are not renewable Ordinary Building Leases: Generally for a minimum period of 2 years.
Material Terms of Contract	(a) FIJ shall not sublease the rented property or transfer its lease right to a third party ¹⁰ ; (b) FIJ shall not transfer or offer as collateral to a third party all or a part of its right under the leased agreement; and (c) FIJ shall, when so instructed by the Landlord, disclose to Landlord information and materials concerning the status of business of the business in the rented property such as sales from the business in the rented property and materials relating thereto.

¹⁰ This term is a standard term in any building lease agreement (whether fixed-term building lease or ordinary building lease). Where there is such a restriction to subleasing, FIJ has obtained consent (or will obtain consent in respect of future master lease agreements) for the subletting of such properties.

GENERAL INFORMATION ON OUR GROUP

Cancellation/Termination/ Renewal Provisions

Termination for convenience

For ordinary building leases, the Landlord may terminate the agreement by giving at least six (6) months prior written notice to FIJ with justifiable grounds. Also, FIJ (as tenant) may terminate the agreement by serving the notice period stipulated in the agreement or paying an amount equivalent to the rent for the period falling short of the notice period. fixed-term building leases, both the Landlord and FIJ cannot terminate the agreement before the expiration of the contract term unless with mutual consent.

Termination for cause

FIJ and the Landlord have the right to terminate the agreement by reason of cancellation/termination clauses based on general cancellation/termination events such as (i) the occurrence of default events, (ii) the occurrence of any bankruptcy events, (iii) any breach of duty under the contract or (iv) any note or check of a party having been dishonoured.

Renewal provisions

The lease agreement is not renewable for fixed-term building lease agreement. Whereas, an ordinary building lease agreement may be renewed typically for a further period two (2), three (3) or four (4) years or period as agreed mutually between parties unless either the lessor or FIJ has indicated its intention to not renew the lease agreement or the intention to change the terms and conditions of the lease agreement some months (typically six (6) months) prior to the expiration of the term of the lease agreement. However, for an ordinary building lease, the Landlord is required to provide a justifiable ground for not renewing the lease, such as circumstances that require the Landlord to use the premises for their own needs, and in the event that the Landlord decides not to renew the ordinary building lease after the term of the lease agreement, the Landlord may need to pay a sum to the tenant to compensate it for its relocation costs.

Value of contract/ Consideration

The rental may be fixed or variable.

Provisions on Confidentiality

Parties may imposed customary confidential obligations on each other.

GENERAL INFORMATION ON OUR GROUP

Provisions in Contract restricting change in shareholders

Depending on the Landlords, the following provisions may be included to restrict the change in shareholders:

- (a) FIJ shall not conduct the act of transferring the lease right, etc. of the rented property to a third party; and
- (b) In the case of any changes in the address of the FIJ's head office, trade name, organisation, representative, guarantor and any other matter that has a material effect on the lease agreement, FIJ shall immediately submit a written notification thereof.

Obligations of Guarantor

The guaranteed amount will be at least an amount equivalent to two (2) year rent and/or the security deposit amount. The obligations of the guarantors (who may be directors of FIJ or guarantee companies nominated and approved by the Landlords) are to pay these amounts to the Landlord in the event that FIJ is unable to pay rent. Such guarantee companies appointed by FIJ are not related to our Group.

Repair and maintenance costs of the property are generally borne by the Landlord unless specifically stated in the respective master lease agreement.

Fixed Assets

We own tangible fixed assets mainly comprising renovations at our directly operated restaurants. As at 29 February 2024, our tangible fixed assets had a net book value of approximately S\$3.3 million of which S\$2.1 million was attributable to the net book value of our directly operated restaurants.

None of our fixed assets is subject to any mortgage, pledge or any other encumbrances or otherwise used as security for any bank borrowings.

To the best of our Directors' knowledge and belief, there are no regulatory requirements or environmental issues that may materially affect our Group's utilisation of the above properties and fixed assets, save as disclosed in the sub-section entitled "General Information on Our Group – Licences, Permits, Approvals and Government Regulations" of this Offer Document.

GENERAL INFORMATION ON OUR GROUP



INTELLECTUAL PROPERTY RIGHTS

Registered Trade Marks

As at the Latest Practicable Date, our Group owns the following registered trade marks:



Trade Mark	Trademark English Equivalent	Registration Number	Place of Registration	Class	Registration Date	Expiry Date
	KIZAMI	5136409	Japan 日本	43 ⁽¹⁾	6 June 2008	6 June 2028
	ITOSHO	6077099	Japan	43 ⁽²⁵⁾	31 August 2018	31 August 2028
	GANSO UNASHABU MAEHARA	6411970	Japan	29 ⁽²⁾ , 30 ⁽³⁾ , 43 ⁽⁴⁾	6 July 2021	6 July 2031
	FARM AKIRA	6444508	Japan	21 ⁽⁵⁾ , 29 ⁽⁶⁾ , 30 ⁽⁷⁾ , 31 ⁽⁸⁾ , 35 ⁽⁹⁾ , 41 ⁽¹⁰⁾ , 43 ⁽¹¹⁾	17 September 2021	17 September 2031
	ZEROLLA	6470666	Japan	11 ⁽¹²⁾ , 35 ⁽¹³⁾ , 40 ⁽¹⁴⁾	12 November 2021	12 November 2031
	UNAGI Kappo MAEHARA	6676995	Japan	29 ⁽²⁾ , 30 ⁽³⁾ , 43 ⁽⁴⁾	2 March 2023	2 March 2033
	Kyoto MAEHARA	6686510	Japan	29 ⁽¹⁵⁾ , 30 ⁽¹⁶⁾ , 43 ⁽⁴⁾	4 April 2023	4 April 2033
	RAMEN BAR SUZUKI	T1307634Z	Singapore	43 ⁽¹⁷⁾	14 May 2023	14 May 2033
	HACHI	TM2018019023	Malaysia	43 ⁽¹⁸⁾	28 December 2018	27 December 2028

GENERAL INFORMATION ON OUR GROUP

Trade Mark	Trademark English Equivalent	Registration Number	Place of Registration	Class	Registration Date	Expiry Date
	Kyoto MAEHARA	57624321	China	30 ⁽¹⁹⁾	21 January 2022	20 January 2032
	Kyoto MAEHARA	57629176	China	43 ⁽²⁰⁾	21 April 2022	20 April 2032
まえはら	MAEHARA	57617327	China	30 ⁽¹⁹⁾	21 January 2022	20 January 2032
まえはら	MAEHARA	57615404	China	43 ⁽²¹⁾	21 January 2022	20 January 2032

Application for registration of trade marks

As at the Latest Practicable Date, our Group has applied to use the following trade marks:

Trade Mark	Trademark English Equivalent	Class	Applicant	Application Date	Country of Application	Status	Application Number
	Trattoria Niwa by Farm Akira	30 ⁽²²⁾ , 41 ⁽²³⁾ , 43 ⁽²⁴⁾	FIJ	24 January 2024	Japan	Awaiting Examination	2024-006322
	The Carne	30 ⁽²²⁾ , 41 ⁽²³⁾ , 43 ⁽²⁴⁾	FIJ	24 January 2024	Japan	Awaiting Examination	2024-006323

Notes:

- (1) Class 43: Providing food and beverage; lodging services; reservation services for lodging; pet boarding services; nursery services; providing nursing home services (except nursing care service); leasing conference rooms; leasing exhibit space; leasing bedding; leasing cooking equipment; leasing dish dryer; leasing heater; leasing counter; leasing sink; leasing curtains; leasing furniture; leasing wall hangings; leasing carpets; leasing towels.

GENERAL INFORMATION ON OUR GROUP

- (2) Class 29: White broiled eel, broiled eel, broiled eel with sauce, yawata-maki broiled eel, tsukudani broiled eel, boiled eel with sansho pepper, grilled eel kimoyaki, processed marine products of eel, chazuke made mainly from eel, mixed rice made mainly from eel, and rice bowl made mainly from eel.
- (3) Class 30: Eel Bento and Eel Kabayaki Sauce.
- (4) Class 43: Providing food and beverages, serving Japanese cuisine and dishes using eel.
- (5) Class 21: tableware
- (6) Class 29: Processed vegetables, processed fruits, curry (cooked), assorted ingredients for curry dishes mainly consisting of meat, assorted ingredients for curry dishes mainly consisting of processed vegetables, assorted ingredients for curry dishes combining meat and processed vegetables.
- (7) Class 30: Pasta, pasta sauce, tomato sauce, assorted ingredients mainly pasta.
- (8) Class 31: Vegetables (Excluding tea leaves).
- (9) Class 35: Provision of information on the sale of food, cooking, and beverages through the Internet through product catalogs.
- (10) Class 41: Knowledge equivalent to that of a culinary instructor.
- (11) Class 43: Provision of food and drink, provision of food and drink mainly consisting of curry dishes, provision of food and drink mainly consisting of pasta dishes, provision of food and drink mainly consisting of curry dishes and pasta dishes, provision of information on cooking recipes via the Internet.
- (12) Class 11: Domestic and commercial air purifiers.
- (13) Class 35: Provision of customer benefits in the retail or wholesale business of air purifiers.
- (14) Class 40: Rental of commercial air purifiers and domestic air purifiers.
- (15) Class 29: White broiled eel cooked using the method established in Kyoto, broiled eel cooked using the method established in Kyoto, broiled eel cooked using the method established in Kyoto with sauce, broiled eel cooked using the method established in Kyoto, yawatamaki broiled eel cooked using the method established in Kyoto, tsukudani broiled eel cooked using the method established in Kyoto, boiled eel with sansho pepper cooked using the method established in Kyoto, broiled eel kimo cooked using the method established in Kyoto, processed marine products of eel cooked using the method established in Kyoto, Ochazuke made using eel cooked using the method established in Kyoto as the main ingredient, mixed rice made using eel cooked using the method established in Kyoto as the main ingredient, a type of donburi-mono that consists mainly of eel cooked using a cooking method established in Kyoto.
- (16) Class 30: A bento box made with eel cooked by the cooking method established in Kyoto, and a sauce for broiled eel cooked by the cooking method established in Kyoto.
- (17) Class 43: Services for providing food and drink.
- (18) Class 43: Services for providing food and drink; cafes; cafeterias; canteens; catering services; restaurant services; banqueting services; cocktail lounge services; bistro services; snack-bars; bar services; coffee shop services; preparation of food and beverages; take-away fast food services; restaurant services for the provision of fast food; mobile catering services; temporary accommodation; guest house services; all included in class 43.
- (19) Class 30: Tea and tea substitute; Bread, pastry and confectionery, high-protein cereal bars; cereal bars; Bread, pastry and confectionery; box meal/bento; Noodles and rice flour products; Grain puffed food; Mustard, monosodium glutamate, sauces, condiments.
- (20) Class 43: Single service, rental of chairs, tables, table linen, glassware and rental of cooking apparatus.
- (21) Class 43: Restaurants, Japanese restaurants, information and advice on meal preparation; takeaway restaurants; catering services of Japanese cuisine; restaurant information services; restaurant reservation services; Single service, rental of chairs, tables, table linen, glassware and rental of cooking apparatus.
- (22) Class 30: Takeout precooked pasta, Box lunch, precooked-with pasta sauce (thing included in separate bag) pasta, pizza, a cake.
- (23) Class 41: Teaching about cooking.
- (24) Class 43: Providing foods and beverages, providing foods and beverages which is mainly concerned with uncooked meat or a meat dish.
- (25) Class 43: Providing food and beverage; providing Buddhist Cuisine; providing Japanese cuisine.

Save as disclosed above, we do not own any other intellectual property rights and our business or profitability is not materially dependent on any other intellectual property right or any know-how.

GENERAL INFORMATION ON OUR GROUP

Licensing Agreements

In addition, our Group has entered into Licensing Agreements and has been granted the right to use the intellectual properties (including copyright, know-how and brand names by the licensor) pursuant to the Licensing Agreements.

Our Group has entered into two (2) Licensing Agreements with a brand licensing agent of the “MOOMIN” brand. The Licensing Agreements grant our Group the non-exclusive rights to (i) operate “MOOMIN” cafes or “MOOMIN” stands using the licensed property and the licensed trade mark from 1 December 2022 to 28 February 2026; and (ii) manufacture and sell specific goods using the licensed property and the current licence for this trade mark is from 1 March 2024 to 28 February 2025. The initial licensee of the “MOOMIN” brand was FIJ. Pursuant to a Store Assets Transfer Agreement, the Licensing Agreements were novated to TMT with effect from 1 September 2023 by way of a memorandum entered into between the licensor, FIJ and TMT dated 31 August 2023. The Licensing Agreements may be terminated by either party at any time during the term of the Licensing Agreements, with or without cause, by giving a notice of termination to the other party at least six months prior to the termination without any penalty imposed on the terminating party. The termination clauses, if invoked, will not have a material impact on our Group’s financials and/or operations as the revenue from “MOOMIN” brand contributed to approximately 2.2% of our Group’s revenue for FY2024.

Due to confidentiality obligations, we are unable to disclose the name of the licensor and the details of the Licensing Agreements.

In view of COVID-19 pandemic, on 1 April 2021, FIJ also entered into a licensing agreement and was granted the rights to use the know-how provided by the licensor for the manufacturing of plasma sterilisation apparatus products using the “SterilizAir” technology in Japan from 1 April 2021 to 31 March 2027. FIJ utilised the rights to manufacture and sell the ZEROLLA air purifiers in Japan during the COVID-19 pandemic. Since the end of the COVID-19 pandemic, FIJ has discontinued the production and sale of such sterilisation products in FY2023. Save as disclosed above, we have not entered into any other licensing agreements.

Franchise Agreement

Our Group has also entered into a franchise agreement with a third party franchisor and another franchisee dated 7 March 2022 (as supplemented by a novation agreement dated 1 September 2023) (“**Franchise Agreement**”) whereby the franchisor has granted a licence to operate Man Man The Central Clarke Quay outlet in Singapore together with the other franchisee. The franchise is for a term of three (3) years from 15 July 2022 which may be further renewed with written notice to the franchisor. There was a one-off franchise fee paid by our Group and the other franchisee to the franchisor and there is a monthly royalty fee based on a percentage of our gross monthly sales at the outlet in a given month. There are no termination clauses stipulated in the Franchise Agreement. Due to confidentiality obligations, we are unable to disclose the names of the franchisor and the other franchisee. The termination of the franchises will not have a material impact on our Group’s financials and/or operations as the revenue from the Franchise Agreement contributed to 3.2% of our Group’s revenue for FY2024.

GENERAL INFORMATION ON OUR GROUP

QUALITY MANAGEMENT IN RESPECT OF OUR FRB

We strongly believe that the quality of our food and service are critical factors in differentiating ourselves from competitors in the highly competitive F&B industry. We place a strong emphasis on enforcing quality control at every stage, starting from the sourcing of premium ingredients to the food preparation process, maintaining high standards of food quality and safety at our outlets, and make continuous efforts to improve our service quality, operational productivity and customers' dining experience in order to enhance customer satisfaction.

In order to ensure the high quality of food at our outlets, we have implemented various quality control measures including, but not limited to, conducting periodic supplier evaluations to ensure that we consistently obtain quality ingredients and adhere to strict internal control procedures during the preparation of dishes, and ensuring consistency in both taste and presentation. In Malaysia, we have established a central kitchen facility which prepares jams and sauces, bakes breads and pastries for daily sales, processes certain fresh food ingredients and prepares semi-finished food products for delivery to our bakeries "*Bakery Café Hachi*", to, *inter alia*, ensure consistency in the taste of our food products.

Further, we are committed to ensuring that the food we serve is safe. We have established standard operating procedures and education and training of staff on matters relating to, among others, our quality control policies with an emphasis on the handling, preparation and cooking of food, including the observance of good practices such as the sanitisation of food preparation areas and equipment, and the provision of quality services to our customers. All of our restaurant employees including services crew and chef in Japan, Singapore and Malaysia will undergo mandatory food hygiene and safety training before commencing their duties at our restaurants. We also inspect the freshness, appearance, and expiry date of the ingredients delivered by our suppliers upon delivery. Crucially, we have scheduled and ad-hoc site inspections by our management team in various countries to ensure that our standard operating processes are adhered to and we make continuous efforts to improve food quality, operational productivity and workplace safety.

Quality of our Food

In order to ensure the quality of the food we serve, we have implemented the following quality control measures at our restaurant outlets and our central kitchen facility:

(a) *Incoming supplies*

We purchase key ingredients such as seafood, meats and vegetables from suppliers in our approved supplier list and directly from the farms (for restaurants in Japan). When the supplies are delivered to the various outlets and central kitchen, our restaurant staff and chefs check each delivery to ensure that the ingredients meet our requirements. For example, in respect of fresh vegetables and meats that do not meet our requirements such as size or weight specifications, they will be rejected and returned to our supplier. Our restaurant staff and chefs are equipped with standard operating procedures to monitor the quality and freshness of the food ingredients supplied by our suppliers and conduct random checks for each shipment of key food ingredients.

(b) *Preparation*

At our restaurant outlets and central kitchen facility, our personnel, chefs and restaurant service crew members are trained in food handling, cooking and hygiene control. All food-handlers must maintain a high standard of personal hygiene to prevent food

GENERAL INFORMATION ON OUR GROUP

contamination and transmission of harmful pathogens. Food-handlers are required to observe good practices at all times. For example, food-handlers are required to wear protective coverings over clean clothes, hair restraints and aprons at all times and to wash hands with soap and water frequently, especially before preparing food.

We also adopt stringent guidelines and procedures for cleaning food preparation areas and equipment, refuse handling and disposal, as well as general maintenance of kitchen facilities.

In addition to the food quality control, we also conduct market research and quality analysis internally, and perform quality monitoring and control checks on our products, with the help of our suppliers and customers, as appropriate. This enables us to effectively pinpoint areas for enhancement. Additionally, we have regular discussions with both our existing and prospective suppliers to help us swiftly identify new market products which we could potentially incorporate into the offerings of our restaurants. With the market research and quality analysis, it enables us to stay attuned to social changes and evolving customers' changing tastes and we strive to integrate these changes into our products and offerings.

Quality of our Service

To maintain excellent service quality, our service personnel undergo on-the-job training and are closely supervised by our branch manager at restaurant outlets. In training our service staff, we emphasise politeness to customers, familiarity with menus and customer attentiveness. When recruiting service staff, we carefully select candidates based on various qualification indicators and provide continuous extensive training. Additionally, we also provide a training environment for our service staff to develop their soft skills.

We also regularly collect feedback from customers through our interaction with customers and reviews on prominent food review websites. In response to these reviews and feedback, the management team, outlet managers and collaboration partners (where applicable) will come together to evaluate and improve on the existing protocols and implement necessary measures to consistently enhance our customers' dining experience and raise our Group's service standards.

INSURANCE

We maintain insurance policies in respect of, among other things, general business liability, all leased properties, office and restaurant premises, plant and equipment, cash on premises and in transit, our employees (such as travel insurance and workmen injury compensation), keymen insurance, fire insurance and public liability. Such insurance policies cover consequential losses, as well as losses due to products liability, property damage, loss or theft of cash, fire, and public liability.

As at the Latest Practicable Date, having considered the risk levels and the cost of procuring insurance for certain risks associated with our business, our Directors believe that we have taken up sufficient and adequate insurance coverage for our business and operations in line with industry practice. However, significant damage to our operation, whether as a result of fire or other causes, may still have a material and adverse effect on our results of operations or financial position. Please refer to the sub-section entitled "Risk Factors – Our insurance coverage may not be adequate to indemnify us against all possible liabilities" of this Offer Document for more details. We will review our insurance coverage from time to time to ensure that our Group has sufficient insurance coverage.

GENERAL INFORMATION ON OUR GROUP

STAFF TRAINING

As our business is largely service-oriented, our Directors believe that staff training is important for our Group and we place a heavy emphasis on enhancing our quality of service. We believe that customers' satisfaction and experience are the main factors to attract new customers and retain existing customers to continuously engage our services and patronise our restaurants.

New employees at our RLSB will undergo a three-month probation period under the supervision of more senior employees and are provided with in-depth on-the-job training. During this period, they will shadow senior staff members, who will provide guidance and help familiarise them with their roles in the business. Our staff engage in continuous learning through a collaborative process where senior team members actively teach and guide juniors during project assignments. This ongoing exchange of knowledge ensures that skills are developed and shared across all levels of our team, fostering a culture of growth and expertise within our organisation.

Chefs and restaurant service crew members (whether new or existing) in our FRB will also undergo formalised training which includes service and product knowledge training. These trainings are conducted once a month by our Chief Culinary Officer, Watanabe Akira, on sourcing and quality of ingredients including visits to the farms where the ingredients are procured, and training for the chefs on food preparation. With respect to staff training for employees in Singapore and Malaysia, FIS or FIM (as the case may be) and the collaboration partners will jointly develop training programmes and conduct trainings for all chef and the other restaurant staff.

As for our bakers at the central kitchen facility in Malaysia, they undergo in-house baking training conducted by our head baker.

The amount of expenditure incurred in relation to staff training for the Period Under Review as a percentage of our revenue was not significant.

SEASONALITY

RLSB

Our RLSB typically remains unaffected by seasonality. However, when it comes to acquiring new subleased properties, January, February, and August tend to experience slower activity. This is primarily due to the tradition of landlords taking holidays during these months.

FRB

There is no apparent seasonality in our sales during the Period Under Review. However, we generally experience lower sales in respect of our FRB in Singapore during the Chinese New Year period, a traditionally quiet period for Singapore. This also applies to our bakery business in Malaysia. We observe that there are generally lower sales with respect to our bakeries in Malaysia due to lesser number of Japanese customers during holiday periods for Japanese schools (mainly from March to April). We generally record a higher volume of sales in March and December for our FRB in Japan as March marks the end of the financial year for many Japanese companies and annual company events are typically held in March, while December is a major holiday and festive period in Japan.

GENERAL INFORMATION ON OUR GROUP

AWARDS AND ACCOLADES

As a testament to our commitment to food quality, our restaurant, “*Ramen Bar Suzuki*”, which is no longer in operation, was one of 13 ramen restaurants invited to participate in “Ramen Revolution”, an annual local ramen festival organised by WAttention Singapore and Mangosteen Club in 2018. Our restaurant was awarded “Champion for Ramen Revolution 2018” for its *dan dan* ramen, which is a Japanese-style soup noodle, the soup base and noodles of which are prepared based on our own recipe.

In addition, in 2022, our Italian restaurant “*TRATTORIA Niwa by FARM AKIRA*” in Japan won a Gold Award for Best Gourmet at the 5th Asia Golden Star Award¹¹ and received a Silver Certificate as a Health Promoting Company from the Federation of Health Insurance Societies Tokyo Federation.

In 2023, FIJ was recognised as one of the 2023 Certified Health & Productivity Management Outstanding Organisations, a recognition program of the Ministry of Economy, Trade and Industry, Japan¹².

COMPETITION

RLSB

We operate in a highly competitive landscape, particularly in the RLSB in Japan. We compete with other real estate companies that offer restaurant leasing and subleasing as ancillary business.

To the best of our Directors’ knowledge, we consider our key competitors to be Tenpo Ryutsu Net, Inc., Tenpo Innovation Inc., G-Factory Co., Ltd. and ABC Tenpo Inc.. We are able to set ourselves apart from our competitors as we not only operate and manage (a) directly owned restaurants, and (b) collaboration restaurants in Japan, Singapore and Malaysia, we also offer Consulting and Operations Management Services. We believe that we have a distinctive competency in restaurants leasing and subleasing in Japan and a wide industry network which has set our Group apart from our competitors. For a discussion on the competitive strengths of our Company that have placed us at a competitive advantage over our competitors, please refer to the sub-section entitled “General Information on Our Group – Competitive Strengths” of this Offer Document.

Our ability to secure available subleased properties may be undermined by various factors including capital availability in view of the increasing costs for securing such properties and high competition for properties at popular and prime locations. The emergence of new entrants with strong capital in recent years has also intensified the competition in the restaurant leasing and business in Japan. This is also due to the low barriers to entry.

FRB

The F&B industry in the countries we operate in is fragmented and highly competitive with relatively low barriers to entry. In the opinion of our Directors and to the best of their knowledge, there are very few major competitors. We generally face competition from a large number of F&B establishments, particularly Japanese restaurant chains and individual Japanese restaurants in the countries we operate in.

11 (<https://aeef-japan.com/2022-2/>).

12 (<https://www.meti.go.jp/press/2022/03/20230308002/20230308002.html>).

GENERAL INFORMATION ON OUR GROUP

However, to the best of our Directors' knowledge, there are a limited number of Japanese food providers that offer similar range of concepts of Japanese dining experiences that we offer to customers. These range from higher-end restaurants specialising in traditional Japanese delicacies to casual dining set-ups which cater to the general populace. We also benefit from the synergy arising from our RLSB and FRB. Our restaurants stand out in the Japanese cuisine market as our restaurants offer a diverse culinary experience, unlike many others that specialise in a single cuisine. In Japan, to the best of our Directors' knowledge, our Directors are not aware of any other companies that are operating under the similar business model, apart from G-Factory Co., Ltd.. Outside of Japan, to the best of our Directors' knowledge, our key competitors include "Komugi", "Lavender", "IPPUDO", "Menya Shi Shi Do" and "SHIN NIHON 新日本焼肉党" in Malaysia and "YAZAWA", "Nobu-ya", "Toritama" and "Unatoto" in Singapore.

To the best of our Directors' knowledge, none of our Directors or Substantial Shareholders or their respective associates has any interest, direct or indirect, in any of our competitors listed above.

For a discussion of the competitive risks we face in our business, please refer to the sub-section entitled "Risk Factors – The nature of our FRB is highly competitive" of this Offer Document.

COMPETITIVE STRENGTHS

Our Directors believe that the competitive strengths set out below have enabled and will continue to enable us to capitalise on the trends and opportunities in our business, and to make profits.

(a) *We are able to reap the synergistic benefits of operating two (2) complementary businesses to provide a one-stop solution for our customers' restaurant management needs and introduce innovative brand concepts*

Our RLSB and FRB are complementary, and we are able to reap the synergistic benefits of having experience and expertise in one segment complement the operation of the other segment.

As head lessors, we act as the interface between the tenants and the landlords. Through our interactions with our tenants, we are able to collect large quantities of valuable data regarding the restaurant business, from current trends in the market to characteristics of a successful restaurant, such as price point, menu design, marketing strategies and interior design. As we are in close contact with our tenants and have good knowledge of their operations, we are able to introduce different restaurant operators to each other to foster collaborative relationships, and to create innovative brand concepts.

As we are experienced operators in the FRB, we are able to harness the knowledge and insight obtained through the operation of our own restaurants and management of our various brands to offer bespoke and practical solutions to customers for their restaurant management needs. One of the services we offer to our tenants is a kitchen equipment leasing service which enables us to offer a one-stop solution for our customers' space and restaurant management needs. We believe that our expertise in the field of operating and managing restaurants adds substantial value to the advice that we provide to customers.

GENERAL INFORMATION ON OUR GROUP

(b) We have strong working relationships with our tenants

We have built close and strong working relationships with our tenants through regular contact, including engaging the person-in-charge of our tenants for their feedback and concerns. We also hold monthly meetings with some of our tenants whom we work closely with to understand better their sales performance and the retail environment affecting their sales. Such efforts allow us to understand their individual business needs and keep track of their performance.

As a result of our close working relationship with our tenants, we are highly cognisant of the various changing needs of the leasing market. This helps us to pinpoint the types of properties and the locations which have high lease potential, both in terms of demand for space as well as rental pricing, so as to acquire the master leases for such properties in these locations. By securing properties with high leasing potential, we are able to better serve the strategic needs of our tenants, and also attract more potential tenants. We have maintained a property occupancy rate of 99.7%, 99.4%, and 99.2% in FY2022, FY2023, and FY2024 respectively.

(c) We have the ability to expand Japanese brands to overseas markets

As part of our FRB, we seek to expand existing, established Japanese restaurant brands into international markets. To facilitate this objective, we offer consultation services tailored to support their ventures, typically by way of entering into a collaboration agreement with these parties in relation to the operation of the overseas business and previously, franchising. With a proven track record in expanding Japanese brands to overseas markets, including Malaysia, Singapore and Taiwan, we bring valuable expertise to the table.

Our first venture outside of Japan was in Taiwan which saw us introduce the ramen brand “*Menya Sanji*” through a franchise arrangement. Similarly, in Singapore, we have successfully introduced a variety of Japanese cuisine brands such as “*Niku Katsumata*”, “*Yatagarasu*”, “*Kadohachi*” and “*Mikoto*”. Additionally, our Group has also assisted with the expansion of operations of notable Japanese brands such as “*Tendon Kohaku*” and “*Man Man*” in Singapore, further solidifying our presence in the region. In Malaysia, our collaboration with various Japanese brands, including “*Kanbe*” brand, has resulted in the establishment of four (4) restaurants: 豚麵処 (*Pork noodle restaurant Kanbe*), “*本家炙家 Kanbe*”, “*Kanbe Ramen TRX*” and “*本魚河岸 (Hon-Uogashi) Kanbe*”.

Moreover, our extensive network of Japanese restaurant operators, developed through our RLSB, enables us to identify promising candidates for international expansion. Leveraging our longstanding relationships and local insights in the countries we operate in, we offer valuable guidance to interested restaurant operators seeking to venture beyond Japan. Our approach encompasses meticulous consideration of factors such as target country market trends, brand specialisations, and reputation.

Looking ahead, our Group is poised to further expand its operations by introducing additional established Japanese restaurant brands to overseas markets. Through our commitment to excellence and strategic partnerships, we are positioned to capitalise on emerging opportunities and drive sustained growth in our Group’s FRB. Please refer to the sub-section entitled “*Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans*” of this Offer Document for more information.

GENERAL INFORMATION ON OUR GROUP

(d) We provide comprehensive end-to-end consulting services

In the provision of our consulting services, we also tap on our extensive base of contacts for supporting services. We are able to introduce our clients to suitable suppliers and service providers who are able to provide quality services and/or materials as required by our clients. These include suppliers of raw materials and consumables and non-food products, as well as suppliers of services such as cleaning and waste disposal service providers, and talent acquisition companies.

Leveraging on our specialised knowledge, we are able to offer comprehensive end-to-end services ranging from leasing restaurant spaces to providing essential support services for new ventures, encompassing property referrals, business plan development, interior design, procurement, staffing, and operational management assistance.

(e) Our restaurants and subleased properties are optimally located in high-profile areas which are accessible to and highly frequented by a diverse crowd

Our restaurants and subleased properties are primarily located within high profile locations with substantial and regular footfall traffic from diversified sources including tourists, locals and corporates. For example, we focus our FRB in the high-traffic Tokyo Metropolitan area (such as Chuo ward and Minato ward) in Japan, Boat Quay, Clarke Quay and Robertson Quay in Singapore, and Mont Kiara and TRX Exchange in Kuala Lumpur, Malaysia.

By ensuring our restaurants and subleased properties are well-located, we increase the presence and utilisation of our restaurants, and the attractiveness of our subleased properties for lease to our potential tenants as part of our RLSB.

(f) We continuously innovate and introduce fresh dining experiences and interesting food concepts to meet evolving customer preferences

We believe that it is imperative to continuously innovate and introduce new food products and concepts in the F&B industry. We monitor market trends and customers' preferences closely and regularly update our menus with new dishes created to refresh the dining experience of our regular patrons. Leveraging our capacity to identify and introduce promising food concepts, we strive to remain at the forefront of culinary innovation.

At present, our Group currently operates and manages (whether by way of direct management or through a collaboration) 26 restaurants, one (1) bakery café and one (1) central kitchen, as at the Latest Practicable Date, serving varieties of Japanese cuisine and western fusion cuisine. On top of the traditional Japanese cuisine, our Group has embarked on the exploration of themed restaurants or café concepts, securing product licences for popular cartoon characters which offer a unique dining experience. Notably, our Group has obtained the "Moomin" licence and successfully launched the "Moomin Café Shibuya"¹³ and "Moomin Café Karuizawa".

13 This was a temporary pop-up café at Shibuya Scramble Square that was established in March 2023.

GENERAL INFORMATION ON OUR GROUP

As the F&B industry is subject to evolving customer tastes and preferences, we actively introduce new Japanese food trends across Japan, Singapore and Malaysia. This entails developing new concepts or importing trends from Japan, refining these concepts to suit local customer tastes in order to maintain our competitive edge. Drawing upon our extensive knowledge of Japanese food culture and our robust network in the F&B industry in Japan, we stay updated on the latest dining trends through regular visits and maintain a keen eye for concepts suitable for introduction in local and overseas market. We also have an in-house product development team led by our Chief Culinary Officer, Watanabe Akira, to conceptualise, test, and refine our culinary innovations before market introduction.

We are of the view that our competencies in innovation and our emphasis on introducing fresh dining experience and food concepts set us apart from our competitors.

(g) *We have an experienced and dedicated management team with an established track record*

We have a highly experienced and dedicated management team which has played an instrumental role in growing our Group's business. Each of our management team members has over 10 years of experience in either the RLSB or the FRB and possesses in-depth and extensive practical knowledge which has been crucial to our success.

Our CEO, Kubota Yasuaki, has approximately 20 years of experience in the property subleasing industry and the F&B industry, and possesses the necessary business acumen to manage the two (2) segments of our business effectively. With the support of our Executive Officers, the operations of our Group's business have been running effectively and efficiently. The management team's professionalism and dedication have been instrumental to the smooth operation of our business.

Please refer to the section entitled "Directors, Executive Officers and Employees" of this Offer Document for more information.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

PROSPECTS AND TREND INFORMATION

Industry Overview and Prospects of Japan's Food Service Industry

We have commissioned the Independent Market Researcher, Yano Research Institute to provide an industry report entitled "Overview Report on Japan's Food Service Industry" dated 29 August 2024 (the "**Industry Report**") for inclusion in this Offer Document. The summary of the Industry Report is set out below in respect of the industry overview and prospects of Japan's Food Service Industry, and the bilingual Industry Report is reproduced in Appendix C of this Offer Document. The original Industry Report prepared by the Independent Market Researcher is in Japanese and in the event of a conflict between the Industry Report in Japanese and the English translation of the Industry Report, the Industry Report in Japanese shall prevail. While the Industry Report focuses on the food service industry in Japan only, the trends and analysis in the Industry Report are also applicable to the restaurant property subleasing business in Japan.

The Industry Report contains certain statements that are "forward-looking" and are based on underlying assumptions containing variables that may have changed since the date of issue. By their nature, forward-looking statements are subject to risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. No forward-looking statements contained herein should be relied upon as predictions of future events. No assurance can be given that the expectations expressed in these forward-looking statements will prove to be correct. While our Directors have taken reasonable action to ensure that the statements from the Industry Report have been reproduced in their proper form and context, and that such statements have been extracted accurately from the Industry Report, the information in the Industry Report have not been independently verified by us, the Sponsor, Issue Manager, Underwriter and Placement Agent or any of our and their respective affiliates or advisors. The information may not be consistent with other information compiled within or outside Singapore. Please see the section entitled "Cautionary Note Regarding Forward-looking Statements" of this Offer Document for further details. You should be aware that since the date of the Industry Report, there may have been changes in the industry and the various sectors therein which could affect the accuracy or completeness of the information in this section. Capitalised terms which are used in this section shall have the meanings solely ascribed to them in this section.

Market size of the food service industry in Japan

According to the Japan Foodservice Association, the market size of the food service industry (including restaurants, food and beverages services in accommodation facilities, coffee shops and *izakayas* (traditional Japanese taverns), bars and *ryoteis* (high-end traditional Japanese restaurants)) in Japan reached 13,914.6 billion yen in 2021. The food service industry experienced contrasting growth trends in recent years. The compound annual growth rate (CAGR) for the most recent five years (2017-2021) was -10.9%, reflecting a decline likely influenced by COVID-19. In contrast, in the five years prior to the pandemic (2015-2019), the growth rate was steady at 1.0%. The growth of the restaurant sector alone has fallen slightly by 7.5% due to the negative impact caused by COVID-19. While the latest market size published by the Japan Foodservice Association is for 2021, data in other reports has indicated that the post COVID-19 recovery remains robust.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

The following is a breakdown:

	2015	2016	2017	2018	2019	2020	2021	CAGR 2015-2019	CAGR 2017-2021
Total of the F&B sector concerned	217,706	218,225	220,315	221,016	226,428	152,908	139,146	1.0%	-10.9%
Restaurants	136,247	139,464	142,215	142,800	145,776	109,780	104,018	1.7%	-7.5%
Cafeterias and Restaurants	97,923	99,325	101,155	101,221	103,221	73,780	68,046	1.3%	-9.4%
Soba/Udon noodle restaurants	12,373	12,499	12,856	13,016	13,144	9,613	9,464	1.5%	-7.4%
Sushi restaurants	14,386	15,187	15,231	15,445	15,466	12,639	12,179	1.8%	-5.4%
Other restaurants	11,565	12,453	12,973	13,290	13,945	13,748	14,329	4.8%	2.5%
Accommodation	29,979	28,528	28,773	28,773	30,503	16,461	14,682	0.4%	-15.1%
Coffee shops & Izakaya, etc.	21,937	21,518	21,661	21,661	21,922	14,544	12,250	0.0%	-13.3%
Coffee shops	11,285	11,256	11,646	11,646	11,784	8,055	7,767	1.1%	-9.3%
Izakaya, etc.	10,652	10,262	10,015	10,015	10,138	6,489	4,483	-1.2%	-18.6%
Ryotei & Bars, etc.	29,543	28,715	28,227	27,782	28,227	12,123	8,196	-1.1%	-26.6%
Ryotei	3,531	3,432	3,373	3,321	3,373	1,449	980	-1.1%	-26.6%
Bar, etc.	26,012	25,283	24,859	24,461	24,854	10,674	7,216	-1.1%	-26.6%

Notes:

1. The table is compiled by YRI based on the market size estimates data from “Food Service Industry Market Trend Survey”, Japan Foodservice Association.
2. Izakayas, etc.: including izakayas and beer halls.
3. In-flight meals, group meals, and retail sales of cooked food products are not included.

General trends in food service industry in Japan

In summary, the following are some of the factors which affect the growth of the food service industry in Japan:

- **Effect of COVID-19 Pandemic**

The COVID-19 pandemic has profoundly impacted Japan’s food service industry, particularly since March 2020 when the recognition of infection risks led to a sharp decline in customers and enforced closures following government mandates. As reported in the “Food Service Industry Market Trend Survey” conducted by the Japan Foodservice Association on member companies of the Association, overall food service industry sales in 2020 fell to 84.9% of the previous year’s levels due to the impact of COVID-19. Sales remained sluggish in the following year due to repeated issuance and lifting of state of emergency declarations and measures, causing overall sales to decline for the second consecutive year, reaching 98.6% of the previous year’s level. Despite temporary recoveries spurred by relaxed restrictions and government initiatives, including the “Go To Eat” policy, the industry faced ongoing challenges, exacerbated by fluctuating infection rates and renewed calls for restraint. Notably, a turning point was reached in March 2023 when Japan ended mask mandates and reclassified COVID-19’s category to Class 5 under the Infectious Diseases Control Law (the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases)¹ in May 2023. Following the relaxation of these restrictions, increased foot traffic has led to the recovery of sales but this increase is largely attributable to an increase in average spending per customer and it is estimated that as of 2023, customer numbers had not yet recovered to pre-COVID-19 levels. The industry continues to grapple with enduring obstacles such as escalating raw material prices, rising utility costs, currency fluctuations, and labour shortages, underscoring the necessity for resilience and adaptability in navigating these unprecedented circumstances.

¹ Information obtained from <https://www.mhlw.go.jp/stf/covid-19/kenkou-iryousoudan_00006.html> (last accessed on Latest Practicable Date).

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

- **Demand for Dine-in services**

The demand for dine-in services experienced a sharp decline as government restrictions and safety concerns led to widespread reluctance to visit restaurants. This precipitous drop in customer numbers dealt a significant blow to the food service industry, particularly impacting establishments reliant on in-person dining experiences. Beer restaurants, izakayas, and dinner restaurants, traditionally bustling hubs of social activity, found themselves grappling with empty tables and diminished revenues. Despite signs of recovery, as evidenced by sales figures for December – a period typically associated with heightened demand for Christmas and year-end parties – wherein sales were 58.1% year-over-year in 2020, 124.8% year-over-year in 2021 (78.8% of 2019), 108.8% year-over-year in 2022 (85.7% of 2019), and 113.9% year-over-year in 2023 (95.0% of 2019), the industry has yet to return to pre-COVID-19 levels. However, there is a steady and encouraging trend of recovery observed in the demand for dine-in services.

- **Increase in consumption expenditure on dining out**

While the expenditure on dining out experienced a decline in 2019 during the COVID-19 pandemic, the amount households spent on eating out in 2023 has demonstrated a significant recovery from the pandemic. Based on the Family Income and Expenditure Survey by the Ministry of Internal Affairs and Communications, the amount spent on eating out in 2023 was 156,113 yen, a 96.0% increase from 2019. In particular, the expenditure on Japanese food was the second highest amongst the categories of food, with an expenditure of 22,598 yen. The amount spent on hamburgers also showed a significant increase, with a markedly higher figure of an increase of 131.6% in 2023 from 2019.

Trends in the amount spent on eating out in the
“Family Income and Expenditure Survey”

(yen)

	2019	2020	2021	2022	2023	2023 (vs 2019)
Eating out	162,606	115,321	111,226	130,264	156,113	96.0%
“Soba” & “Udon” (Japanese noodles)	5,712	4,352	4,356	5,020	6,063	106.1%
Chinese Soba	6,768	5,279	5,388	5,952	7,763	114.7%
Other noodles	2,355	1,564	1,546	1,939	2,204	93.6%
“Sushi (eating out)”	12,412	10,838	11,110	11,515	13,530	109.0%
Japanese meals	21,547	16,701	16,931	19,172	22,598	104.9%
Chinese meals	4,528	3,361	3,506	3,713	4,474	98.8%
Western meals	10,700	7,574	7,551	8,909	10,894	101.8%
Broiled meat	6,415	5,175	5,477	6,166	6,918	107.8%
Hamburgers	3,754	4,171	4,508	4,626	4,941	131.6%
Other meals	53,898	38,076	36,207	42,984	48,708	90.4%
Other refreshments	7,327	5,089	5,612	6,747	8,046	109.8%
Drinking	27,190	13,141	9,034	13,522	19,974	73.5%

※ Compiled from the “Family Income and Expenditure Survey, Family Income and Expenditure Section, Total Households” conducted by the MIC

※ Japanese meals: includes kaiseki cuisine, shojin cuisine, hot pot dishes, gyudon, unadon, katsudon, and curry rice.

※ Other meals: Includes okonomiyaki, pizza (including delivery), and meals at feeding centers and workplaces

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

- ***Takeout and food delivery services***

During the COVID-19 pandemic, the takeout and food delivery industry in Japan experienced significant growth as dine-in sales plummeted due to reduced foot traffic. To offset losses, restaurants quickly pivoted to offering delivery and takeout options, including establishments like beer restaurants, izakayas, and dinner restaurants that had not previously provided such services. This expansion was facilitated by the utilisation of popular delivery platforms such as Uber Eats and Demae-can, alongside efforts by major companies like Skylark Holdings and Matsuya Foods Holdings to bolster their own delivery infrastructure. In 2021, as the pandemic's impact began to wane and consumer confidence in dining out gradually returned, many food service companies reverted their focus back to their original core business of dine-in services. However, despite the recalibration towards pre-pandemic norms, the popularity of take-out and delivery remains high, with the “Economic Structure Survey” by the Ministry of Internal Affairs and Communication and the Ministry of Economy, Trade and Industry demonstrating a 100.1% increase in the number of corporate entities providing take-out and food delivery services in 2023 from the previous year.

- ***Increase in rising costs of raw materials and labour***

The rise of raw material prices and labour costs are likely to slow down the food service industry moving forward.

Prices of raw materials as well as utility costs have been rising in recent years due to environmental factors surrounding the food service industry, such as the COVID-19 pandemic. In particular, the restaurant industry might be impacted by the soaring prices of wheat which would drive up ingredient costs. The weak yen is another concern which could lead to higher costs.

With regards to labour costs, it is becoming increasingly difficult for operators to secure personnel and retain employees. In 2020 and 2021, the food service industry saw a decrease in the number of service personnel due to the closure of many restaurants during the COVID-19 pandemic. While the number has since increased consecutively in 2022 and 2023, returning to 90.0% of the pre-COVID-19 level in 2023 and is expected to continue to increase in 2024, a difficulty the industry faces is the high ratio of part-time workers, highlighting the fleeting nature of employment in the food industry and the challenge of retaining employees. Amongst the regular employees in 2023, 589,000 were full time employees while 2.6 million were part-time workers. As the market recovers, restaurants are likely to face the issue of staff shortage. In addition to raising wages to combat this issue and ensure better employee retention, companies employ measures to improve working conditions of employees such as reducing long working hours, improving workplace environments and accommodating diverse work styles. Further, to cope with the labour shortage, restaurant chains have taken various measures such as mechanisation of kitchens and services, adopting more efficient outlet layouts, and introducing meal-serving robots, self-service outlets, self-checkout and cashless payment counters.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Trends in the Number of Persons Working at Restaurants (in 1,000s)

	2019	2020	2021	2022	2023
Persons Working at Restaurants	4,297	4,025	3,678	3,715	3,925
Regular employees	3,460	3,231	2,958	2,994	3,164
Full-time employees	653	640	595	573	589
Other than full-time employees	2,807	2,591	2,362	2,421	2,575
Non-regular workers	148	120	101	105	118
Dispatched or subcontracted employees from separately operated establishments	26	20	10	12	23

- ※ Compiled from “Survey on Service Industries” conducted by the MIC
- ※ Numbers before 2020 have been adjusted for fluctuations caused by the sample replacement up to January 2021.
- ※ The number of persons working at a certain location of establishment includes cases where one person is engaged in multiple business activities.
- ※ There may be discrepancies compared to the previously mentioned “Number of Employees in Private Establishments of Restaurants (2016-2021)” due to differences in the survey targets.

- **General increase in tourism post COVID-19**

In 2023, the number of foreign visitors visiting Japan surged to 25.1 million, representing over sixfold increase compared to the 4.1 million visitors recorded in 2020. This rapid expansion can be attributed to various factors, including the Japanese government’s proactive tourism promotion efforts, relaxed personal tourist visa requirements, improved consumption tax exemption policies, and the growing demand for overseas travel fuelled by economic growth in Asia. Additionally, the proliferation of international flights and low-cost carrier routes at Haneda Airport contributed to this influx. Notably, October 2023 marked a significant milestone as the number of foreign tourists visiting Japan surpassed pre-pandemic levels for the first time on a monthly basis. Furthermore, in 2023, Japan successfully achieved its targets of 5.0 trillion yen in travel spending by foreign visitors and 200,000 yen in travel spending per person, originally slated for achievement by 2025. Looking ahead, the focus now shifts towards further boosting consumption by inbound foreign tourists, with expectations of continued growth in the future.

- **Increase in expenditure on F&B by foreign visitors**

The expenditure on food and beverage accounts for 22.6% of the total expenditure per foreign visitor visiting Japan accounting for the third largest share after accommodation and shopping. Both the amount spent and the ratio of expenditure on F&B to total expenditure are on a rising trend.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Expenditures and ratios of foreign visitors per person by expense items

(yen)

	Total	Accommodation	Food & Beverage	Transportation	Entertainment, etc. Services	Shopping	Other
2018	153,029	45,787	33,748	16,160	6,011	51,256	67
Ratio	100.0%	29.9%	22.1%	10.6%	3.9%	33.5%	0.0%
2019	158,531	47,336	34,740	16,669	6,383	53,331	73
Ratio	100.0%	29.9%	21.9%	10.5%	4.0%	33.6%	0.0%
2022	234,524	80,139	53,034	24,008	15,590	61,605	147
Ratio	100.0%	34.2%	22.6%	10.2%	6.6%	26.3%	0.1%
2023	212,193	73,452	47,988	24,180	10,749	55,739	85
Ratio	100.0%	34.6%	22.6%	11.4%	5.1%	26.3%	0.0%

* Source: "Survey on Trends in Consumption of Foreign Visitors to Japan", Japan Tourism Agency

* The data of 2023 in the chart are preliminary figures.

In a 2022 study on what foreign visitors preferred to experience when visiting Japan, 44.0% of the respondents indicated that they would like to experience "traditional Japanese cuisines", and 30.0% responded that they would like to experience "casual local cuisine commonly enjoyed by locals", which are items related to eating and drinking. In terms of "Reasons for travelling to Japan", "Because I was interested in Japanese food" received the highest responses rate at 58.0%. This indicates that food and beverages have a considerably high position among the travel purposes for foreign visitors visiting Japan.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Desired Experiences for People Who Want to Travel to Japan (2022)

	Total	Asia as a whole	Europe, U.S. and Australia as a whole
Number of samples	3,291	2,686	605
Viewing nature and scenery	55%	57%	50%
Admiring cherry blossoms	52%	53%	47%
Admiring famous historical sites and historic architecture	44%	44%	42%
Traditional Japanese cuisine	44%	44%	40%
Bathing in hot springs	43%	46%	29%
Viewing snowy landscapes	39%	42%	27%
Viewing world heritage sites	36%	36%	40%
Viewing Japanese gardens	35%	33%	45%
Viewing autumn foliage	35%	37%	24%
Experiencing Japanese culture (tea ceremony, flower arrangement, trying on a kimono, etc.)	32%	33%	30%
Walking around downtown	31%	32%	30%
Watching events and festivals	31%	31%	29%
Casual local cuisine commonly enjoyed by locals	30%	31%	24%
Amusement parks and theme parks	30%	33%	16%
Shopping for food and beverages	27%	29%	17%
Viewing modern/advanced architecture	26%	26%	28%
Tourist attractions and sightseeing tours that do not damage nature or natural resources	25%	24%	28%
Visiting and experiencing traditional craft workshops	22%	22%	23%
Shopping for clothes and fashion goods	22%	23%	13%
Sweets	21%	22%	16%

* Source: "Survey on Intentions of Foreign Visitors to Japan from Asia, Europe, America, and Australia (2022), Development Bank of Japan, Inc., Japan Travel Bureau Foundation

* Asia: South Korea, China, Taiwan, Hong Kong, Thailand, Singapore, Malaysia, Indonesia

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Reason for travelling to Japan (persons who travelled to Japan after October 2022)

	Overall
Number of samples	528
Because I was interested in Japanese food	58%
Because I was interested in shopping in Japan	49%
Because I was interested in Japanese nature and scenery	49%
Because I was interested in Japanese hot springs	41%
Because I was interested in Japanese culture and history	34%
Because I was interested in Japanese fashion, games, animation, etc.	29%
Because the yen was weak, it seemed like the cost of staying and shopping in Japan would be cheaper	28%
Because I was interested in Japanese world heritage sites	24%
Because I was interested in Japan because of its safety	21%
Because I liked a region or city in Japan that I had visited before	20%
Because I was interested in outdoor activities in Japan	19%
Because I wanted to visit a region or city in Japan that I had never been to before	17%
Because there were direct flights	17%
Because the travel time was short	16%
Because Japan's border control measures have been greatly eased, making it easier to travel.	16%

* "Survey on Intentions of Foreign Visitors to Japan from Asia, Europe, America and Australia (2023)", Development Bank of Japan Inc. Japan Travel Bureau Foundation

The influx of tourists who are willing to spend on higher-priced menus has also been a tailwind for the food service industry such that some companies are developing high-priced menus specifically for foreign visitors to Japan. At Toyosu Senkyaku Banrai, a tourist facility where there are many visitors to Japan, seafood rice bowls priced at over JPY10,000 are being sold. At Kobe Beef Wanomiya, a steak restaurant in Osaka, Kobe beef is offered at prices ranging from JPY15,000/120g, which has been well received by visitors to Japan. According to TableCheck, a restaurant reservation service, the number of reservations made by visitors to Japan in October 2023 increased by approximately 2.3 times compared to the same month in 2019, suggesting that demand for eating out by visitors to Japan is even higher than pre-COVID-19 levels.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

General trends in the food service industry in Singapore

Our Directors have observed the following trends for the food service industry in Singapore:

- ***Effect of COVID-19 pandemic***

The COVID-19 pandemic has had a significant impact on Singapore's food service industry in general. In February 2020, Singapore declared its Disease Outbreak Response System Condition (DORSCON), a disease crisis management plan in Singapore, as 'orange' and in April 2020, a nationwide partial lock down ("**Circuit Breaker**") was announced, allowing restaurants and other food and beverage outlets to remain open only for takeaway or delivery. This led to a sharp decline in diners who were encouraged to stay home and work from home. While temporary relaxations of the government measures did provide short-term reprieve from the lull, the industry continued to face challenges arising from the uncertainty from the constant fluctuations in the levels of restrictions. Critically, during Circuit Breaker, the food and beverage industry experienced a fall in spending to 17.9% of the level of spending in January 2020². Notably, a turning point was reached in 2022 where the strictest COVID-based regulations were relaxed such as group size limits, workplace requirements and most critically, safe distancing measures were lifted. The industry began to recover and grow exponentially following the easing of such measures. In 2023, while the F&B services industry did not reach pre-COVID levels, the volume index grew by 4.2%, indicating recovery from the pandemic³. In the first quarter of 2024, Singapore's economy grew 2.7% year-on-year, improving from the previous quarter's 2.2% growth, according to the advance estimates from the Ministry of Trade and Industry⁴. The accommodation and food services, real estate, administrative and support services and other services sectors expanded by 2.9% year on year in the first quarter, up from 2.0% in the previous quarter⁵.

2 Information obtained from Economic Survey of Singapore 2022, published on February 2023 (last accessed on the Latest Practicable Date) The Ministry of Trade and Industry Singapore has not provided its consent to the inclusion of the information extracted from its website for the purposes of section 249 of the SFA and it is therefore not liable for such information under Sections 253 and 254 of the SFA. While our Group and the Sponsor have taken reasonable actions to ensure that the information from the Ministry of Trade and Industry Singapore has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Offer Document, neither our Group, the Sponsor or any other party has conducted an independent review of the information contained in that website or verified the accuracy of the contents of the relevant information.

2 Information obtained from Economic Survey of Singapore 2023, published on February 2024 (last accessed on the Latest Practicable Date) The Ministry of Trade and Industry Singapore has not provided its consent to the inclusion of the information extracted from its website for the purposes of section 249 of the SFA and it is therefore not liable for such information under Sections 253 and 254 of the SFA. While our Group and the Sponsor have taken reasonable actions to ensure that the information from the Ministry of Trade and Industry Singapore has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Offer Document, neither our Group, the Sponsor or any other party has conducted an independent review of the information contained in that website or verified the accuracy of the contents of the relevant information.

4 Information obtained from <https://www.mti.gov.sg/Newsroom/Press-Releases/2024/04/Singapore-GDP-Grew-by-2_7-Per-Cent-in-the-First-Quarter-of-2024> (last accessed on the Latest Practicable Date) The Ministry of Trade and Industry Singapore has not provided its consent to the inclusion of the information extracted from its website for the purposes of section 249 of the SFA and it is therefore not liable for such information under Sections 253 and 254 of the SFA. While our Group and the Sponsor have taken reasonable actions to ensure that the information from the Ministry of Trade and Industry Singapore has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Offer Document, neither our Group, the Sponsor or any other party has conducted an independent review of the information contained in that website or verified the accuracy of the contents of the relevant information.

5 Information obtained from <https://www.mti.gov.sg/Newsroom/Press-Releases/2024/04/Singapore-GDP-Grew-by-2_7-Per-Cent-in-the-First-Quarter-of-2024> (last accessed on the Latest Practicable Date) The Ministry of Trade and Industry Singapore has not provided its consent to the inclusion of the information extracted from its website for the purposes of section 249 of the SFA and it is therefore not liable for such information under Sections 253 and 254 of the SFA. While our Group and the Sponsor have taken reasonable actions to ensure that the information from the Ministry of Trade and Industry Singapore has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Offer Document, neither our Group, the Sponsor or any other party has conducted an independent review of the information contained in that website or verified the accuracy of the contents of the relevant information.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

SECTORAL GROWTH RATES

	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023
	Year-on-Year% Change						
Total	2.4	3.8	0.5	0.5	1.0	2.2	1.1
Goods Producing Industries	-1.3	2.9	-3.8	-6.1	-3.5	1.9	-2.9
Manufacturing	-2.6	2.7	-5.4	-8.2	-4.9	1.4	-4.3
Construction	6.6	4.6	5.8	6.4	3.7	5.2	5.2
Services Producing Industries	4.7	5.1	2.0	2.9	2.3	2.0	2.3
Wholesale Trade	3.8	4.0	0.1	2.1	1.1	0.2	0.8
Retail Trade	4.5	8.5	1.7	1.6	2.3	-0.3	1.3
Transportation & Storage	3.9	4.9	0.1	5.4	0.9	2.8	2.3
Accommodation	12.4	2.2	22.5	15.1	12.6	1.5	12.1
Food & Beverage Services	13.0	15.4	10.9	4.9	2.9	-1.5	4.1
Information & Communications	7.7	8.1	7.0	5.3	6.0	4.7	5.7
Finance & Insurance	-1.2	0.2	-1.5	-1.2	2.5	5.4	1.3
Real Estate	10.5	10.9	6.9	9.6	3.6	0.1	4.9
Professional Services	13.3	13.2	3.7	0.4	1.4	-0.7	1.1
Administrative & Support Services	9.4	7.8	5.2	3.4	1.4	-1.7	2.0
Other Services Industries	4.6	4.3	5.6	4.2	3.9	3.9	4.4

* Source: "MTI Maintains 2024 GDP Growth Forecast" at "1.0 to 3.0 Per Cent" (15 February 2024), Ministry of Trade and Industry Singapore

Table 2 Percentage Change of Food & Beverage Services Index (2017=100)

Industry	Year-on-Year		Month-on-Month (Seasonally Adjusted)	
	at Current prices		at Current prices	
	24 Jan/ 23 Jan	24 Feb/ 23 Feb	24 Jan/ 23 Dec	24 Feb/ 24 Jan
Total	-5.5	14.7	0.4	7.9
Restaurants	-15.9	20.5	0.6	11.7
Fast Food Outlets	-10.3	9.0	2.9	0.5
Food Caterers	9.0	39.5	-0.6	11.3
Cafes, Food Courts & Other Eating Places	5.2	5.2	-0.5	6.7

* Source: "Retail Sales Index and Food & Beverage Services Index" (February 2024), Department of Statistics Singapore

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

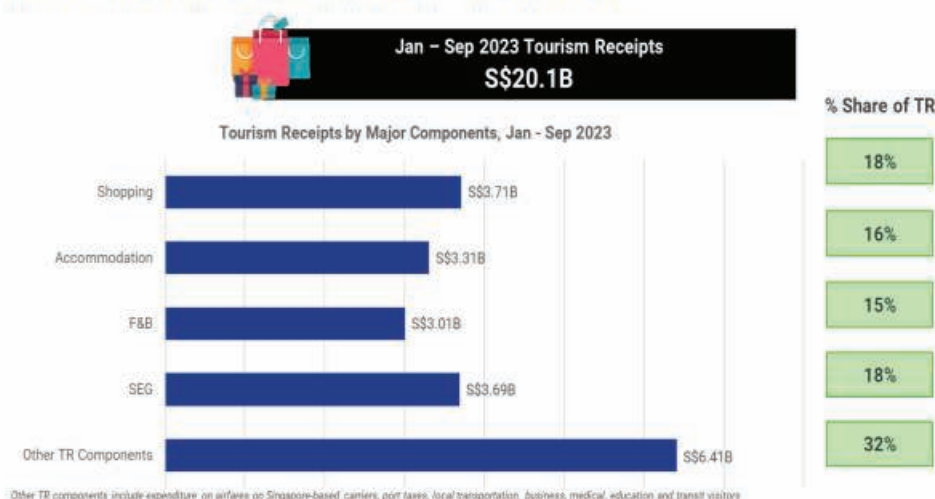
- **General increase in tourism post COVID-19⁶**

In 2023, Singapore's tourism sector demonstrated a strong recovery and performance with international visitor arrivals reaching 13.6 million, approximately 71.0% of the international visitor arrivals in 2019. This robust performance is attributable to various factors such as new attractions and enhanced experiences such as Bird Paradise, Singapore Tourism Board's efforts to digitally transform the tourism business as well as the increased momentum for business travel. This boom in the tourism sector has also brought tourism receipts estimated S\$24.5 to S\$26.0 billion, surpassing Singapore Tourism Board's forecast of S\$18.0 billion to S\$21.0 billion set out in 2023. The forecast for the tourism industry in 2024 appears positive as well with expectations of international visitor arrivals to reach 15.0 to 16.0 million and approximately S\$26.0 to S\$27.5 billion in tourism receipts, subject to uncertainties such as geopolitical uncertainty as well as the state of the global economy.

- **Increase in expenditure on F&B by foreign visitors**

The expenditure on food and beverage accounted for 15.0% of the tourism receipts, amounting to S\$3.0 billion from January to September 2023⁷. Notably, the expenditure on the food and beverage is one of the major components of the total tourism receipts.

Chart 2: Tourism Receipts: January to September 2023



* Source: "Singapore's tourism sector posts strong recovery in 2023, exceeds forecasts for tourism receipts" (1 February 2024), Singapore Tourism Board

6 Information obtained from <Singapore's tourism sector posts strong recovery in 2023, exceeds forecasts for tourism receipts | STB> (last accessed on 8 May 2024).

7 Information obtained from <Singapore's tourism sector posts strong recovery in 2023, exceeds forecasts for tourism receipts | STB> (last accessed on 8 May 2024).

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

- ***Increase in Affluence***

In a 2022 information paper on economic statistics published by the Singapore Department of Statistics, it was found that personal disposable income has increased by about 58.0% over the last decade, from S\$165 billion in 2011 to S\$261 billion in 2020⁸. The paper also observed that the personal disposable income in Singapore had grown in tandem with Singapore's economic development. Personal disposable income also grew by 4.0% on a year-on-year basis in the second quarter of 2024⁹. Further, data collected by United Overseas Bank (UOB) indicated that female UOB cardholders had increased their spending by 42.0% from 2019 to 2023 and that dining was one of the top 3 categories of expenditure for these women cardholders in 2023¹⁰. Given the data, there are positive prospects as to increased spending on dining as wealth continues to grow.

- ***Diversification of Food Industry***

With globalisation, there has been a gradual alteration of Singapore's culinary scene with the entry of various foreign restaurants into the market. As a greater range of international cuisines such as Japanese food started to spring up and become more widely available, new dining concepts and ways of serving food have also started to gain popularity. There is now a growing assortment of cuisines and food that has since established a presence in Singapore. With the warm reception to foreign cuisines, there has been a proliferation of and an expansion of international food chains into Singapore. As stated in the Industry Report, the Japanese food industry in particular, has seen an aggressive expansion of Japanese chain restaurants into countries such as Singapore. According to Japan's Ministry of Agriculture, Forestry and Fisheries, there was a 20.0% increase in Japanese restaurants overseas from 159,000 in 2021 to 187,390 in 2023¹¹. One example of such overseas expansion would be the popular conveyor belt sushi chain, Sushiro, which had 135 stores overseas at the end of September 2023 with the aim to open 400 stores by FY2026¹². In Singapore, Sushiro has 10 outlets across the island with a plan to open another three (3) outlets by August 2024¹³. The diversification of the food industry as well as the warm reception to foreign cuisines is a positive sign for the food industry moving forward.

- ***Technological Innovations***

With the advent of technological innovation, the food and beverage industry has to adapt to keep abreast of these changes. Particularly during the COVID-19 pandemic, restaurants saw a rise in the use of technology such as quick response (QR) codes for ordering and payment to reduce physical contact between service staff and diners. Similarly, robot waiters used to serve dishes and ease the workload of service personnel are becoming a common sight in restaurants such as Haidilao and Swee Choon Dim Sum¹⁴. With the influx of these machines and the development of technology, the industry could see a decrease in the need for staff and in turn a decrease in labour costs.

8 Information obtained from <Singapore Department of Statistics | Information Paper on Personal Disposable Income and Personal Saving (singstat.gov.sg)> (last accessed 24 August 2024).

9 Information obtained from <<https://www.singstat.gov.sg/-/media/files/news/pdips2q2024.ashx>> (last accessed 24 August 2024).

10 Information obtained from <Women are spending more on dining and travel, but don't call them spendthrift | The Straits Times> (last accessed on 16 May 2024).

11 Information obtained from the Industry Report.

12 Information obtained from the Industry Report.

13 Information obtained from <Popular conveyor belt sushi chain Sushiro to open 3 new outlets by August – CNA Lifestyle (channelnewsasia.com)> (last accessed on 16 May 2024).

14 Information obtained from <Robot chefs and waiters: 40% of food services jobs will require moderate to extensive redesign in next 3 years (channelnewsasia.com)> (last accessed on 8 May 2024).

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

- ***Demand for takeaways and food delivery***

Following the COVID-19 circuit breaker measures as well as limits on dining capacities, the online food delivery industry and takeaway industry has seen significant growth as a preferred method of getting food due to convenience and accessibility. The online food delivery market in Singapore is expected to reach US\$1.6 billion in 2024 with 3.7 million users by 2027¹⁵. Further, out of the S\$1.0 billion total sales of food and beverage services in February 2024, an estimated 20.8% were from online sales¹⁶. This emerging trend suggests that restaurants can look towards working with online delivery food platforms to increase profits. However, since online delivery platforms involve middlemen and thus have poorer margins, businesses in the industry should also consider focusing on takeaway orders to improve earnings.

General trends in food service industry in Malaysia

Our Directors have observed the following trends for the food service industry in Malaysia:

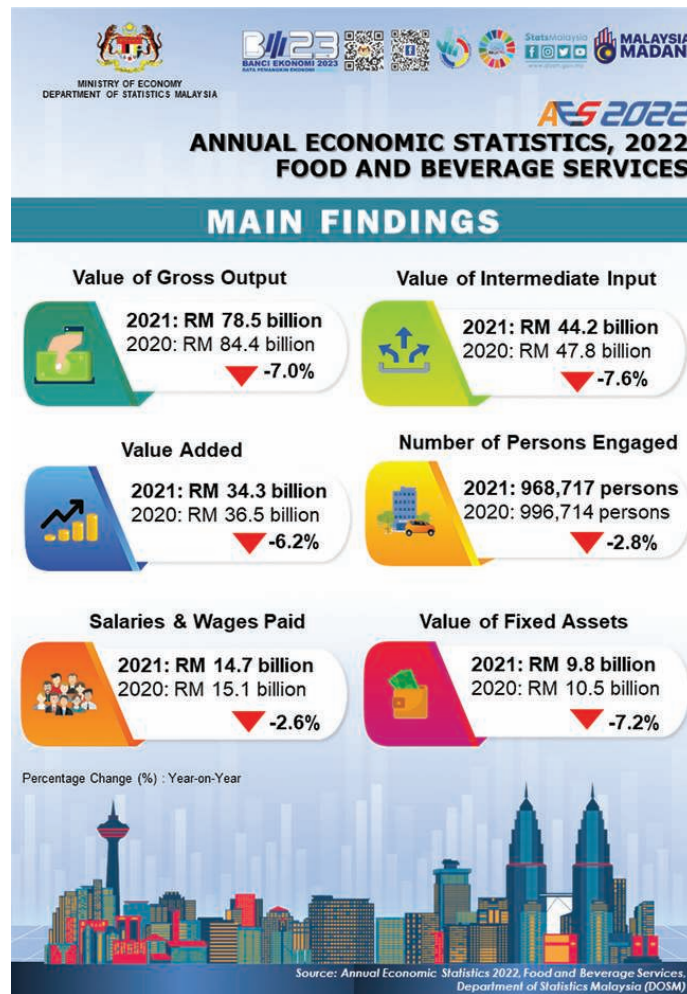
- ***Effect of COVID-19 pandemic***

The COVID-19 pandemic has had a significant impact on the food service industry in Malaysia. In March 2020, the Malaysian government implemented restrictions to combat the spread of the disease. While restaurants or any food supply chains selling food and beverages were allowed to continue to operate, they were only allowed to operate by way of drive-through, take away and delivery and only with the prior written permission of the Director General of Health. However, despite these restrictive measures, it appears that Malaysia's food service industry fared better in 2020 with a gross output value of RM84.8 billion as compared to the decrease of 7.0% in 2021. This decrease in output value of the industry is likely due to restrictions continuing to be in place until the end of 2021, giving the industry insufficient time to recover.

15 Information obtained from <[Singapore's crowded food delivery scene could see mergers, acquisitions soon: Analysts \(channelnewsasia.com\)](https://www.channelnewsasia.com)> (last accessed on 8 May 2024).

16 Information obtained from <[Singapore Department of Statistics – Retail Sales Index and Food & Beverages Services Index, Feb 2024 \(singstat.gov.sg\)](https://www.singstat.gov.sg)> (last accessed on 8 May 2024).

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

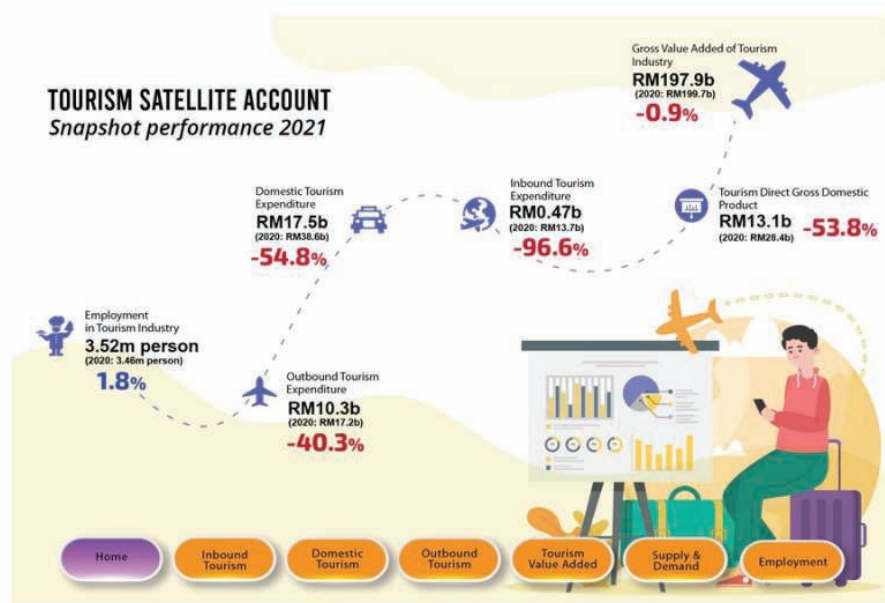


* Source: "Annual Economic Statistics (AES) Food And Beverage Services, 2022" (1 March 2023), Ministry of Economy Department of Statistics Malaysia

- **General increase in tourism post COVID-19**

In 2021, due to travel restrictions arising from the pandemic, the inbound tourism expenditure was only RM0.5 billion, a 96.6% decrease from the 2020 expenditure of RM13.7 billion. The outbound tourism expenditure, gross value added to the tourism industry and domestic tourism expenditure all saw a negative decrease as well. However, post COVID-19 pandemic, Malaysia saw a 100.0% increase in tourist arrivals from 2022 to 2023 with a total of 20,131,846 tourist arrivals. Tourist expenditures also increased by 152.6% from 2022 to 2023 with approximately RM71.3 million in 2023.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS



* Source: "Tourism Dashboard", Ministry of Economy Department of Statistics Malaysia

- **Increase in Affluence**

As noted in The Asia Food Challenge Report 2021 joint report by PwC Singapore, Temasek and Coöperatieve Rabobank U.A., Singapore Branch, as Asian consumers become more affluent, sophisticated and demanding, they are set to double their spending on food from US\$4 trillion in 2019 to over US\$8 trillion by 2030¹⁷. Further, the increasing middle class and their rising purchasing power is likely to drive up consumption and greater demand for higher-value foods for consumption. In accordance with growth of the Asian economy, Malaysia's median household income has also seen a consistent increase and a compound annual growth rate of 2.6%, with a median household income of RM6,338 per month¹⁸. The increasing household wealth could be indicative of an increased spending power and therefore a greater willingness to spend on dining out at restaurants.

17 Information obtained from <<https://www.temasek.com.sg/content/dam/temasek-corporate/news-and-views/resources/reports/afc-report-2021.pdf>> (last accessed on 24 August 2024) is and does not constitute professional advice. PwC Singapore, Temasek and Coöperatieve Rabobank U.A., Singapore Branch have not provided its consent to the inclusion of the information extracted from its website for the purposes of section 249 of the SFA and it is therefore not liable for such information under Sections 253 and 254 of the SFA. While our Group and the Sponsor have taken reasonable actions to ensure that the information from PwC Singapore, Temasek and Coöperatieve Rabobank U.A., Singapore Branch have been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Offer Document, neither our Group, the Sponsor or any other party has conducted an independent review of the information contained in that website or verified the accuracy of the contents of the relevant information.

18 Information obtained from <Malaysia – Household Income & Expenditure | OpenDOSM> (last accessed on 24 August 2024) The Department of Statistics Malaysia has not provided its consent to the inclusion of the information extracted from its website for the purposes of section 249 of the SFA and it is therefore not liable for such information under Sections 253 and 254 of the SFA. While our Group and the Sponsor have taken reasonable actions to ensure that the information from Department of Statistics Malaysia has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Offer Document, neither our Group, the Sponsor or any other party has conducted an independent review of the information contained in that website or verified the accuracy of the contents of the relevant information.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Trends in dinner restaurants

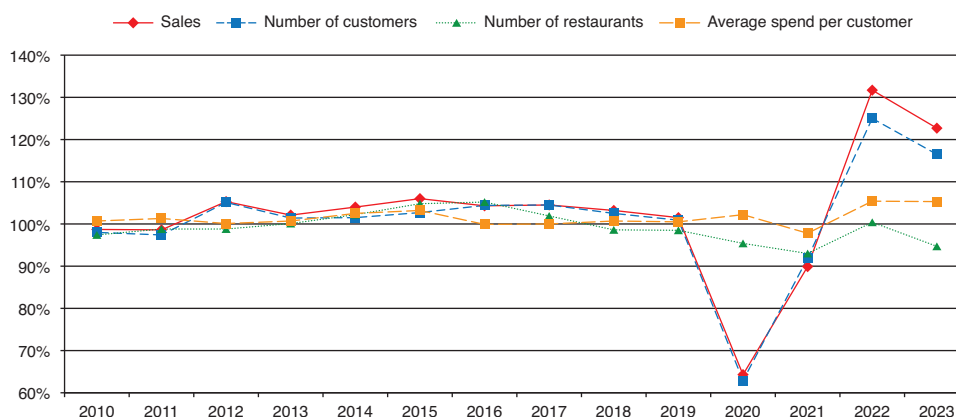
In summary, the following trends are expected to affect the profitability of dinner restaurants:

Japan

- Increasing demand for dinner restaurants

Following the COVID-19 pandemic which severely impacted dinner restaurants, as the regulations were eased, dinner restaurants saw a significant increase in 2022 in the year-over-year changes for sales, number of customers, number of restaurants, and average spend per customer, with sales notably reaching 131.7% of the previous year. In 2023, sales, number of customers, and average spend per customer exceeded those of the previous year, which showed a recovery, with sales reaching a year-on-year growth rate of 122.7%, and the number of customers and average spend per customer also following a similar trend. This number is expected to increase further as the market recovers, possibly due to the rise in number of foreign tourists.

Year-over-year growth in sales, number of customers, number of restaurant, and average spend per customer in dinner restaurants



* “Food Service Industry Market Trend Survey” (survey of Association member companies), Japan Foodservice Association

Year-over-year growth in sales, number of customers, number of restaurants, and average spend per customer in dinner restaurants

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sales	98.7%	98.5%	105.3%	102.1%	104.0%	106.0%	104.3%	104.5%	103.2%	101.5%	64.3%	89.9%	131.7%	122.7%
Number of customers	98.0%	97.4%	105.1%	101.4%	101.5%	102.7%	104.4%	104.5%	102.5%	100.9%	62.9%	91.9%	125.0%	116.5%
Number of restaurants	97.4%	98.8%	98.8%	100.1%	102.2%	104.8%	101.9%	101.9%	98.5%	98.5%	95.4%	93.0%	100.4%	94.7%
Average spend per customer	100.7%	101.3%	100.1%	100.7%	102.5%	103.2%	100.0%	100.0%	100.5%	100.5%	102.2%	97.8%	105.4%	105.3%

* “Food Service Industry Market Trend Survey” (survey of Association member companies), Japan Foodservice Association

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

- Shift from targeting corporate demand to personal demand

The landscape for dinner restaurants has undergone a significant transformation, pivoting from catering primarily to corporate clientele and towards meeting the burgeoning personal demand. In light of COVID-19, the traditional paradigm of corporate dinners organised by companies has waned, while there is a rising surge in demand driven by families and individuals seeking dining experiences. In response, restaurant operators have adeptly adjusted their offerings and strategies to cater to this burgeoning individual demand, adapting their menus, ambience, and marketing approaches to align with the evolving preferences of their newfound audience.

- Development of unique takeout dining experience

In response to the evolving preferences of customers towards delivery and takeout, companies such as WDI Corporation are leading the way with innovative approaches to redefine dining experiences. WDI Corporation's "WE COOK" established in June 2020 as a "ghost restaurant" without seating, specialises in food delivery, offering a convenient solution for those seeking quality meals at home. Moreover, WDI Corporation expanded its reach by launching a delivery service through the premium food delivery platform "QG Dish" operated by GiG Works Inc., at select locations of renowned dining establishments like Wolfgang's Steakhouse and Tim Ho Wan. Wolfgang's Steakhouse further enhances accessibility by offering a cab delivery service, setting a new standard for high-quality takeout experiences.

KISOJI, renowned for its shabu-shabu and Japanese cuisine, offers an array of takeaway options including "takeout bento", "Celebration/Memorial Service Bento", and sets featuring shabu-shabu, sukiyaki, or seasonal hot pots. Similarly, Global Dining has introduced enticing takeout selections like the "Ouchi de La Boheme Set", "Ouchi de Monsoon Set", and "Ouchi de Afternoon Tea Set" ("Ouchi" meaning home), enabling customers to savour restaurant-quality food in the comfort of their own homes.

These creative ideas underscore a broader industry trend where dinner establishments are adapting to meet the evolving demands of modern consumers. By prioritising convenience, quality, and personalised service, companies like WDI Corporation and KISOJI are not only meeting their customers' needs but also reshaping the landscape of takeout dining, establishing new benchmarks for excellence in the process.

- Trends about new concepts

To increase value and raise the average spending per customer, there has been a shift beyond chain establishments towards restaurants in large-scale, multi-use complexes in prime locations in Tokyo such as "Toranomom Hills Station Tower" and "Azabudai Hills". Apart from foreign luxury hotels, these complexes emphasise "food", featuring restaurants supervised by top domestic and international chefs, alongside bars, and cafes. Many of the restaurants are supervised by renowned chefs. These restaurants feature innovative restaurant design, such as theatre-style open kitchens or "Table d'hôte" style dining around a large table for all guests. Additionally, many of these restaurants also offer menus with focused on sustainability. In recent years, an increasing number of chefs have become more interested in sustainability, such as local food culture, plant-based ingredients and farm-to-table concepts.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

- Celebrations at dinner restaurants

There is an increase in visits to dinner restaurants by senior couples and families for special events such as holidays, festivities, anniversaries and birthdays. There is also an increase in popularity of wedding dinners and festive occasions being hosted at luxury restaurants. Therefore, many restaurants have placed emphasis on preparing special courses and exclusive plans for Christmas and Valentine's Day, etc., with the aim to increase the average spend per customer by offering dishes that are not on the regular menu.

- Focus on providing more unique and varied offerings

There are also restaurants focusing on attracting more frequent patronage by existing customers by holding unique events and increasing the value of their offerings. Effort is made to refresh the menu often, such as by holding seasonal food fairs and providing dessert buffets.

Singapore and Malaysia

- Strong Market Demand for Japanese Restaurants

There is an increased demand for Japanese casual dining restaurants in Asian countries such as Malaysia and Singapore. Based on Japan's Ministry of Agriculture, Forestry and Fisheries, Asia accounted for 122,030 of the Japanese restaurants overseas, an increase of approximately 21,000 restaurants from 2021¹⁹. The popularity of Japanese cuisine in Singapore arises from the food being of high-quality, healthy and body-friendly²⁰ since the cuisine involves fresh ingredients lower in sugar and fat and also affords a wider range of unique food for diners. Similarly, in Malaysia, freshness, healthiness and beautiful preparation, amongst others, are factors that contribute to Malaysia's perception of Japanese cuisine²¹. Further, the permeation of the Japanese influence through food and culture such as Japanese animation and manga, is likely to result in a greater demand for different kinds of Japanese foods and restaurants²².

Trends in the overseas expansion of Japanese food service companies

Expansion into new markets

Overseas expansion of restaurant chains has generally been on the rise. As the Japanese population ages and the Japanese food service market matures, more companies are turning towards other Asian markets for opportunities for growth. In Asia, the market scale of the food service industry has expanded rapidly due to economic growth, and with the increase in living standards and health-consciousness, the popularity of Japanese food has also increased.

19 Information obtained from the Industry Report.

20 Information obtained from <[596-BT0004.pdf \(ijtef.org\)](https://www.mofa.go.jp/press/2024/08/24/24082401.html)> (last accessed on 24 August 2024).

21 Information obtained from <https://myjurnal.mohe.gov.my/filebank/published_article/96092/5.pdf> (last accessed on 6 August 2024) The Journal of the Pacific and Asian Communication Association has not provided its consent to the inclusion of the information extracted from its website for the purposes of section 249 of the SFA and it is therefore not liable for such information under Sections 253 and 254 of the SFA. While our Group and the Sponsor have taken reasonable actions to ensure that the information Journal of the Pacific and Asian Communication Association has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Offer Document, neither our Group, the Sponsor or any other party has conducted an independent review of the information contained in that website or verified the accuracy of the contents of the relevant information.

22 Information obtained from <<https://www.straitstimes.com/asia/se-asia/is-japans-soft-power-making-a-comeback-in-southeast-asia-the-nation-contributor>> (last accessed on 24 August 2024).

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Japanese food service companies are now looking into expanding into newer markets, including countries in which Japanese food is not currently readily available such as Philippines, Vietnam, Cambodia and India. Expansion into the West is also a key trend, with regions such as Europe, America, Africa and the Middle East being targeted. In particular, as observed by the Japan External Trade Organisation, Latin America has seen a rise in popularity of Japanese food, with an increase in the number of ramen shops in recent years in the metropolitan areas of Chile. A possible cause of this surge in popularity is possibly due to the popularity of Japanese animation, including One Piece and Demon Slayer (Kimetsu no Yaiba) in Latin America.

Japanese Restaurants in Asia (2023)

(house)

Country	Number	Country	Number
China	78,760	Macau	310
South Korea	18,210	Cambodia	280
Taiwan	7,440	Myanmar	80
Thailand	5,330	Nepal	60
Indonesia	4,000	Mongolia	50
Malaysia	1,890	Laos	50
Vietnam	1,620	Sri Lanka	40
Hong Kong	1,400	Brunei	40
Singapore	1,210	Maldives	40
Philippines	760	Bangladesh	30
India	410	Pakistan	20
		Asia Total	122,030
		Overseas Total	187,390

- * Source: "Number of Japanese restaurants overseas", Ministry of Agriculture, Forestry and Fisheries (compiled based on research by Ministry of Foreign Affairs)
- * Rounded to the nearest whole number.
- * In respect of the number of Japanese restaurants in Ukraine under the Overseas Total number, the survey result was as of 2021 instead of 2023.

Performance of Japanese food service companies in overseas market

Among the major food chains, those which are leading overseas expansion include fast food chains such as Genki Sushi Co., Ltd, Food & Life Companies Ltd. (formerly known as Sushiro Global Holdings Ltd) and Kura Sushi, Inc. The number of their outlets overseas is increasing, and the profitability is also improving in some regions. Food service companies featuring different types of Japanese cuisine, such as sushi (e.g. Genki Sushi of Genki Sushi Co., Ltd, Sushiro of Food & Life Companies Ltd.), beef bowls (e.g. Yoshinoya of Yoshinoya Holdings, Sukiya of Zensho Holdings), tempura and ramen (e.g. Ajisen Ramen of Shigemitsu Industry, Ippudo of Chikaranomoto Holdings) have also focused on overseas expansion with success. In addition, there are increasing number of companies intending to expand into halal areas by opening stores in Indonesia, which offers halal menus.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Aside from major chains, in recent years, local restaurants, small and medium-sized businesses are also expanding overseas. Risks related to contractual issues with local companies, such as differences in legal landscape and business practices and failures to pay royalties due to poor performance are lower than before. As there is an increasing number of companies in the service industry expanding overseas each year, clearer precedents and practices have been developed, which serve as a useful guide for new entrants to the market.

Additionally, foreign companies are increasingly seeking partnerships with local companies to gain a deeper understanding of the local landscape. For example, information on real estate properties can be acquired and human resources can be secured more easily with the support of a local partner. Overseas expansion of domestic businesses is expected to accelerate in the future with the aim of achieving further growth.

Performance of Japanese food service companies in overseas market

Company name	Main brand name	Type	Main country
GENKI SUSHI CO., LTD.	GENKI SUSHI, Uobei	Kaiten-zushi	Hong Kong, China, Indonesia
FOOD & LIFE COMPANIES LTD. (Formerly Sushiro Global Holdings Ltd.)	Sushiro	Kaiten-zushi	Hong Kong, Taiwan, China
Kura Sushi, Inc.	Kura Sushi	Kaiten-zushi	United States, Taiwan
SHIGEMITSU INDUSTRY CO., LTD	AjiSen Ramen	Ramen	China
Chikaranomoto Holdings Co., Ltd.	Ippudo	Ramen	Thailand, China, Hong Kong, Taiwan, USA
ab-out Co Ltd	Ramen Santouka	Ramen	USA, Philippines
HACHI-BAN CO., LTD.	Hachiban Ramen	Ramen	Thailand
Yoshinoya Holdings Co., Ltd.	Yoshinoya	Beef bowl	China, Indonesia, USA
ZENSHO HOLDINGS CO., LTD.	Sukiya	Beef bowl	China, Brazil, Thailand, USA
PLENUS Co., Ltd.	YAYOI KEN	Set meal	Thailand
OTOYA Holdings Co., Ltd.	Ootoya	Set meal	Thailand, Taiwan
Toridoll Holdings Corp.	MARUGAME UDON	Udon	Taiwan, Philippines, Indonesia, USA
HOTLAND Co., Ltd.	Tsukiji Gin Dako	Takoyaki	Hong Kong, Thailand, Indonesia
Watami Co., Ltd.	Watami	Izakaya	Hong Kong, Philippines
MOS FOOD SERVICES, INC.	MOS BURGER	Burger	Taiwan, Hong Kong, Singapore
RINGER HUT CO., LTD	Nagasaki Champon	Champon	Thailand, Cambodia
Saizeriya Co., Ltd.	Saizeriya	Italian	China
Ichibanya Co., Ltd.	CURRY HOUSE CoCo ICHIBANYA	Curry	Thailand, China, Korea, Taiwan, Philippines

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Company name	Main brand name	Type	Main country
Komeda Holdings Co., Ltd.	Komeda's Coffee	Coffee shop	Taiwan, China
Duskin Co., Ltd.	Mister Donut	Donut	Thailand, Philippines, Indonesia

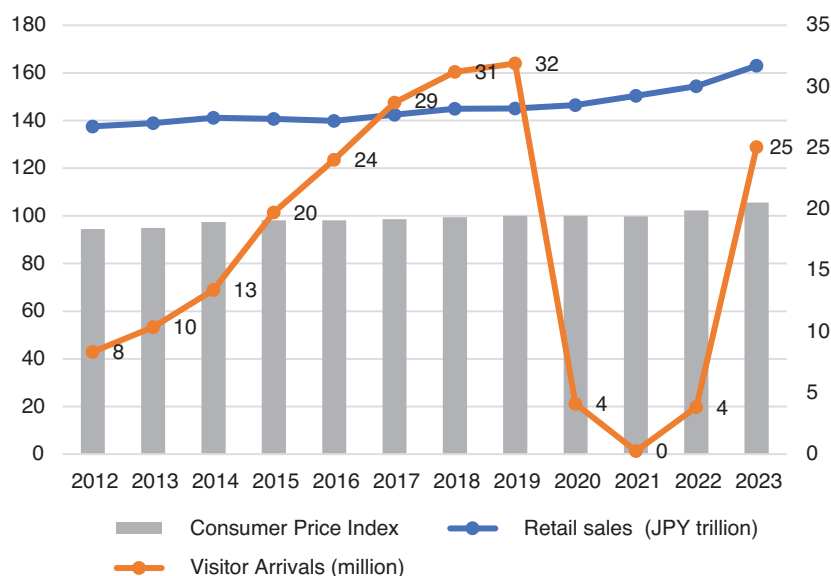
* Including company-operated outlets, and franchises, etc.

Prospects of Japan's retail real estate sector

As restaurants are a sub-sector of the retail real estate sector which includes *inter alia* fashion, health and beauty as well as outdoor and sports, the strength of the broader retail real estate sector will drive demand for the leasing of restaurants and positively impact the RLSB. The information presented here is based on general market trends and public domain information.

In summary, the following are some of the factors which affect the growth of the retail real estate sector in Japan:

- **Post COVID-19 recovery of the retail sector**



Source Statistics Dashboard, Statistics Bureau, Ministry of Internal Affairs and Communications and Japan Tourism

Based on statistics from the Ministry of Internal Affairs and Communications, the retail sector in Japan has witnessed continued improvements, with 2023 recording the highest retail sales volume amounting to JPY163.0 trillion. The growth in the retail sector was partially supported by the growth in inbound tourists as well as moderate inflation, which has encouraged domestic consumption. With the post COVID-19 recovery of the retail sector and positive market conditions, the F&B sector is expected to make a steady comeback.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Trend Information

Based on our operations as of the Latest Practicable Date and barring any unforeseen circumstances, we have observed the following trends for FY2024 and the next 12 months from the Latest Practicable Date:

RLSB

- (a) Increase in revenue mainly due to the positive leasing dynamics of Japan's retail real estate sector; and
- (b) Increase in revenue in RLSB due to increased opportunities for food retailers and other retailers to open new stores as a result of a recovery in inbound consumption and a rebound in dining out consumption by residents in Japan.

FRB

- (a) Increase in FRB revenue as the demand for dinner restaurants and the number of foreign tourists to Japan increases;
- (b) As with other businesses in Japan, Singapore and Malaysia, we expect to face inflationary pressures and a general trend of increase in the costs of our food ingredients, labour and rental (for the leased properties in Singapore and Malaysia);
- (c) As set out in the sub-section entitled "General Information on Our Group – Business Strategies and Future Plans" of this Offer Document, we intend to expand our FRB through new collaborations and securing operating rights of themed restaurants of popular anime and other characters to open more themed restaurants in Japan and expand our RLSB into other major cities in Japan. These expansion plans entail additional capital expenditures and depreciation expenses. We may also take on additional bank borrowings (if required) to finance these capital expenditures, which will result in an increase in finance costs; and
- (d) Our Group's operating expenses are expected to increase as a result of the Listing due to listing expenses and ongoing compliance costs. For further details on the listing expenses, please refer to the section entitled "Use of Proceeds and Listing Expenses" of this Offer Document.

Save as discussed above and under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document, and barring any unforeseen circumstances, our Directors have not observed any other significant recent trends and are not aware of any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material and adverse effect on our revenue, profitability, liquidity or capital resources for the current financial year, or may cause financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial condition. Please also refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and plans for the continued growth of our business are as follows:

RLSB

(i) *Expanding our RLSB in Japan*

Currently, our subleased properties are focused in the Tokyo Metropolitan area, comprising 23 special wards of Tokyo and its adjacent prefectures of Kanagawa, Chiba and Saitama, which are situated in the southern Kanto region in Japan. Japan's main centre of business and major shopping and business districts are located in the Tokyo Metropolitan area. Restaurants in this area typically cater to corporates and tourists. We intend to continue to focus on subleased properties in the Tokyo Metropolitan area and expand the scale of our existing subleasing business by securing leases in this area. Barring unforeseen circumstances and depending on other business considerations, we also have plans to continue expanding in other major cities in Japan.

FRB

(i) *Increase our presence in countries where we operate in outside of Japan and expand our footprint in new markets overseas through new collaborations with Japanese restaurant operators*

We intend to leverage our established market presence and market recognition of our existing portfolio of brands and the experience of our management team to expand our existing FRB overseas by entering into new collaborations with Japanese restaurant operators, whether local operators in the countries where we operate in or international companies, increasing our business development activities, and attracting new customers to further broaden and diversify our customer base. As at the Latest Practicable Date, we operate a total of 26 restaurants, one (1) bakery café and one (1) central kitchen facility across Japan, Singapore and Malaysia, directly or in collaboration. Subject to the general economic conditions of Japan, Singapore and Malaysia, the availability of good locations, terms and conditions of the leases, as well as our financial position, we intend to continue increasing the number of restaurants in Japan, Singapore and Malaysia to reach out to a wider consumer base and further strengthen our foothold in the F&B industry.

In addition to the expansion of our business operations in Japan, Singapore and Malaysia, we also intend to expand our presence in new countries. We have identified Australia and Vietnam as potential markets for our business expansion through collaborations with Japanese restaurant operators, whether local operators in the countries where we operate in or international companies. We have selected these countries because they are markets with high growth potential and also, they are in close proximity to Japan. Subject to the availability of good locations and other business considerations, it is our current intention to seek opportunities to enter these countries through joint ventures and/or strategic partnerships in the next two (2) years.

We intend to utilise S\$0.5 million, representing approximately 16.2% of the gross proceeds from the Invitation to fund the expansion. Depending on the general economic condition, our pace of growth and other business considerations, we may also utilise internally generated funds and/or external borrowings for this purpose.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

(ii) *Innovate and introduce new Japanese food brands and concepts in Singapore and Malaysia*

We believe that Singapore and Malaysia, with their multi-racial and multi-cultural and cosmopolitan population, are ideal launch pads for new Japanese food concepts and brands into the South-east Asian region. We also believe that it is important to continuously innovate and introduce new food products to cater to the changing tastes of customers. Our Company believes that through this brand diversification strategy, we will be able to enhance our offerings and capture a wider group of consumer segments.

(iii) *Enhance market presence and geographic expansion of “Moomin” brand in Japan, acquisition of operating rights of themed restaurants of popular anime and other characters to open more themed restaurants in Japan, and expansion of our Group’s FRB in Japan*

As at the Latest Practicable Date, we operate one (1) “Moomin” Café located at Karuizawa, Nagano Prefecture and previously, we had a pop-up “Moomin” Café at Shibuya Scramble Square, Tokyo under the Licensing Agreements. Please refer to the sub-section entitled “General Information of our Group – Intellectual Property Rights” of this Offer Document for more information on our sublicense of the “Moomin” brand. Barring unforeseen circumstances, we anticipate launching a second “Moomin” Café by early 2025. Moreover, we are actively pursuing to secure new operating rights of themed restaurants of popular anime and other characters (if any) to establish themed restaurants throughout Japan. Our rationale stems from the significant demand for anime-themed restaurants, buoyed by the widespread popularity of anime culture in Japan. Anime serves as a prominent draw for tourists visiting Japan.

Our Group also intends to expand our FRB in Japan. We are in the final stages of negotiation with a hotel in Okinawa to provide our Restaurant Operations Management Services to the new restaurant, which is scheduled to open in the fourth quarter of 2024, barring unforeseen circumstances. Our Group will contribute our technical expertise in restaurant management and operations.

We intend to utilise S\$0.5 million, representing approximately 16.2% of the gross proceeds from the Invitation. These funds will support both the acquisition of new Japanese food brands as outlined in (ii) above and our expansion efforts, including the acquisition of new operating rights of themed restaurants of popular anime characters as detailed above.

INTERESTED PERSON TRANSACTIONS

In general, transactions between our Group and any of its interested persons (namely our Directors, or Controlling Shareholders or their respective Associates) are known as interested person transactions for the purposes of Chapter 9 of the Catalist Rules. The SGX-ST may deem any person or entity to be an Interested Person if the person or entity has entered into, or proposes to enter into: (a) a transaction with our Group; and (b) an agreement or arrangement with an Interested Person in connection with that transaction.

INTERESTED PERSONS

Each of the following persons is considered an “Interested Person” for the purposes of this section.

Interested Person	Relationship with our Group
Furukawa Kazuteru	Our Controlling Shareholder and Executive Chairman
Kubota Yasuaki	Our CEO

This section sets out the Interested Person Transactions entered into by our Group for the Relevant Period on the basis of each member of our Group (namely, our Company and our subsidiaries) being an Entity at Risk and with Interested Persons being construed accordingly.

Save as disclosed below, our Group does not have any other Interested Person Transactions with any of our Interested Persons during the Relevant Period or any present and ongoing Interested Person Transactions with any of our Interested Persons.

PAST INTERESTED PERSON TRANSACTIONS

Details of past Interested Person Transactions for the Relevant Period are as follows:

(a) Sale of Zerolla Air Purifiers

In 2021, in view of COVID-19, FIJ sought to capitalise on the increased demand for products aimed at improving indoor air quality amidst the pandemic and seized the opportunity to sell air purifiers as a one-off business opportunity. It was a business opportunity during the COVID-19 pandemic because the Company had observed the high demand for air purifiers by restaurant operators. During the Relevant Period, Furukawa Kazuteru, our Director and Executive Chairman, and Kubota Yasuaki, our Director and CEO, purchased a total of four (4) Zerolla Air Purifiers, two (2) of which were purchased by Furukawa Kazuteru and two (2) were purchased by Kubota Yasuaki. The Zerolla Air Purifiers purchased by Kubota Yasuaki were paid for by way of instalment payments of 36 months, with the last instalment projected to be in March 2025. Notwithstanding that, Kubota Yasuaki has fully paid for the Zerolla Air Purifiers. The air purifiers were sold to both Furukawa Kazuteru and Kubota Yasuaki at staff price, a 30.0% discount of the retail price.

The aggregate value of the transactions with FIJ during the Relevant Period is set out below.

Aggregate value of transaction (S\$)	FY2022	FY2023	FY2024
Furukawa Kazuteru	2,949	–	–
Kubota Yasuaki	5,909	–	–
TOTAL	8,858	–	–

INTERESTED PERSON TRANSACTIONS

Our Directors are of view that while the foregoing transactions were not provided on an arm's length basis or on normal commercial terms, such transactions were not prejudicial to the interests of our Group and its minority Shareholders. This is because (i) the sale of the Zerolla Air Purifiers was offered to all employees of our Group at the same staff discount rate, (ii) the staff discounts provided were part of the employee benefits to which Furukawa Kazuteru and Kubota Yasuaki are entitled as the employees of our Group and (iii) the aggregate value of the transactions were insignificant.

The above-mentioned transactions were one-off transactions. Save as set out below, our Directors do not intend to enter into similar transactions with FIJ in the future, barring unforeseen circumstances.

(b) Leasing services to DK Co., Ltd and Healthcare Bridge Co., Ltd, companies affiliated with wife of our Director and CEO, Kubota Yasuaki

In August 2023, FIJ was engaged by DK Co., Ltd, a stock company duly incorporated under the law of Japan which principally engages in the business of trading and export of consumer goods outside Japan (“DK”), to assist in sourcing for an office space for DK, and FIJ received a success fee for successfully securing an office space for DK.

In March 2024, FIJ was engaged by Healthcare Bridge Co., Ltd, a stock company duly incorporated under the law of Japan which principally engages in the business of property leasing (“HB”), to act an intermediary to lease residential apartments owned by HB. FIJ received a success fee for successfully leasing three (3) apartments.

DK and HB are both wholly-owned by the wife of our Director and CEO, Kubota Yasuaki.

The aggregate value of transactions with FIJ during the Relevant Period is set out below.

Aggregate value of transaction (S\$)	FY2022	FY2023	FY2024	1 March 2024 to the Latest Practicable Date
DK Co., Ltd	–	–	2,341	–
Healthcare Bridge Co., Ltd	–	–	–	7,969

Our Directors (other than Kubota Yasuaki who has abstained from all the decision-making in connection with these transactions) are of the view that the above transactions were carried out on an arm's length basis and on normal commercial terms in the ordinary course of business as the terms of the agreements for the above transactions were not more favourable than those extended to unrelated third parties. Further, our Director and CEO, Kubota Yasuaki, does not hold any position and has no interest in DK and HB, and is also not involved in the transaction between DK and HB and our Group. Accordingly, the above transactions are not prejudicial to our Group.

The above-mentioned transactions were one-off transactions. FIJ does not intend to enter into such similar transaction in leasing of residential properties in the future.

INTERESTED PERSON TRANSACTIONS

(c) Personal Guarantees provided by our Director, Kubota Yasuaki

Guarantees for Master Lease Agreements

Our CEO, Kubota Yasuaki (a “**Guarantor**”) acted as guarantor for FIJ to secure certain master lease agreements (“**Master Lease Agreements**”) with the landlords of our RLSB (“**Landlords**”).

Pursuant to the Master Lease Agreements, the relevant Guarantor agrees to guarantee the due and punctual payment of rent payable by FIJ to the relevant Landlord, and the due performance by FIJ of the terms and conditions in the respective Master Lease Agreements.

Details of the relevant leased properties are as set out in the table below.

Details of Leased Properties	Expiry Date of Lease	Largest amount guaranteed during the Relevant Period (S\$)
Watanabe THS Building, 2-2-32 Kanda Jimbocho, Chiyoda-ku, Tokyo	22 December 2023	67,138

Guarantee for Loan

In addition to the above, our CEO, Kubota Yasuaki, also acts as a guarantor to secure certain loans from Starwoods Holdings Co., Ltd, unrelated third party, for our Group’s working capital.

Details of the relevant loans are as set out in the table below.

Loan from Unrelated Third Party and Shareholder (S\$)	FY2022	FY2023	FY2024	Largest amount guaranteed during the Relevant Period
Starwoods Holdings Co., Ltd	–	–	897,000	897,000

Loan Agreement with Starwoods Holdings Co., Ltd

On 22 March 2023, our Company entered into a loan agreement with Starwoods Holdings Co., Ltd, a stock company duly incorporated under the Japanese law, which is an unrelated third party, to borrow JPY100 million with 5.0% interest per annum for loan term of one (1) year. This loan has been fully repaid on 22 March 2024.

As no compensation, fees or other benefits have been paid or are payable by our Group to the Guarantors for the provision of the above guarantees, our Directors are of the view that while the guarantees were not provided on an arm’s length basis or on normal commercial terms, such guarantees were not prejudicial to the interests of our Group. To the best of our Executive Directors’ knowledge, it is a common market practice in Japan for personal guarantees to be given to landlords by representative directors of a lessee company.

INTERESTED PERSON TRANSACTIONS

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

Save as disclosed below, none of our Directors, Controlling Shareholders or their respective Associates is interested in any transaction undertaken by our Group for the Relevant Period.

(a) Personal Guarantees provided by our Directors, Furukawa Kazuteru and Kubota Yasuaki

Guarantees for Master Lease Agreements

Our Controlling Shareholder and Executive Chairman, Furukawa Kazuteru and our CEO, Kubota Yasuaki (each, a “**Guarantor**” and together, the “**Guarantors**”) act as guarantors for FIJ to secure certain master lease agreements (“**Master Lease Agreements**”) with the landlords of our RLSB (“**Landlords**”). The details of the relevant leased properties of the Landlords are set out in the sub-section entitled “General Information on Our Group – Properties and Fixed Assets – Properties” of this Offer Document.

Pursuant to the Master Lease Agreements, the relevant Guarantor agrees to guarantee irrevocably the due and punctual payment of rent payable by FIJ to the relevant Landlord, and the due performance by FIJ of the terms and conditions in the respective Master Lease Agreements. The guarantee obligations of the Guarantors will end upon the expiration of the relevant Master Lease Agreements and their commitments are not contingent upon their shareholding interests and/or roles in our Company.

Details of the relevant leased properties are as set out in the table below.

Details of Leased Properties	Expiry Date of Lease	Largest amount guaranteed during the Relevant Period (S\$)	Outstanding amount guaranteed as at the Latest Practicable Date (S\$)
<u>Personal Guarantees by Furukawa Kazuteru</u>			
1F A, Shuei Building, 4-12-11 Roppongi, Minato-ku, Tokyo	31 October 2024	69,555	69,555
First and third floor of Sakurai Building, 2-chome 1-13 Nishikanda, Chiyoda-ku, Tokyo	31 October 2025	37,955	37,955
YK-6 Building 2F, 1-11-3 Oi, Shinagawa-ku, Tokyo	30 September 2026	86,147	86,147
D Cube Building 1F, 2-9-2 Kandatsukasacho, Chiyoda-ku, Tokyo	30 April 2026	22,916	22,916

INTERESTED PERSON TRANSACTIONS

Details of Leased Properties	Expiry Date of Lease	Largest amount guaranteed during the Relevant Period (S\$)	Outstanding amount guaranteed as at the Latest Practicable Date (S\$)
<u>Personal Guarantees by Kubota Yasuaki</u>			
2F Royal Heights Shirane, 2-37-1 Senju, Adachi-ku, Tokyo	28 February 2027	50,130	50,130
3F Ikebukuro YS Stage, 1-38-1 Nishi-Ikebukuro, Toshima-ku, Tokyo	30 September 2026	76,286	76,286
Sawaki Bldg. 2F, 1-18-7 Mizoguchi, Takatsu-ku, Kawasaki-shi, Kanagawa, Japan	31 March 2027	22,200	22,200
Tosei Building 1F, 2-23-1 Ikebukuro, Toshima-ku, Tokyo	30 April 2027	10,228	10,228
101, 1F, Comforia Kanda Jimbocho, 1-42-3 Kanda Jimbocho, Chiyoda-ku, Tokyo	31 July 2025	45,833	45,833
1-2F Surugadishita MK Building, 1-41 Kanda Jimbocho, Chiyoda-ku, Tokyo	30 April 2025	59,941	59,941
Shinjuku New Fuji Building 7F, 3-17-5 Shinjuku, Shinjuku-ku, Tokyo	31 January 2026	96,804	96,804
8-9F Shinjuku New Fuji Building, 3-17-5 Shinjuku, Shinjuku-ku, Tokyo	30 April 2026	176,833	176,833
B1F Shimoda Building, 35-6 Udagawa-cho, Shibuya-ku, Tokyo	30 November 2026	40,820	40,820

As no compensation, fees or other benefits have been paid or are payable by our Group to the Guarantors for the provision of the above guarantees, our Directors are of the view that while the guarantees were not provided on an arm's length basis or on normal commercial terms, such guarantees were not prejudicial to the interests of our Group. To the best of our Executive Directors' knowledge, it is a common market practice in Japan for personal guarantees to be given to landlords by representative directors of a lessee company.

Subsequent to the Listing, we intend to obtain a release and discharge of the above guarantees provided by the Guarantors from the respective Landlords by substituting the same with other securities to be provided by our Group, including but not limited to the provision of corporate guarantees by our Company or any of our subsidiaries, which may be acceptable to the relevant Landlords, subject to their consent. Following such replacement of the personal guarantees, we

INTERESTED PERSON TRANSACTIONS

do not expect any material changes to the terms and conditions of the relevant Master Lease Agreements. Our Group does not expect to face any difficulty in procuring the release and discharge of the above guarantees by substituting them with corporate guarantees or other securities. However, in the event that the any of the Landlords do not accept the substitution of the personal guarantees, each of the Guarantors has agreed to continue providing such guarantees until the expiry of the relevant Master Lease Agreements and will use his best efforts to re-negotiate with the relevant Landlords on the guarantee clause when renewing the Master Lease Agreements or when entering into a new master lease agreement in the future. Further, in the event that the Guarantors or any of them are, for any reason, required to provide personal guarantee for the benefit of our Company in the future, this will be subject to the applicable rules in Chapter 9 of the Catalist Rules and the procedures set out in the section entitled “Interested Person Transactions – Guidelines and Review Procedures for Ongoing and Future Interested Person Transactions” of this Offer Document. Each Guarantor has also confirmed that he will not receive any consideration (monetary or otherwise) for the provision of the above guarantees in the future.

Guarantees for Loans

In addition to the above, our CEO, Kubota Yasuaki, also acts as a guarantor to secure certain loans from Starwoods Holdings Co., Ltd, an unrelated third party, Prosper Co., Ltd, one of our Group’s existing Shareholders, and Mynavi Bridge, one of our Group’s business partners, for our Group’s working capital. Our Group had sought financing from private entities as the terms and conditions for the loans from private entities were more favourable compared to those offered by the financial institutions.

Details of the relevant loans are as set out in the table below.

Loan from Unrelated Third Party and Shareholder	FY2022 (S\$)	FY2023 (SGD)	FY2024 (S\$)	1 March 2024 to the Latest Practicable Date	Largest amount guaranteed during the Relevant Period (S\$)	Outstanding amount guaranteed as at the Latest Practicable Date (S\$)
Starwoods Holdings Co., Ltd	–	–	–	895,175	895,175	895,175
Prosper Co., Ltd	–	–	175,900	1,044,200	1,050,000	1,044,200
Mynavi Bridge	–	–	250,200	186,900	286,800	186,900

Loan Agreement with Starwoods Holdings Co., Ltd

On 31 May 2024, our Company entered into a loan agreement with Starwoods Holdings Co., Ltd, a stock company duly incorporated under the Japanese law, an unrelated third party, to borrow JPY 100 million with 5.0% interest per annum for loan term of five (5) months. Barring unforeseen circumstances, our Company intends to repay the loan on or before the date of repayment.

INTERESTED PERSON TRANSACTIONS

Loan Agreement with Prosper Co., Ltd

On 21 August 2023, our Company entered into a loan agreement with Prosper Co., Ltd, a stock company duly incorporated under the Japanese law, who is an existing Shareholder of our Company and has no relationship with our Directors or its associates, to borrow JPY 23 million with 9.4% interest per annum for a loan term of three (3) years commencing from 21 August 2023 to 31 August 2026. Subsequently, on 27 June 2024, our Company entered into another loan agreement with Prosper Co., Ltd to borrow JPY 100 million with 5.0% interest per annum for loan term of two (2) years. Barring unforeseen circumstances, our Company intends to repay the loans on or before the respective date of repayment.

Loan Agreement with Mynavi Bridge

On 1 December 2023, our Company entered into a loan agreement with Mynavi Bridge, a stock company duly incorporated under the Japanese law, who is an existing business partner of our Company and has no relationship with our Directors or its associates, to borrow JPY 31,962,568 with 8.0% interest per annum for a loan term of 10 months commencing from 1 December 2023 to 30 September 2024. Barring unforeseen circumstances, our Company intends to settle the loans on or before the respective date of repayment.

As no compensation, fees or other benefits have been paid or are payable by our Group to the guarantor, being our Director and CEO, Kubota Yasuaki, for the provision of the above guarantees, our Directors are of the view that while the guarantees were not provided on an arm's length basis or on normal commercial terms, such guarantees were not prejudicial to the interests of our Group.

Subsequent to the Listing, we intend to obtain a release and discharge of the above guarantees provided by our Director and CEO, Kubota Yasuaki, from the respective loan agreements by substituting the same with other securities to be provided by our Group, including but not limited to the provision of corporate guarantees by our Company or any of its subsidiaries, which may be acceptable to the relevant lenders, subject to their consent. Following such replacement of the personal guarantees, we do not expect any material changes to the terms and conditions of the relevant loan agreements. In the event that the lenders do not accept the substitution of the personal guarantees, our Director and CEO, Kubota Yasuaki has agreed to continue providing such guarantees until the expiry of the relevant loan agreements. Our Director and CEO, Kubota Yasuaki, has also confirmed that he will not receive any consideration (monetary or otherwise) for the provision of the above guarantees in the future.

CHAPTER 9 OF THE CATALIST RULES

Under Chapter 9 of the Catalist Rules, where a listed company or any of its subsidiaries or associated companies over which the listed company has control (other than a subsidiary or associated company that is listed on a foreign stock exchange) proposes to enter into a transaction with the listed company's interested persons, shareholders' approval and/or an immediate announcement is required in respect of the transaction if the value of the transaction is equal to or exceeds certain financial threshold. In particular, a listed company must obtain shareholders' approval for any interested person transaction of a value:

- (i) equal to or more than 5.0% of the latest audited NTA of the listed company; or
- (ii) equal to or more than 5.0% of the latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.

The above does not apply to any transaction below S\$100,000.

INTERESTED PERSON TRANSACTIONS

Definition under the Catalyst Rules

Under the Catalyst Rules:

- (a) the term “interested person” is defined to mean a director, CEO, or controlling shareholder of the listed company or an associate of any such director, CEO or controlling shareholder; and
- (b) the term “associate” is defined to mean:
 - (i) in relation to any director, CEO, substantial shareholder or controlling shareholder (being an individual):
 - his immediate family (that is, the spouse, child, adopted child, step child, sibling or parent);
 - the trustee of any trust of which he and his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and
 - (ii) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more.

GUIDELINES AND REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS

To ensure that all future Interested Person Transactions are carried out on normal commercial terms, will not be prejudicial to our Group’s interests and the interests of our minority Shareholders, and are consistent with our Group’s usual business practices and policies, the following procedures will be implemented by our Group:

- (a) in relation to any purchase of products or procurement of services from Interested Persons, quotes from at least two (2) unrelated third-parties in respect of the same or substantially the same type of transactions will be used as comparison whenever possible. The purchase price or procurement price shall not be higher than the most competitive price or fee of the two (2) comparative quotes from the two (2) unrelated third-parties. Our Audit Committee will review the pertinent factors, taking into account, the requirements or suitability, quality and cost of product or service, specifications, delivery time and track record and reliability of the supplier;
- (b) in relation to any sale of products or provision of services to Interested Persons, the price and terms of at least two (2) other completed transactions of the same or substantially the same type of transactions to unrelated third-parties are to be used as comparison whenever possible. The Interested Persons shall not be charged at rates lower than that charged to the unrelated third-parties;

INTERESTED PERSON TRANSACTIONS

- (c) where it is not possible to compare against the terms of other transactions with unrelated third-parties and given that the products or services may be purchased only from the Interested Person, the Interested Person Transaction will be approved by our Directors or our CFO, who shall have no interest in the transaction, in accordance with our Group's usual business practices and policies. In determining the transaction price payable to the Interested Person for such products and/or services, factors such as, but not limited to, quality, quantity, requirements and specifications will be taken into account; and
- (d) when renting properties from or to the Interested Person, our Directors shall take appropriate steps to ensure that such rent is commensurate with the prevailing market rates, including adopting measures such as making relevant inquiries with landlords of similar properties and/or obtaining suitable reports or reviews published by property agents (as necessary), including an independent valuation report by a property valuer, where appropriate. The rent payable shall be compared against the most competitive market rental rate of similar property in terms of size, suitability for purpose and location, based on the results of the relevant enquiries.

All Interested Person Transactions above S\$100,000 are to be approved by a Director who shall not be an Interested Person in respect of the particular transaction. Any contracts to be made with an Interested Person shall not be approved unless the pricing is determined in accordance with our Group's usual business practices and policies, consistent with the usual margin given or price received by us for the same or substantially similar type of transactions between our Group and unrelated third-parties and the terms are no more favourable than those extended to or received from unrelated third-parties.

For the purposes above, where applicable, contracts for the same or substantially similar type of transactions entered into between our Group and unrelated third-parties will be used as a basis for comparison to determine whether the price and terms offered to or received from the Interested Person are no more favourable than those extended to or received from unrelated third-parties.

In addition, we will monitor all Interested Person Transactions entered into by our Group and categorise these transactions as follows:

- (a) a "Category 1" Interested Person Transaction (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) is one where the value thereof is equal to or in excess of 5.0% of the latest audited NTA of our Group;
- (b) a "Category 2" Interested Person Transaction (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) is one where the value thereof is equal to or in excess of 3.0% of the latest audited NTA of our Group, but less than 5.0% of the latest audited NTA of our Group; and
- (c) a "Category 3" Interested Person Transaction (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) is one where the value thereof is less than 3.0% of the latest audited NTA of our Group.

A "Category 1" Interested Person Transaction must be approved by our Shareholders at a general meeting in accordance with Chapter 9 of the Catalist Rules. A "Category 2" Interested Person Transaction must be approved by our Audit Committee prior to entry. A "Category 3" Interested Person Transaction need not be approved by our Audit Committee prior to entry but shall be

INTERESTED PERSON TRANSACTIONS

reviewed at least half-yearly by our Audit Committee. Our Audit Committee will review all Interested Person Transactions at least half-yearly to ensure that they are carried on normal commercial terms, will not be prejudicial to our Group's interests and the interests of our minority Shareholders, and are consistent with our Group's usual business practices and policies. In accordance with the procedures outlined above, our Audit Committee will take into account all relevant non-quantitative factors. In the event that a member of our Audit Committee is interested in any such transaction, he will abstain from participating in the review and approval process in relation to that particular transaction.

We shall prepare all the relevant information to assist our Audit Committee in its review and will keep a register recording all Interested Person Transactions. The register shall also record the basis for entry into the transactions, including the quotations and other evidence obtained to support such basis. In addition, our Audit Committee and our Board will also ensure that all disclosure, approval and other requirements on Interested Person Transactions, including those required by prevailing legislation, the Catalist Rules (in particular, Chapter 9 of the Catalist Rules) and relevant accounting standards, are complied with. The annual internal audit plan shall incorporate a review of all Interested Person Transactions entered into at least on an annual basis. Such transactions will also be subject to the approval of our Shareholders if required by the Catalist Rules.

POTENTIAL CONFLICTS OF INTEREST

Interests of Directors, Controlling Shareholders and/or their Associates

In general, a conflict of interest arises when any of our Directors, Controlling Shareholders and/or their Associates has an interest in any entity carrying on the same business or dealing in similar products as our Group.

As at the Latest Practicable Date, our Directors are of the view that adequate safeguards and measures to prevent the occurrence of potential conflicts of interests have been established as follows:

- (a) our Directors have a duty to disclose their interests in respect of any contract, proposal, transaction or any other matter whatsoever in which they have any personal material interest, directly or indirectly, or any actual or potential conflicts of interest (including conflicts of interest that arise from any of their directorships or executive positions or personal investments in any other corporations) that may involve them. Upon such disclosure, such Directors shall not participate in any proceedings of our Board, and shall in any event abstain from voting in respect of any such contract, arrangement, proposal, transaction or matter in which the conflict of interest arises, unless and until our Audit Committee has determined that no such conflict of interest exists;
- (b) our Audit Committee is required to examine the internal control procedures and review procedures put in place by our Company to determine if such procedures put in place are sufficient to ensure that interested person transactions are conducted on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders;

INTERESTED PERSON TRANSACTIONS

- (c) our Audit Committee will review any actual or potential conflicts of interest that may involve our Directors as disclosed by them to our Board and exercise directors' fiduciary duties in this respect. Upon the disclosure of an actual or potential conflict of interests by a Director, our Audit Committee will consider whether a conflict of interest does in fact exist. A Director who is a member of our Audit Committee will not participate in any proceedings of our Audit Committee in relation to the review of a conflict of interest relating to him. The review will include an examination of the nature of the conflict and such relevant supporting data, as our Audit Committee may deem reasonably necessary;
- (d) upon our Listing, we will be subject to Chapter 9 of the Catalist Rules in relation to interested person transactions. The objective of these rules is to ensure that our interested person transactions do not prejudice the interests of our Shareholders as a whole. These rules require us to make prompt announcements, disclosures in our annual report and/or seek Shareholders' approval for certain material interested person transactions. Our Audit Committee may also have to appoint independent financial advisers to review such interested person transactions and opine on whether such transactions are fair and reasonable to us, and not prejudicial to our interests and the interests of our minority Shareholders; and
- (e) our Directors owe fiduciary duties to us, including the duty to act in good faith and in our best interests. Our Directors must exercise the powers that are vested in them for the purpose for which they were conferred and not for a collateral purpose. Our Directors should not improperly fetter the exercise of future discretion. In addition to fiduciary duties, each Director owes a duty of care, diligence and skill to our Company.

All our Directors have a duty to disclose their interests in respect of any transaction in which they have any personal material interest or any actual or potential conflicts of interest (including a conflict that arises from their directorship or employment or personal investment in any corporation). Upon such disclosure, such Directors will not participate in any proceedings of our Board and shall abstain from voting in respect of any such transaction where the conflict arises.

Save as disclosed in the sub-sections entitled "Potential Conflicts of Interest" and "Interested Person Transactions" of this Offer Document, none of our Directors, Controlling Shareholder or any of their Associates has an interest, direct or indirect:

- (a) in any transaction to which our Group was or is to be a party;
- (b) in any entity carrying on the same business or dealing in similar services which competes materially and directly with the existing business of our Group; and
- (c) in any enterprise or company that is our Group's client or supplier of goods and services.

Save as disclosed in the sub-sections entitled "Potential Conflicts of Interest", "Interested Person Transactions" and "Directors, Executive Officers and Employees – Service Agreements" of this Offer Document, none of our Directors has any interests in any existing contract or arrangement which is significant in relation to the business of our Company and our subsidiaries, taken as a whole.

INTERESTED PERSON TRANSACTIONS

Interests of Experts

None of the experts named in this Offer Document:

- (a) is employed on a contingent basis by our Company or its subsidiaries;
- (b) has a material interest, whether direct or indirect, in our Shares or the shares of our subsidiaries; or
- (c) has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Invitation.

Interests of The Sponsor, Issue Manager, Underwriter and Placement Agent

In the reasonable opinion of our Directors, save as disclosed below and in the sub-section entitled “General and Statutory Information – Management, Underwriting and Placement Arrangements” of this Offer Document, our Company does not have a material relationship with PPCF:

- (a) PPCF is the Sponsor, Issue Manager, Underwriter and Placement Agent, in relation to the Listing;
- (b) PPCF will be the continuing sponsor of our Company for a period of not less than three (3) years from the date our Company is admitted to the Official List of Catalist; and
- (c) pursuant to the Sponsorship, Management and Underwriting Agreement and as part of PPCF’s fees as the Sponsor and Issue Manager, our Company allotted and issued 568,000 PPCF Shares at the Invitation Price to PPCF, representing approximately 0.5% of our Company’s issued and paid-up share capital excluding treasury shares and subsidiary holdings immediately after completion of the Invitation. After the expiry of the moratorium period as set out in the sub-section entitled “Ownership Structure – Moratorium – PPCF” of this Offer Document, PPCF will be disposing its shareholdings in our Company at its discretion.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

DIRECTORS

Our Board of Directors is entrusted with the responsibility for the overall management of our Group. Our Directors' particulars as at the date of this Offer Document are listed below:

Name	Age as at the Latest Practicable Date	Address	Position
Furukawa Kazuteru	51	c/o Dai-3 Aiwa Building 5F, 5-18-1 1 Nishi-Ikebukuro, Toshima-ku, Tokyo, 171-0021 Japan	Executive Chairman
Kubota Yasuaki	49	c/o Dai-3 Aiwa Building 5F, 5-18-1 1 Nishi-Ikebukuro, Toshima-ku, Tokyo, 171-0021 Japan	CEO
Shida Yukihiro	59	c/o 6 Eu Tong Sen Street #09-17, Singapore 059817	Lead Independent Director
Saito Kazuya	39	c/o 6 Eu Tong Sen Street #09-17, Singapore 059817	Independent Director
Faye Chong Wen Qi	45	c/o 6 Eu Tong Sen Street #09-17, Singapore 059817	Independent Director

The business and working experience of each of our Directors is set out below:

Furukawa Kazuteru

Furukawa Kazuteru is our Executive Chairman and was appointed to our Board on 14 November 2019. He has served as a key executive member of our Group since 2006. He plays an important advisory role to our Group by providing guidance and advice to the CEO and CFO on financial, shareholder relations and taxation matters. He also holds a directorship in TMT, one of our subsidiaries, since January 2024.

He has over 17 years of experience in the F&B industry, with a particular focus on restaurant consulting and management which he accumulated during his time as a director of Foodys Co., Ltd., a Japan company which was principally engaged in the outsourcing of restaurant operations and the leasing of kitchen equipment in Japan from March 2006 to August 2007 and from November 2007 to April 2011, and G Communication Co., Ltd., a Japan company which is principally engaged in restaurant management business and educational business from December 2009 to May 2011 and OEC Co., Ltd. which was a Japan F&B company engaging in the yakiniku (Japanese barbecue) business from May 2010 to February 2012, where he was in charge of the overall management of these companies.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

In the early stages of his career, Furukawa Kazuteru worked in the sales department of Aoki Tax & Accounting Firm and Pendel Management Consulting Co., Ltd. from April 1993 to July 1997 and from August 1997 to February 2000 respectively. He has been practising as a Certified Public Tax Accountant in Japan at his own Furukawa Kazuteru Tax Accountant Office since November 1999, a sole proprietorship without legal status. Under the Tax Accountant Act of Japan, in order for a tax accountant to perform tax accountant duties, a tax accountant office must be established. For the avoidance of doubt, the establishment of this Tax Accountant Office does not require Furukawa Kazuteru's daily involvement or participation. It was set up purely because it was required under the law in order for him to practice as a Public Tax Accountant. However, he is no longer actively involved in the day-to-day operation of the said office and his responsibilities in the said office is only limited to certifying clients' tax-related documents to be filed with the tax authorities as a certified public tax accountant.

Prior to joining our Group, Furukawa Kazuteru served as a director of Genesis Co., Ltd, a consulting business, from December 2000 to February 2003, and subsequently as an auditor from February 2003 to December 2006 and he also served as a representative director of F-Holdings, previously a service provider that provided back office service such as tax, accounting, finance and labour management, from April 2016 to April 2020. He is currently a representative director of Grow Consulting Co., Ltd, a Japan company providing financial and business strategy management consulting services and accounting services, responsible for making key executive decisions since April 2014. However, he is not involved in the day-to-day operations of Grow Consulting Co., Ltd..

Furukawa Kazuteru graduated from OHARA Bookkeeping School, Tax Accountant Section in 1993. He is a Certified Public Tax Accountant in Japan.

Kubota Yasuaki

Kubota Yasuaki is our CEO and was appointed to our Board on 31 July 2020. He is responsible for the overall management of our Group and he charts our Group's overall strategy, business planning and direction for our future growth and drives the execution of business plans.

Prior to joining our Group, Kubota Yasuaki acted as our Group's consultant, providing us with advice in relation to sales and overall management from September 2019 to October 2019 and subsequently, through his business, Godo Kaisha Kubota (limited liability company) from October 2019 to July 2020.

He has extensive experience in the property subleasing industry in Japan. He served as a director of various Japan-based restaurant subleasing business, including Future Create Co., Ltd. from May 2001 to March 2003, Tenpo Ryutsuu NET, Inc. (previously listed on the Nagoya Stock Exchange) from February 2004 to December 2005 and Foodys Co., Ltd., a company founded by him from June 2005 to October 2013.

Kubota Yasuaki also has widespread experience in the F&B industry. He served as a representative director of a number of restaurant operation, management and/or consulting businesses in Japan in the past, including G Communication Co., Ltd. (from December 2009 to March 2013), Kinmedal Foods Co., Ltd (a dormant company now) (from April 2013 to present), Wanhexuan Co., Ltd (from October 2013 to June 2020), Saida Shokudou Co., Ltd (from September 2014 to July 2020) and Tenpo Fund Co., Ltd. (from May 2016 to July 2020), where he was responsible for overall management of the businesses.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Kubota Yasuaki also has abundant experience in the real estate brokerage field. He previously worked in the sales departments of various real estate agencies, including Chuo Jyutaku Co., Ltd from April 1999 to December 1999, Kyoumatsu Jyuuchi Co., Ltd from January 2000 to June 2000 and Box'r Co., Ltd. from April 2003 to January 2004.

Kubota Yasuaki graduated from Meikai University with a Bachelor of Arts in Real Estate Sciences in 1999.

Shida Yukihiro

Shida Yukihiro is our Independent Director and was appointed to the Board on 14 November 2019.

He is an executive director and head of Japan desk of Providentia Wealth Advisory Ltd (formerly known as CBP Quilvest Wealth Advisory Ltd) where he provides advisory services in relation to trust arrangements and portfolio investment matters since August 2021. Prior to this, he was a senior vice president of CBP Quilvest Wealth Advisory Ltd from February 2012 to April 2021, where he provides advisory services specialising in trust arrangements and portfolio investment matters. He was a senior vice president of CBP Quilvest Trust Ltd, where he was in charge of succession planning, trust services and provided portfolio investment advice from April 2011 to February 2012. He was a senior vice president at Societe Generale Bank & Trust, Singapore, from March 2006 to March 2011, where he provided advisory services in relation to wealth planning and investment matters. From March 2005 to March 2006, Mr Shida was a director at SG Private Banking (Japan) Ltd, where he provided advisory services in relation to wealth planning and investment matters. From March 2003 to February 2005, he was a vice president at Citigroup Private Bank, Citibank N.A., where he provided advisory services in relation to wealth planning and investment matters. He was an independent director of Xyec Holdings Co., Ltd. (previously listed on the Catalist).

Mr Shida graduated from Rikkyo University with a Bachelor of Science in 1989.

Saito Kazuya

Saito Kazuya is our Independent Director and was appointed to the Board on 29 June 2024.

He is a Chartered Public Accountant, and is currently a representative director of Bulltime Co., Ltd, where he provides consulting services to Japanese venture companies to improve accounting and financial operations and internal controls. Aside from his role with Bulltime Co., Ltd, he also works as a part-time corporate auditor for Spacee Co., Ltd (since March 2019) and White Cross Co., Ltd (since February 2019), where he is responsible for conducting business management and accounting audits.

Prior to this, from April 2009 to August 2015, he worked as a senior staff in the financial reporting and advisory department for PwC Arata LLC, an accounting and audit firm in Japan, where he assisted banks with implementation of International Financial Reporting Standards (IFRS) and conducting audits for domestic and overseas companies. From September 2015 to August 2017, he worked as a manager at SELTECH Co., Ltd, a Japanese computer software company, where he was responsible for finance matters and business planning.

Saito Kazuya graduated from Nihon University with a Bachelor of Law in 2009.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Faye Chong Wen Qi

Faye Chong Wen Qi is our Independent Director and was appointed to the Board on 29 August 2024.

She is the founder and chief executive officer of New Provenance Pte. Ltd., specialising in business consultancy and corporate advisory services, for both privately owned and publicly listed companies, since January 2024. Also recently, she has been appointed as the Chief Corporate Officer of MClean Technologies Berhad, a Malaysian company listed on the ACE Market of Bursa Malaysia. She previously served as a director of corporate finance at Provenance Capital Pte. Ltd. from June 2016 to December 2023. Prior to that, she held several investment banking positions including senior manager of the corporate finance team at HL Bank from May 2015 to June 2016, and vice president roles at Tata Capital Corporate Finance Pte. Ltd. and Kim Eng Corporate Finance Pte. Ltd. from September 2011 to April 2015 and September 2008 to September 2011 respectively, where she focused on corporate finance advisory services for listed companies on SGX.

Prior to the above, she was a senior officer at the Singapore Economic Development Board (“EDB”), where she covered the China market and was involved in attracting investments into Singapore from China between September 2001 and January 2004. After serving in EDB, she transitioned to corporate finance, first as an assistant manager at Hong Leong Bank from June 2004 to January 2007, and later as an associate at BNP Paribas from January 2007 to August 2008, focusing on mergers and acquisitions transactions in the corporate and investment banking department

She graduated from Nanyang Technological University of Singapore with a Bachelor of Business in 2001. She is also an associate member of the Singapore Institute of Directors since September 2023.

INDEPENDENCE OF OUR INDEPENDENT DIRECTORS

The Code of Corporate Governance issued by the Authority on 6 August 2018 (the “Code”) requires that the board of directors of a company listed on the SGX-ST (a “Listco”) 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 Listco.

Under the Code, an “independent director” is one who is independent in conduct, character and judgement, and has no relationship with the Listco, 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 Listco. Under the Catalist Rules, a director will not be independent under any of the following circumstances:

- (a) if he is employed by the Listco or any of its related corporations for the current or any of the past three (3) financial years;
- (b) if he has an immediate family member who is employed or has been employed by the Listco or any of its related corporations for the past three (3) financial years, and whose remuneration is determined by the remuneration committee of the Listco; and

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

- (c) if he has been a director of the Listco for an aggregate period of more than nine (9) years (whether before or after listing) and such director may continue to be considered independent until the conclusion of the next annual general meeting of the Listco.

In addition to the above, the nominating committee and the board of directors of the Listco should consider the following circumstances in which a director should also be deemed to be non-independent:

- (a) a director, or a director whose immediate family member, in the current or immediate past financial year, provided to or received from the Listco or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services), other than compensation for service as a member of the board of directors of the Listco. The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material. As a guide, payments aggregated over any financial year in excess of S\$50,000 should generally be deemed significant;
- (b) a director, or a director whose immediate family member, in the current or immediate past financial year, is or was, a substantial shareholder or partner in (with 5.0% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the Listco or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services). The amount and nature of service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material. As a guide, payments aggregated over any financial year in excess of S\$200,000 should generally be deemed significant irrespective of whether they constitute a significant portion of the revenue of the organisation in question; or
- (c) a director, who is or has been directly associated with a substantial shareholder of the Listco, in the current or immediate past financial year. A director is considered “directly associated” with a substantial shareholder when he is accustomed or under any obligation, whether formal or informal, to act in accordance with the directions, instructions, or wishes of the substantial shareholder in relation to the corporate affairs of the Listco. A director will not be considered “directly associated” with a substantial shareholder by reason only of his or her appointment having been proposed by that substantial shareholder.

None of our Independent Directors nor their immediate family members have been employed by our Company or any of our related corporations for the current and any of the past three (3) financial years. None of our Independent Directors nor their immediate family members sits on the board of our subsidiaries.

Save as disclosed above, our Independent Directors do not have any existing business or professional relationships of a material nature with our Group, our Directors or Substantial Shareholders. In the event that any member of our Nominating Committee has an interest in a matter being deliberated upon by our Nominating Committee, he will abstain from participating in the review and approval process relating to that matter.

None of our Directors has any arrangement or understanding with any of our Substantial Shareholders, customers or suppliers pursuant to which such person was appointed as our Director.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

EXPERIENCE AND TRAINING OF OUR DIRECTORS

Our Directors have the appropriate expertise to act as directors of our Company, as evidenced by their business and working experience set out above. Save for Shida Yukihiro, our Directors do not have prior experience as directors of public listed companies in Singapore. However, our Directors have been briefed, prior to the date of registration of this Offer Document with the SGX-ST, on the roles and responsibilities of a director of a listed company in Singapore. In accordance with Practice Note 4D of the Catalist Rules, our Directors and Independent Directors have undertaken to attend the relevant prescribed mandatory training under Schedule 1 of Practice Note 4D of the Catalist Rules within one (1) year from the date of admission of our Company to the Catalist.

None of our Independent Directors sits on the board of any of our subsidiaries. The list of present and past directorships of each Director over the last five (5) years up to the Latest Practicable Date, excluding that held in our Company, is set out below:

Name	Present directorships	Past directorships
Furukawa Kazuteru	<u>Group Companies</u> FIJ FIH TMT	<u>Group Companies</u> –
	<u>Other Companies</u> Grow Consulting Co., Ltd. FIJ Investment	<u>Other Companies</u> F-Holdings Ginga Yakyoku Co., Ltd
Kubota Yasuaki	<u>Group Companies</u> FIH	<u>Group Companies</u> –
	<u>Other Companies</u> HALAKI Co., Ltd. Kinmedal Foods Co., Ltd. (dormant) Kubota Kikaku LLC (dormant)	<u>Other Companies</u> Fivezero Agency Co., Ltd. Saida Shokudou Co., Ltd. Tenpo Fund Co., Ltd. Wanhenxuan Co., Ltd. Godo Kaisha Kubota (limited liability company)
Shida Yukihiro	<u>Group Companies</u> FIH	<u>Group Companies</u> –
	<u>Other Companies</u> Providentia Wealth Advisory Ltd. OK Investment Pte. Ltd. Starworlds Pte. Ltd. Analog Pte Ltd G7 Holdings Co., Ltd. Edmilson Funds Asia Ltd. Cosmo Gate Pte Ltd. Gai Three Pte Ltd. M.O. Sanctuary Pte. Ltd. Ton Ton Lab Pte. Ltd. Kaede Pte. Ltd. Gabai & Partners Pte. Ltd. OGI Next Invest Pte. Ltd. MYK Asia Holdings Pte Ltd	<u>Other Companies</u> Top King Pte Ltd Saiyu Pte. Ltd. BB & G-7 Retail Pte. Ltd. G7 Foods Asia Pte Ltd Takumi Holdings Pte Ltd Foodream Pte. Ltd. Genki Factory Pte. Ltd. Techcross Pacific Pte Ltd Plein Soleil Pte Ltd S.Sanctuary Pte Ltd ETE Holdings Pte Ltd Gip Management Pte Ltd Tsuufuu Pte Ltd Purinetai Pte Ltd.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Name	Present directorships	Past directorships
Saito Kazuya	<u>Group Companies</u> FIH	<u>Group Companies</u> –
	<u>Other Companies</u> Bulltime Co., Ltd.	<u>Other Companies</u> –
Faye Chong Wen Qi	<u>Group Companies</u> –	<u>Group Companies</u> –
	<u>Other Companies</u> New Provenance Pte. Ltd.	<u>Other Companies</u> –

EXECUTIVE OFFICERS

The particulars of our Executive Officers are set out below:

Name	Age as at the Latest Practicable Date	Address	Position
Tetsura Masao	47	c/o Dai-3 Aiwa Building 5F, 5-18-1 1 Nishi-Ikebukuro, Toshima-ku, Tokyo, 171-0021 Japan	CFO
Miyake Daisuke	49	c/o 6 Eu Tong Sen Street #09-17, Singapore 059817	Chief Food Retail Officer
Watanabe Akira	59	c/o Dai-3 Aiwa Building 5F, 5-18-1 1 Nishi-Ikebukuro, Toshima-ku, Tokyo, 171-0021 Japan	Chief Culinary Officer
Isomoto Atsushi	50	c/o Dai-3 Aiwa Building 5F, 5-18-1 1 Nishi-Ikebukuro, Toshima-ku, Tokyo, 171-0021 Japan	Chief Restaurant Leasing and Subleasing Officer

The business and working experience and areas of responsibility of our Executive Officers are set out below:

Tetsura Masao

Tetsura Masao is our CFO. He is in charge of the finance, accounting and administrative functions of our Group, including implementing internal controls and overseeing the financial reporting and review of financial results.

Tetsura Masao joined our Group in January 2012 as a manager of FIJ, where he took responsibility for all back-office operations including accounting, tax, finance and general affairs, till February 2016. From March 2016 to April 2020, he worked as a general manager of the administrative division of F-Holdings Co., Ltd, providing services to provide support to back office operations of clients, including our Group.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Prior to joining our Group, Tetsura Masao started his career as a sales associate in Mimatsu Co., Ltd. He later shifted his focus towards finance and undertook a position as a lecturer at O-hara Publishing Co., Ltd where he gave lectures on bookkeeping and conducted research on corporate and finance developments from September 2005 to August 2008. From September 2008 to March 2009, he acted as an advisor to Grow Consulting Co., Ltd, a Japanese company providing financial and business strategy consulting services, as well as accounting services. Subsequently, he worked as manager of the corporate planning department of Foodys, where he oversaw monthly and annual accounts settlement and handled external auditing matters.

Tetsura Masao graduated from Tokyo Keizai University with a Bachelor of Arts in Business Administration in 2002. He also passed the Business Management Certification Test by Tokyo Chamber of Commerce and Industry in 2015 and Certified Public Tax Accountant Examination by the National Tax Council on Bookkeeping Theory and Financial Statement Theory in 2006 and 2009 respectively.

Miyake Daisuke

Miyake Daisuke is our Restaurant Business Manager. Miyake Daisuke oversees our Group's restaurant management and business operations. He holds various positions within our subsidiaries including as managing director of our Group's Singapore and Malaysia subsidiaries, positions he has held since October 2015 and August 2017. He previously also held a directorship in FIT from April 2019 to May 2024. In the early part of his career, he worked in the sales department of several real estate brokerage business firms in Japan including Chuo Jyutaku Co., Ltd from April 1998 to January 2000, Mym Co., Ltd from January 2000 to September 2003 and Box'r Co., Ltd from September 2003 to November 2004.

He later joined the Japanese restaurant and property subleasing industry in 2004 and has been active in this industry since. Prior to joining our Group in April 2011, he was a general manager for Tenpo Ryutsu NET, Inc. (previously listed on the Nagoya Stock Exchange) from November 2004 to September 2009 and was in charge of managing contracts for new subleasing projects and receivable collection and a director of sales in Foodys Co., Ltd. which was principally engaged in the outsourcing of restaurant operations and the leasing of kitchen equipment in Japan from January 2010 to April 2011.

Miyake Daisuke graduated from Nihon University with a Bachelor of Economics in 1998.

Watanabe Akira

Watanabe Akira is currently the owner-chef of *TRATTORIA Niwa by FARM AKIRA*, the Chief Culinary Officer of our Group and the president and CEO of TMT.

Watanabe Akira holds various titles, including "Vegetable Sommelier Ambassador" and "Vegetable Flower Artist Professor" accredited by the Vegetable Sommelier Association and the "Evangelist of the Field". Other titles also include "Officier" of the Ordre Des Coteaux De Champagne, and a tourism special ambassador for Kochi Prefecture.

In 1992, he joined Global Dining Inc., where he became the First Head Chef of TABLEAUX, and in 1997 was promoted to Executive Chef of Global Dining, Inc..

In 2001, he became the representative director and executive chef of Art Food International Co., Ltd., (a wholly owned subsidiary of Raines International Inc.) and developed many high-profile restaurants.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

In 2003, he established Eat Walk LLC. The company opened several well-known restaurants mainly in Tokyo, including “*AWKITCHEN Pasta Marche*”, “*YASAI-YA MEI*”, and “*Mr. FARMER*”, all of which have gained popularity. He resigned as a representative director of Eat Walk LLC in February 2020 and has no further business dealings or direct/indirect shareholding interest in Eat Walk LLC and its associated companies.

In January 2012, he also became the representative director of AKIRA Fusion Cuisine Co., Ltd. (which was subsequently amalgamated with FIJ in February 2020) a company that provided restaurant consulting services on various aspects in relation to restaurant operations and management including new restaurant business models, kitchen management, quality control, budget management, staff management, sanitation management, menu pricing, and improving customer satisfaction. Watanabe Akira was responsible for the overall management of the company.

In September 2020, he launched the “*FARM AKIRA*”, a restaurant project with the theme of “Together with Producers”, and at the same time became the Chief Culinary Advisor of FIJ. In August 2021, he opened “*TRATTORIA Niwa by FARM AKIRA*” in Omotesando, Tokyo.

In March 2023, he founded TMT and became its President and CEO. As of November 2023, TMT has developed numerous outlets, including directly managed stores and those with culinary supervision.

Known as the “Evangelist of the Field”, Watanabe continues to energise and inspire both customers and producers through his food, consistently captivating VIPs and food enthusiasts from around the world who visit his restaurants.

Isomoto Atsushi

Isomoto Atsushi is our Chief Restaurant Leasing and Subleasing Officer. He joined us in January 2012, and has been in charge of managing the property subleasing business of our Group, including formulating business strategy, overseeing income and expenditure management, credit management and legal affairs.

Isomoto Atsushi has a diverse work background, having worked in the finance and real estate sectors in the early part of his career. He started his career as a sale associate at Aplus Co., Ltd., a Japanese finance company from April 1997 to October 1999 and was also a sale associate later at Yokohama Rehouse Co., Ltd., a real estate agency in Japan from April 2000 to September 2001. He was a franchise development manager of Tascosystem Co., Ltd., a Japan company which was principally engaged in the business of restaurant management and franchising, where he was responsible for the business development of the franchise business from October 2001 to March 2006.

Prior to joining our Group, he served as sales manager of Foodys Co., Ltd. from April 2006 to May 2009 before he was promoted to be the director in charge of expanding the outsourcing and leasing business, a role which he assumed from June 2009 to April 2011. He was a representative director of F Operation Co., Ltd., a Japan company which was principally engaged in the business of restaurant management from January 2010 to April 2011 and Gaishyoku Data Bank Co., Ltd., a Japan company engaging in the provision of restaurant consulting services from May 2011 to April 2019, where he was responsible for overall management of the companies.

Isomoto Atsushi graduated from Chuo University with a Bachelor Commerce in 1997.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

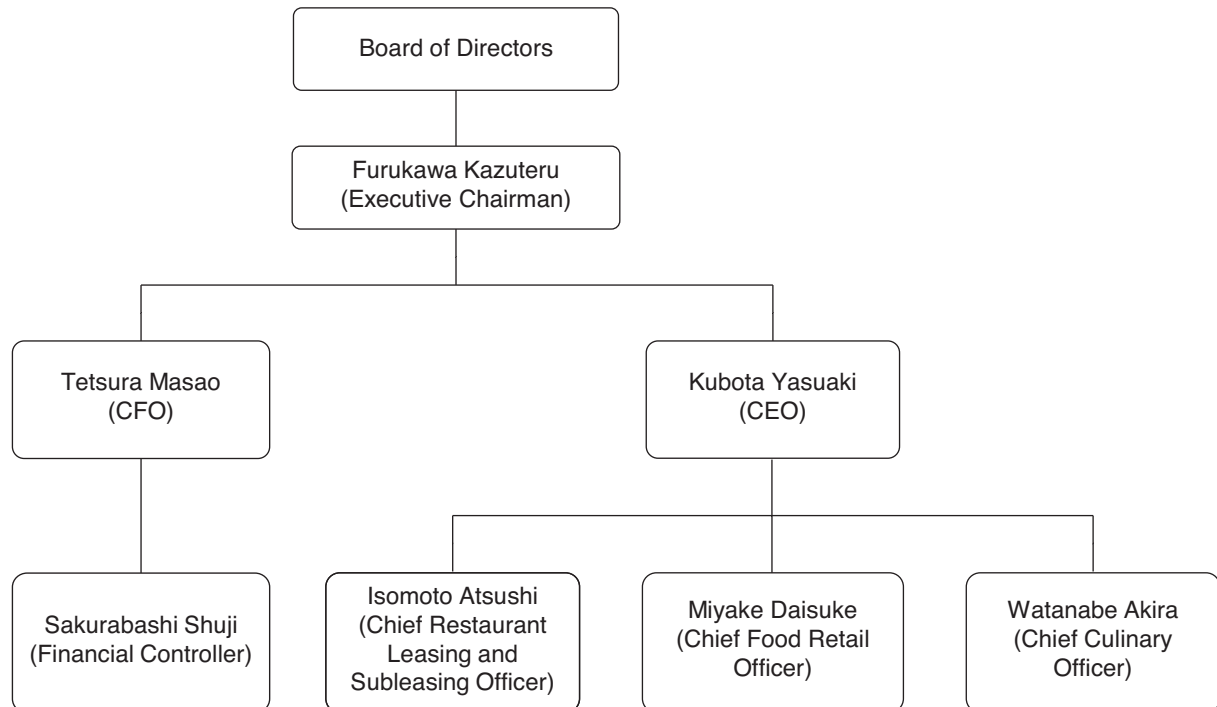
The list of present and past directorships of our Executive Officers over the last five (5) years up to the Latest Practicable Date, excluding those held in our Company, is set out below:

Name	Present directorships	Past directorships
Tetsura Masao	<u>Group Companies</u> FIJ	<u>Group Companies</u> AKIRA (amalgamated with FIJ)
	<u>Other Companies</u> –	<u>Other Companies</u> Kurimen
Miyake Daisuke	<u>Group Companies</u> FIJ FIS FIM FIH TMT	<u>Group Companies</u> FIT
	<u>Other Companies</u> –	<u>Other Companies</u> FRP
Isomoto Atsushi	<u>Group Companies</u> FIJ	<u>Group Companies</u> TMT Amazing Food (amalgamated with FIJ)
	<u>Other Companies</u> FIJI Co., Ltd	<u>Other Companies</u> Kurimen Gaishyoku Data Bank Co., Ltd Food Train Co., Ltd FIJ2 Co., Ltd
Watanabe Akira	<u>Group Companies</u> TMT	<u>Group Companies</u> AKIRA (amalgamated with FIJ)
	<u>Other Companies</u> AFC Inc.	<u>Other Companies</u> AC Company Co., Ltd. Eat Walk Limited Liability Company

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

MANAGEMENT REPORTING STRUCTURE

The following chart shows our management reporting structure as at the Latest Practicable Date:



The finance function of our Group is led by our CFO, Tetsura Masao, who oversees all financial operations. Assisting him is Sakurabashi Shuji (“**Shuji**”), our Financial Controller, who is proficient in both Japanese and English. Shuji passed the USCPA examinations (though not licensed) in 2005 and has since served as a finance controller or finance manager for about 20 years in multinational companies, including five (5) years of experience working in Japanese listed companies managing global consolidation and disclosure management. Our finance team consists of six (6) personnel based in Japan, excluding our CFO and three (3) staff members in Singapore including a senior manager, senior accountant and a junior accountant. Additionally, we have two (2) administrative staff members and we engage an external service provider to support our finance operations in Malaysia.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

REMUNERATION OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

The compensation (which includes benefits-in-kind, directors' fees and bonuses) paid to our Directors and our Executive Officers for services rendered to our Group and its subsidiaries on an individual basis during FY2023 and FY2024 and expected to be paid for the current financial year are set out in the following remuneration bands⁽¹⁾:

Names	FY2023	FY2024	FY2025 (estimated)
Directors			
Furukawa Kazuteru	Band A	Band A	Band A
Kubota Yasuaki	Band A	Band A	Band A
Shida Yukihiro	_(2)	_(2)	Band A
Saito Kazuya	_(3)	_(3)	Band A
Faye Chong Wen Qi	_(3)	_(3)	Band A
Executive Officers			
Miyake Daisuke ⁽⁴⁾	Band B	Band B	Band B
Isomoto Atsushi	Band A	Band A	Band A
Tetsura Masao	Band A	Band A	Band A
Watanabe Akira	_(3)	Band A	Band A

Notes:

(1) Remuneration bands:

“**Band A**” refers to remuneration from S\$0 to S\$250,000.

“**Band B**” refers to remuneration from S\$250,001 to S\$500,000.

(2) No remuneration was received during the relevant periods.

(3) Not under our Group's appointment during the relevant periods.

(4) The remuneration of Miyake Daisuke is an expatriate package, reflecting his role and responsibilities in overseeing the overseas operations of our Group's FRB in both Singapore and Malaysia.

Pension or retirement benefits

As at the Latest Practicable Date, save as required for compliance with the applicable laws, we have not set aside or accrued any amounts to provide for pension, retirement or similar benefits for our employees.

Benefits upon termination

There are no existing or proposed service agreements between our Company, our subsidiaries and any of our Directors, and there are no existing or proposed service agreements entered or to be entered into by our Directors with our Company or any of our subsidiaries which provide for benefits upon termination of employment.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Pre-IPO Options

In 2020, our Company had granted a total of 12,692,332 options to 31 employees (including two (2) Directors of our Company) of our Group under our Company's previous employee share option scheme ("**Expired ESOS**") on the terms and conditions substantially similar to the terms and conditions of the ESOS as appended in Appendix E of this Offer Document, which had expired on 31 March 2024. The details of the options granted to our Directors, Controlling Shareholders and their associates are as follows:

Name of Option Holder	Date options were granted	Number of shares offered under the Expired ESOS	Number of shares allotted upon exercise of the Expired ESOS
Directors			
Furukawa Kazuteru	26 August 2020	2,028,616	–
Kubota Yasuaki	26 August 2020	811,444	–

None of the options in the Expired ESOS was exercised and the options have lapsed.

In May 2024, our Company granted options to some of its directors and employees under the Food Innovators Employee Share Option Scheme ("**Options**") ("**ESOS**") and ex-employees of our Group as one-off share options ("**One-Off Share Option**") (collectively, "**Pre-IPO Options**"), giving them the right to purchase shares in our Company. The One-Off Share Options were granted to three (3) employees of Kurimen and one (1) employee of FIT who were formerly employees of our Group before the disposal of Kurimen and FIT in November 2023 and February 2024 respectively. Each Pre-IPO Option entitles the holder to one (1) ordinary share in the capital of FIH with an exercise price of S\$0.22 in accordance with the terms set out below and in "Appendix E – Pre-IPO Options" of this Offer Document. The financial implications arising from the Pre-IPO Options have been disclosed in "Appendix B – Independent Auditors' Assurance Report And The Compilation Of Unaudited Pro Forma Consolidated Financial Information Of Food Innovators Holdings Limited For The Financial Year Ended 29 February 2024" of this Offer Document.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

The details of the Pre-IPO Options are set out below.

Name of Pre-IPO Option Holder	No. of Pre-IPO Options to be granted	Exercise Price of Pre-IPO Options for each Pre-IPO Option Share	Exercise Period	Expiry Date
<u>Directors</u>				
Furukawa Kazuteru	1,597,500	0.22	After the first anniversary of the Date of Grant of the Options to the expiry date	31 March 2028
Kubota Yasuaki	3,010,000	0.22	After the first anniversary of the Date of Grant of the Options to the expiry date	31 March 2028
<u>Executive Officers</u>				
Miyake Daisuke	2,097,500	0.22	After the first anniversary of the Date of Grant of the Options to the expiry date	31 March 2028
Tetsura Masao	1,097,500	0.22	After he first anniversary of the Date of Grant of the Options to the expiry date	31 March 2028
Isomoto Atsushi	672,500	0.22	After the first anniversary of the Date of Grant of the Options to the expiry date	31 March 2028
Watanabe Akira	2,005,000	0.22	After the first anniversary of the Date of Grant of the Options to the expiry date	31 March 2028

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Name of Pre-IPO Option Holder	No. of Pre-IPO Options to be granted	Exercise Price of Pre-IPO Options for each Pre-IPO Option Share	Exercise Period	Expiry Date
<u>Other Employees</u>				
Current Employees	5,537,500	0.22	After the first anniversary of the Date of Grant of the Options to the expiry date	31 March 2028
Four (4) Former Employees	252,500	0.22	After the first anniversary of the Date of Grant of the Options to the expiry date	31 March 2028
Total	16,270,000			

Rationale and justification for the grant of Pre-IPO Options

The objective of the grant of the Pre-IPO Options was to motivate, retain and reward persons who have contributed to the growth and profits of our Group. It is in the interests of our Group to recognise their contribution and to give incentive to such persons to align the interests of the Pre-IPO Option Holders with those of the Shareholders so as to motivate them to contribute towards future growth and profitability of our Group, and hence the maximisation of Shareholders value in the longer term.

The Pre-IPO Options will entitle the holders of these options to subscribe for 16,270,000 Shares, representing approximately 12.6% of the share capital immediately after the Invitation and assuming that all Pre-IPO Options have been exercised.

Our Directors are of the opinion that the expenses arising from the exercise of the Pre-IPO Options are not expected to be significant as such expenses pertain to the administrative expenses and listing expenses to be incurred for the issuance of the Shares pursuant to the exercise of the Pre-IPO Options.

Terms and Conditions of Pre-IPO Options

The terms and conditions of the Pre-IPO Options are set out in Appendix E of this Offer Document.

Assuming all Pre-IPO Options are exercised, the estimated gross proceeds from the exercise of the Pre-IPO Options will be approximately S\$3.6 million ("**Options Exercise Proceeds**"). As and when the Pre-IPO Options are exercised, the Options Exercise Proceeds raised may, at the discretion of the Directors, be applied towards expansion of our FRB through opening more outlets overseas, particularly, in Singapore and our Group's working capital requirements.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Pending the deployment of the proceeds for the purposes mentioned above, the Options Exercise Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of our Group.

We will make periodic announcements on the utilisation of the Options Exercise Proceeds as and when the funds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. We will also provide a status report on the use of the Options Exercise Proceeds in our Company's interim and full year financial statements and our Company's annual report. Where the Options Exercise Proceeds are used for working capital purposes, we will provide a breakdown with specific details on how the Options Exercise Proceeds have been applied in the announcements and the status report. Where there is any material deviation from the stated use of the Options Exercise Proceeds, we will announce the reasons for such deviation.

Announcement

We will make announcements in accordance with the Catalist Rules as a listed company whenever the Pre-IPO Option Holders exercise their Pre-IPO Options during the exercise period commencing after the first anniversary of the date of grant.

As the exercise of the Pre-IPO Options can only take place after the first anniversary of the date of grant, the moratorium requirements in the Catalist Rules will not apply as the Pre-IPO Options cannot be exercised immediately after Listing, except for Furukawa Kazuteru and Kubota Yasuaki. Please refer to the sub-section entitled "Ownership Structure – Moratorium" of this Offer Document for details on the moratorium for Furukawa Kazuteru and Kubota Yasuaki.

EMPLOYEES

As at the Latest Practicable Date, our Group had a workforce of 111 full-time employees.

The functional distribution of our Group's full-time employees as at 28 February 2022, 28 February 2023, 29 February 2024 and as at the Latest Practicable Date is as follows:

Function	As at 28 February 2022	As at 28 February 2023	As at 29 February 2024	As at the Latest Practicable Date
Management	4	5	6	6
Administration	4	4	5	5
Accounts and finance	6	7	8	9
Human resources	3	3	3	3
Operations	56	60	72	70
Sales	15	21	23	18
Total	88	100	117	111

The number of employees of our Group has stayed largely consistent during the Period Under Review.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

The geographical distribution of our Group's full-time employees as at 28 February 2022, 28 February 2023, 29 February 2024 and as at the Latest Practicable Date is as follows:

Location	As at 28 February 2022	As at 28 February 2023	As at 29 February 2024	As at the Latest Practicable Date
Japan	43	52	70	66
Singapore	29	30	23	20
Malaysia	15	17	24	25
Taiwan ¹	1	1	–	–
Total	88	100	117	111

As at the Latest Practicable Date, none of our employees of a managerial position are related by blood or marriage to our Directors and Substantial Shareholders. Any new employment of related employees and the proposed terms of their employment will be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from the review.

We do not experience any significant seasonal fluctuations in our number of employees. The number of temporary employees has increased in line with the increase in the number of restaurants. The number of temporary employees we employed was 44 as at 28 February 2022, 58 as at 28 February 2023, 58 as at 29 February 2024 and 64 as at the Latest Practicable Date.

Our employees are not covered by any collective bargaining agreements and are not unionised. The relationship and co-operation between the management and staff have been good and are expected to continue and remain as such in the future. There has not been any incidence of work stoppages or labour disputes which affected our operations.

SERVICE AGREEMENTS

Our Company has entered into separate service agreements (the “**Service Agreements**” and each a “**Service Agreement**”) with our Executive Directors, namely, Furukawa Kazuteru and Kubota Yasuaki, and our CFO, Tetsura Masao (each an “**Executive**”). The key terms of the Service Agreements are set out below.

Term

The Service Agreement is for an initial period of three (3) years (the “**Initial Term**”) commencing with effect from the date of the Service Agreement (or such other date as the parties thereto may mutually agree in writing). Upon expiry of the Initial Term the appointment shall continue unless terminated in accordance with the terms of the Service Agreement.

¹ Our Group has disposed of FIT to an unrelated party as of 26 February 2024.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Termination

The Service Agreement may not be terminated by notice during the Initial Term unless any Termination Event (as defined below) occurs. After expiry of the Initial Term, the Service Agreement may be terminated by either party by giving notice of not less than six (6) months to the other party, or by our Company giving the Executive an amount equal to six (6) months' salary in lieu of such notice.

In addition, our Company shall be entitled to terminate the Service Agreement without any notice or payment in lieu thereof if:

- (a) the Executive is convicted of or otherwise found guilty by any court of competent jurisdiction, or pleads guilty to, any offence involving fraud or dishonesty, or of a felony, serious misdemeanour, or crime involving moral turpitude;
- (b) the Executive commits an act of bankruptcy under any applicable law, is declared a bankrupt or has bankruptcy proceedings commenced against him or any such analogous event occurs under any provisions under applicable law;
- (c) the Executive is guilty of any act or thing which may bring discredit or disrepute on our Company or our Group;
- (d) the Executive is guilty of any gross default or grave misconduct in connection with or affecting the business of our Group;
- (e) the Executive neglects or refuses, without reasonable cause, to attend to the business of our Group;
- (f) the Executive misappropriates assets of our Group;
- (g) the Executive fails to observe and perform any of the duties and obligations imposed by the Service Agreement or other applicable laws;
- (h) the Executive otherwise acts in breach of the Service Agreement;
- (i) the Executive becomes of unsound mind or by reason of ill health or injury caused by his own default becomes unable to perform any of his duties under the Service Agreement for a period of 120 days or more;
- (j) the Executive is guilty of dishonesty;
- (k) the Executive shall cease to hold the office of director pursuant to the constitution of our Company, or is disqualified from holding the office of, or acting as, a director of any company, pursuant to any applicable laws or rules of any stock exchange, for whatever reason;
- (l) the Executive is convicted of any criminal offence other than an offence which in the Board's opinion does not affect the Executive's position within our Group;
- (m) the Executive commits any breach of any code of conduct, rule or regulation under applicable laws as set forth by all relevant regulatory agencies, exchanges and self-regulatory bodies relevant to the Executive and/or our Group's business; and

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

- (n) the Executive is absent during their service without prior leave from our Group for more than two (2) working days continuously,

(collectively, the “**Termination Events**”).

Non-solicitation and restrictive covenants

The Executive has agreed that during the period of his appointment and for a period of one (1) year from the date of termination of the Service Agreement, he shall not without the prior written consent of our Company:

- (a) directly or indirectly carry on (whether alone or in partnership or joint venture with anyone else) or otherwise be concerned with or interested in (whether as trustee, principal, agent, shareholder, unit holder or in any other capacity) any business similar to or competitive with the business of our Group, in any country where our Group currently carries on business; for the avoidance of doubt, the foregoing restriction shall not apply to any interests in quoted or listed equity securities which do not exceed 5.0% of the total amount of the issued securities in that class for the time;
- (b) solicit or persuade, or attempt to solicit or persuade, any person or corporation which is a supplier, customer or client of our Group to cease doing or reduce the amount of business with our Group;
- (c) either on his own account or for any other person, directly or indirectly, solicit, or endeavour to entice away from our Group any person who to his knowledge is an officer, manager or employee of our Group whether or not such person would commit a breach of his contract of employment by reason of leaving such employment; and/or
- (d) either on his own account or for any other person, deal with or accept instructions from, directly or indirectly and in competition with the business of our Group, any person or persons in any country where our Group currently carries on business who was a supplier, client or customer of our Company and/or any member of our Group or in the habit of dealing with our Group.

The Executive has agreed that save where authorised by our Board, the Executive shall:

- (a) keep secret and not reveal to any person, firm or company any of the trade secrets, secret or confidential operations, processes (including technological know-how and the working of any process, technology, invention or methods) carried on or used by our Group, or dealings or confidential information of our Group (including in particular lists or details of customers and suppliers of our Group) or any information concerning the organisation, business, finances, transactions or affairs of our Group which may come to his knowledge during his appointment; and
- (b) shall not use or attempt to use any such information in any manner which may (i) injure or cause loss, either directly or indirectly, to our Group or its business; and/or (ii) benefit, either directly or indirectly, the Executive or any third party.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Remuneration

Under the terms of the Service Agreement, the Executive shall receive a monthly salary. In the case of our Executive Directors, the Executive shall be entitled to a discretionary annual incentive bonus determined at the sole discretion of our Remuneration Committee and, subject to approval from Shareholders of our Company at general meeting, the Executive will also be paid an annual director's fee.

The Executive may also be entitled to participate in such share option scheme or performance share plan as may be implemented by our Company after obtaining shareholders' approval, if applicable, upon the terms and conditions of such share option scheme or performance share plan and subject to the relevant provisions of the Catalist Rules.

Save as disclosed above, there are no other existing or proposed service contracts entered into or to be entered into between our Company and our subsidiaries with any of our Directors.

Save as disclosed above, there is no existing or proposed service agreement entered into or to be entered into between our Company and our subsidiaries with any of our Directors which provide for benefits upon termination of employment.

Save as disclosed above, there are no bonus or profit-sharing plans or any other profit-linked agreements or arrangements between our Company and any of our Directors, Executive Officers or employees.

Our Group did not employ any person who is an immediate family member of our Directors or CEO for each of FY2022, FY2023 and FY2024.

PRE-IPO OPTIONS

Prior to our Listing, we have adopted an employee share option scheme known as the “Food Innovators Employee Share Option Scheme” and granted the Pre-IPO Options (comprising the Options and the One-Off Share Options), both of which were approved by our Shareholders on 22 May 2024. The rules of our Scheme and One-Off Share Options are set out in “Appendix E – Pre-IPO Options” of this Offer Document.

As at the Latest Practicable Date, all Options under the Scheme and the One-Off Share Options have been granted. Our Company has no intention to grant any further Options under the Scheme.

The Scheme

Rationale

The Scheme will provide an opportunity for employees and directors of our Group who have contributed significantly to the growth and performance of our Company to participate in the equity of our Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to past contributions and services. In addition, the Scheme will help our Group to attract and retain the services of appropriate, qualified and experienced employees who would be able to contribute to our Group’s business and operations.

Summary of the Scheme

The following is a summary of the rules of the Scheme. Any capitalised term as used throughout this section, unless otherwise defined, shall bear the meanings as defined in “Appendix E – Pre-IPO Options” of this Offer Document.

Eligibility

Subject to the absolute discretion of the Committee, the following persons shall be eligible to participate in the Scheme:

- (a) any confirmed employee of our Group (including a Director of our Company and/or a director of our Company’s subsidiaries, as the case may be, who performs an executive function (“**Group Executive Director**”)) selected by the Committee to participate in the Scheme in accordance with the Rules of the Scheme (“**Group Employee**”); and
- (b) Directors of our Company,

provided that, as at the Offer Date, such persons have attained the age of 21 years, are not undischarged bankrupts and have not entered into any compositions with their respective creditors, and in the case of Group Employees, must have been in the employment of our Group for at least 12 months, or such shorter period as the Committee may determine. For the avoidance of doubt, the Non-Executive Directors of our Company are not eligible to participate in the Scheme.

Administration of the Scheme

The Scheme shall be administered by the Committee (comprising all the members of our Remuneration Committee of our Company from time to time) in its absolute discretion with such powers and duties as are conferred on it by the Board.

A Director who is a member of the Committee shall not be involved in its deliberation in respect of Option(s) to be granted to him.

PRE-IPO OPTIONS

Size of the Scheme

The aggregate number of Shares (comprising Shares issued and issuable in respect of the Option(s) granted under the Scheme and/or treasury shares delivered in respect of the Option(s)) over which the Committee may grant Options on any date, when added to:

- (a) the aggregate number of Shares issued or issuable in respect of any other share schemes of our Company; and
- (b) the number of treasury shares delivered in respect of the options granted under all other share-based incentive schemes of our Company (if any),

shall not exceed 15.0% of the issued Shares (excluding treasury shares and subsidiary holdings) of our Company on the date preceding the Date of Grant.

The aggregate number of Shares over which our Remuneration Committee may grant Options to the Controlling Shareholders and their Associates under the Scheme shall not exceed 25.0% of the Shares available under the Scheme, provided always that the number of Shares available to each Controlling Shareholder or each of his Associates shall not exceed 10.0% of the Shares available under the Scheme.

Entitlement

The number of Shares in respect of which Options may be offered to a Grantee for subscription under the Scheme shall be determined at the discretion of the Committee which shall take into account, where applicable, criteria such as rank, past performance, length of service and contribution to the success and development of our Group, potential for future development of the Grantee and the prevailing market and economic conditions, subject to such limits as may be prescribed by the SGX-ST.

Date of Grant

The date of grant of the Option(s) is the date as set out in the letter of offer issued to the Participants.

Acceptance of Offer

An Option offered to a Grantee must be accepted by the Offer no later than 1 June 2024. The Grantee must complete, sign and return to our Company the Acceptance Form and such other documentation as the Committee may require.

Subscription Price and Exercise Period

Subject to any adjustments that the Committee and Board may in their absolute discretion make, the Subscription Price for each share in respect of which an Option is exercisable is S\$0.22.

The Option shall be exercisable at any time by the Option Holder after the first anniversary of the Date of Grant of such Options. In the event any Options are granted at a discount, such Options may only be exercised after the second anniversary of the Date of Grant of such Options. For the avoidance of doubt, none of the issued Options are issued at a discount.

PRE-IPO OPTIONS

Alteration of Capital

If a variation in the issued share capital of our Company (whether by way of a bonus issue or rights issue, cancellation, capital reduction, subdivision, consolidation of shares, distribution or conversion or otherwise howsoever) should take place, then the Committee may determine whether:

- (a) the Subscription Price in respect of the Shares comprised in the Options to the extent unexercised and the rights attached thereto; and/or
- (b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (c) the class and/or number of Shares in respect of which additional Option(s) may be granted to Option Holders,

may, be adjusted in such manner as the Committee may determine to be appropriate including but not limited to retrospective adjustments where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a bonus issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

Notwithstanding the above, the adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

For the avoidance of doubt, (i) the issue of securities as consideration for an acquisition of any assets by our Company; (ii) a private placement of securities; (iii) the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares, in accordance with the Listing Rules, undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force; (iv) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business; and (v) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by our Company, will not be regarded as a circumstance requiring adjustment under the provisions of Rule 10 of the Scheme.

Upon any adjustment required to be made, our Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Subscription Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.

Termination of Options

Special provisions in the rules of the Scheme deal with the lapse or earlier exercise of Options in circumstances which include the termination of the Participant's employment in our Group, the bankruptcy of the participant, the death of the participant, a take-over of our Company and the winding-up of our Company.

PRE-IPO OPTIONS

Duration of the Scheme

The duration of the Scheme will have commenced on 22 May 2024 and shall expire on 31 March 2028.

Voting, dividend and other rights

Shares allotted and issued or treasury shares which are transferred, upon the exercise of an Option shall be subject to all provisions of the Constitution of our Company and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of our Company except for any dividends, rights (including voting rights), allotments or other distributions, the Record Date for which falls prior to the date of issue or transfer (as the case may be) of the said Shares.

Rationale for participation by employees of our Group (including Group Executive Directors) in the Scheme

The extension of the Scheme to employees of our Group (including Group Executive Directors) allows us to have a fair and equitable system to reward employees and executive directors of our Group who have made and who continue to make significant contributions to the long-term growth of our Group.

We believe that the grant of Options to the employees and executive directors of our Group will enable us to attract, retain and provide incentives to its participants to produce higher standards of performance as well as encourage greater dedication and loyalty to our Group. This would enable our Company to give recognition to past contributions and services as well as motivating participants generally to contribute towards the long-term growth of our Group.

Rationale for participation by our Controlling Shareholders and the Associates of our Controlling Shareholders in the Scheme

Our Company acknowledges that the services and contributions of employees who are Controlling Shareholders and the Associates of our Controlling Shareholders are important to the development and success of our Group. The extension of the Scheme to confirmed full-time employees who are Controlling Shareholders and the Associates of our Controlling Shareholders allows our Group to have a fair and equitable system to reward employees who have actively contributed to the progress and success of our Group. The participation of our Controlling Shareholders and the Associates of our Controlling Shareholders in the Scheme will serve both as a reward to them for their dedicated services to our Group and a motivation for them to take a long-term view of our Group.

Although Participants who are Controlling Shareholders and the Associates of our Controlling Shareholders may already have shareholding interests in our Company, the extension of the Scheme to include them ensures that they are equally entitled as the other employees of our Group who are not Controlling Shareholders or their Associates, to take part and benefit from this system of remuneration. We are of the view that a person who would otherwise be eligible should not be excluded from participating in the Scheme solely by reason that he/she is a Controlling Shareholder or an Associate of our Controlling Shareholders.

The specific approval of our independent Shareholders is required for the participation of such persons as well as the actual number of and terms of such Options. A separate resolution must be passed for each such Participant. In seeking such approval from our independent Shareholders, clear justification as to the participation of Controlling Shareholders and the

PRE-IPO OPTIONS

Associates of our Controlling Shareholders, the number of and terms (including the exercise price) of the Options to be granted to the Controlling Shareholders and the Associates of our Controlling Shareholders shall be provided. Accordingly, we are of the view that there are sufficient safeguards against any abuse of the Scheme resulting from the participation of employees who are Controlling Shareholders and the Associates of our Controlling Shareholders.

Financial Effects of the Scheme

(a) Share capital

The grant of Options under the Scheme will result in an increase in the issued share capital of our Company to the extent that New Shares are allotted and issued upon the exercise of the Options. The number of New Shares allotted and issued will depend on, inter alia, the number of New Shares comprised in the Options granted, the number of Options that are exercised, the average of the last dealt prices for a Share determined by reference to the daily Official List (as defined in the Catalist Rules) published by the SGX-ST on the relevant day on which SGX-ST is open for trading in securities (the “**Prevailing Market Price**”), and whether our Company chooses to deliver treasury shares in lieu of an allotment and issue of New Shares. If the relevant Options are not exercised or if treasury shares are delivered in lieu of an allotment and issue of New Shares, there would be no increase in the number of issued Shares in our Company.

(b) EPS

Without taking into account earnings that may be derived by our Company from the use of proceeds from the allotment and issuance of new Shares pursuant to the exercise of Options granted under the Scheme, any New Shares allotted and issued pursuant to an exercise of Options granted under the Scheme will have a dilutive impact on the EPS of our Company and our Group following the increase in the number of issued Shares in our Company. However, the dilutive impact arising from the Scheme on the EPS of our Company and our Group is not expected to be material in any given financial year.

(c) NTA

The allotment and issue of New Shares pursuant to an exercise of the Options will increase the NTA of our Company and our Group by the aggregate exercise price of the new Shares allotted and issued. On a per Share basis, the effect on the NTA of our Company and our Group is accretive if the exercise price is above the NTA per Share but dilutive otherwise.

(d) Potential cost of the grant of Options

All Options granted under the Scheme will have a fair value. In the event that the Subscription Price is below the fair value of the Options granted under the Scheme, there will be a cost to our Company.

- (i) If at the time an Option is exercised, the Subscription Price of the Options is less than the Prevailing Market Price of the Shares, there will be a reduction of the proceeds from the exercise of such Option as compared to the proceeds that our Company would have received if the exercise of such Option had been made at the Prevailing Market Price of the Shares. Such reduction would represent a monetary cost to our Company.

PRE-IPO OPTIONS

- (ii) The grant of Options under the Scheme will also have an impact on our Company's reported profit/loss as share-based payments such as the grant of Options under the Scheme will be required to be recognised as an expense under SFRS(I) 2. Such expense will be based on the fair value of the Share as at the date of grant and will be recognised over the option period.

Shareholders should note that the potential cost to our Company arising from the grant of Options under the Scheme discussed in (i) above will only materialise upon the exercise of the relevant Options and the potential cost to our Company arising from the grant of Options under the Scheme discussed in (ii) above will be recognised in our Company's reported profit/loss even if the Options are not exercised.

One-Off Share Option

Rationale

The purpose of granting the One-Off Share Option is to give recognition to past contributions and services of the three (3) employees of Kurimen and one (1) employee of FIT who were formerly employees of our Group before the disposal of Kurimen and FIT in November 2023 and February 2024 respectively.

Our Company believes that they had contributed significantly to the growth and performance of our Group by exceeding their respective sales targets while employed by our Group which had increased the value of FIT and Kurimen and so our Group has allowed them to participate in the equity of our Group. Our Company does not intend to offer any further One-Off Share Options.

None of the abovementioned employees of Kurimen or FIT are related to any of our Company, Directors, Executive Officers, Substantial Shareholders and/or their respective associates.

Summary of the One-Off Share Option

The rules of the One-Off Share Option are substantially the same as the rules of the "Food Innovators Employee Share Option Scheme" as set out in "Appendix E – Pre-IPO Options" of this Offer Document.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Corporate governance refers to the processes and structure by which the business and affairs of a company are directed and managed, in order to enhance long term shareholder value through enhancing corporate performance and accountability. Good corporate governance therefore embodies both enterprise (performance) and accountability (conformance).

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders, and will use best efforts to implement the good practices recommended in the Code of Corporate Governance 2018 (“Code”). Our Board of Directors has established three committees: (a) the Audit Committee, (b) the Nominating Committee and (c) the Remuneration Committee.

We have five (5) Directors on our Board of Directors, of which three (3), namely Shida Yukihiro, Saito Kazuya and Faye Chong Wen Qi are Independent Directors. Our Independent Directors do not have any existing business or professional relationship of a material nature with our Group, our other Directors and/or Substantial Shareholders. Our Independent Directors are also not related to our other Directors and/or Substantial Shareholders.

We have appointed Shida Yukihiro as our Lead Independent Director. As Lead Independent Director, he is the contact person for Shareholders in situations where there are concerns or issues which communication with our CEO and Executive Directors has failed to resolve or where such communication is inappropriate. Shida Yukihiro will also take the lead in ensuring compliance with the Code.

Our Directors are of the view that given the current board composition and based on the above, there are sufficient safeguards and checks to ensure that the decision-making by our Board is independent and based on collective decision-making.

Audit Committee

Our Audit Committee comprises our Independent Directors, Saito Kazuya, Shida Yukihiro and Faye Chong Wen Qi. The chairman of our Audit Committee is Saito Kazuya.

Our Audit Committee shall meet periodically to perform the following functions:

- (a) consider the appointment or re-appointment or replacement of the external auditors, the level of their remuneration (including their cost effectiveness and nature, extent and costs of non-audit services performed by them), their independence and objectivity, terms of engagement and matters relating to resignation or dismissal of the external auditors, and review with the external auditors the audit plans, their evaluation of the system of internal accounting controls, their audit reports, their management letter and our management’s response before submission of the results of such review to our Board for approval;
- (b) consider the appointment or re-appointment of the internal auditors, the level of their remuneration and matters relating to resignation or dismissal of the internal auditors, and review with the internal auditors the internal audit plans and their evaluation of the adequacy of our system of internal accounting controls and accounting system before submission of the results of such review to our Board for approval prior to the incorporation of such results in our annual report (where necessary) and ensure that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies;

CORPORATE GOVERNANCE

- (c) to be the primary reporting line of the internal audit function and ensure that the internal audit function has direct, unrestricted and unfettered access to all of our Group's documents, records, properties and personnel, including the Chairman of our Board and our Audit Committee;
- (d) review the adequacy, effectiveness, independence, scope and results of the external audit and our Group's internal audit function, including ensuring that the internal audit function is independent, effective and adequately resourced, is staffed with persons with the relevant qualifications and experience, and generally has appropriate standing within our Company, and decide on the appointment, termination and remuneration of the head of the internal audit function;
- (e) review and report to our Board, at least annually, on the adequacy and effectiveness of our Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems and undertake such other reviews and projects as may be requested by our Board and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee, with a view to review the risk profile of our Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by our Board where necessary;
- (f) oversight, monitor and review our Group's internal control weaknesses identified by the internal auditors and the external auditors, and monitor and ensure that the implementation of the auditors' recommendation on internal controls are adopted and satisfactorily implemented to address the said internal control weaknesses to ensure that, where necessary and appropriate, a statement on our Board's comment and the adequacy and effectiveness of our Company's internal controls can be provided, as well as monitor the follow-up review of the adequacy and effectiveness of the remediation measures implemented by our Group;
- (g) review the system of internal accounting control and procedures established by management and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);
- (h) review the assistance and co-operation given by our Company's officers (including but not limited to assurance from our CEO and our CFO on the financial records and financial statements) to the internal and external auditors, including meeting with the external auditors and internal auditors, in each case without the presence of the management, at least annually to review the same;
- (i) appraising the performance of our CFO on an annual basis;
- (j) review significant financial reporting issues and judgments, with our CFO and the external auditors, so as to ensure the integrity of the financial statements of our Group and any formal announcements relating to our Group's financial performance, before their submission to our Board for approval;
- (k) review the assurance from our CEO and our CFO on the financial records and financial statements;

CORPORATE GOVERNANCE

- (l) review the half yearly and annual, and quarterly if applicable, our Company's financial statements and results announcements before submission to our Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas and areas of judgement, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements;
- (m) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and consider the adequacy of the management's response;
- (n) monitoring the use of proceeds;
- (o) review and approve transactions falling within the scope of Chapters 8, 9 and 10 of the Catalist Rules (if applicable), including reviewing any interested person transactions and monitoring the procedures established to regulate interested person transactions, ensuring compliance with our Company's internal control systems and the relevant provisions of the Catalist Rules. This includes having oversight over our Company's decision to repay any interested person transactions by way of cash or Shares;
- (p) review potential conflicts of interest (if any) and set out a framework to resolve or mitigate any potential conflicts of interest as well as monitor the procedures established and ensure compliance with such framework including reviewing and assessing from time to time whether proper measures to mitigate potential conflicts of interest have been put in place, and whether additional processes are required to be put in place to manage any material conflicts of interest with our Controlling Shareholders and proposing, where appropriate, the relevant measures for the management for such conflicts;
- (q) review the effectiveness and adequacy of our administrative, operating, internal accounting and financial control procedures, including having oversight in monitoring the adequacy and effectiveness of measures in place to mitigate risks of material licences held in individual capacities;
- (r) review our risk management framework, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, announced immediately via SGXNET;
- (s) review our key financial risk areas, and any oversight of our risk management framework and activities to mitigate and manage risk at acceptable levels determined by the Board, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or the findings are material, immediately announced via SGXNET;
- (t) reviewing any formal announcements relating to our Group's financial performance and ensuring that the outcome of the review of our Group's key financial risks areas are disclosed in our Group's annual reports, and if the findings are material, to be announced via SGXNET in accordance with the Catalist Rules;

CORPORATE GOVERNANCE

- (u) monitoring the measures undertaken by our Group to mitigate and to the extent possible remediate non-compliance by our Group, and having oversight of and reviewing such measures to monitor and to the extent possible prevent further recurrence of non-compliances;
- (v) undertake such other reviews and projects as may be requested by our Board and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;
- (w) where necessary, commission an independent audit on internal controls and risk management systems for the assurance of the Audit Committee, or where it is not satisfied with the systems of internal controls and risk management;
- (x) review and approve the procedures, and monitor the implementation of, any hedging policy proposed by our Group;
- (y) review of the cash management processes of our Group;
- (z) monitor and have oversight of our Group's process of forecasting cash flows and compliance with loan covenants;
- (aa) assist our Board in discharging its statutory responsibilities on financing and accounting matters;
- (bb) monitoring the implementation of a policy and procedures for sustainability reporting;
- (cc) investigate any matters within its terms of reference;
- (dd) generally to undertake such other functions and duties as may be required by statute, the Code of Corporate Governance 2018 or the Catalist Rules, and by such amendments made thereto from time to time;
- (ee) ensure our Company publicly discloses and clearly communicates to our employees the existence of a whistle-blowing policy through which they may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to review and ensure that policies and arrangements are and continue to be in place for the independent investigations of such matter and for appropriate follow-up;
- (ff) review and establish procedures for receipt, retention and treatment of complaints received by our Group, including amongst others, criminal offences involving our Group or its employees, and/or questionable accounting, auditing, business, safety or other matters that impact negatively on our Group, and ensuring that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;
- (gg) review the procedures and policies put in place to ensure our Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time, at least annually, to ensure that such procedures and policies are commensurate with our Group's operations and expansion plans from time to time; and
- (hh) monitoring the progress of the internalisation of the finance function of FIM.

CORPORATE GOVERNANCE

Apart from the duties listed above, our Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our Group's operating results and/or financial position. In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

Apart from the duties listed above, our Audit Committee shall also commission an annual internal audit until such time as our Audit Committee is satisfied that our Group's internal controls are robust and effective enough to mitigate our Group's internal control weaknesses (if any). Upon completion of the internal control audit, appropriate disclosure will be made via SGXNET of any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by our Board. Prior to the decommissioning of such annual audit, our Board is required to report to the SGX-ST and the Sponsor on how the key internal control weaknesses have been rectified, and the basis for the decision to decommission the annual internal control audit. Thereafter, such audits may be initiated by our Audit Committee as and when it deems fit to satisfy itself that our Group's internal controls remain robust and effective.

Currently, based on the internal controls and risk management framework established and maintained by our Group, work performed by the internal and external auditors and reviews performed by management and various Board committees, our Board, with the concurrence of our Audit Committee, is of the view that our internal controls, including operational, financial, compliance and information technology controls, as well as risk management systems of our Group are adequate and effective as at the date of this Offer Document to address financial, operational, compliance and information technology risks, which our Group considers relevant and material to its operations.

Our Audit Committee having (i) conducted an interview with Tetsura Masao; (ii) considered the qualifications and past working experience of Tetsura Masao (as described in the sub-section entitled "Directors, Executive Officers and Employees – Executive Officers" of this Offer Document); (iii) observed his abilities, familiarity and diligence in relation to the financial matters and information of our Group; (iv) noted the absence of negative feedback from our Company's Auditors and Reporting Accountants and internal auditors; and (v) made all reasonable enquiries, is of the view that Tetsura Masao is suitable for the position of CFO. In addition, he shall be subject to performance appraisal by our Audit Committee on an annual basis to ensure satisfactory performance.

After making all reasonable enquiries, and to the best of the knowledge and belief of our Audit Committee, nothing has come to the attention of the members of our Audit Committee to cause them to believe that Tetsura Masao does not have the competence, character and integrity expected of a CFO (or its equivalent rank) of a listed issuer.

Nominating Committee

Our Nominating Committee comprises Faye Chong Wen Qi, Shida Yukihiro, Saito Kazuya, Furukawa Kazuteru and Kubota Yasuaki. The chairman of the Nominating Committee is Faye Chong Wen Qi. Our Nominating Committee will be responsible for, *inter alia*:

- (a) making recommendations to our Board on relevant matters relating to (i) the review of board succession plans for Directors, in particular, the appointment and/or replacement of the chairman and Executive Officers (including the CEO, if applicable); (ii) the process and

CORPORATE GOVERNANCE

- criteria for evaluation of the performance of the Board, the Board committees and Directors; (iii) the review of training and professional development programs for the Board and the Directors, if applicable, and re-nominations of existing Directors for re-election in accordance with our Group's constitution, taking into account each individual Director's contribution and performance), including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates;
- (b) ensuring that the Directors submit themselves for re-nomination and re-election at least once every three (3) years, and reviewing and recommending the nomination or re-nomination of our Directors having regard to our Director's contribution and performance;
 - (c) ensuring the new Directors are aware of their duties and obligations, as well as reviewing and deciding whether a Director is able to and has been adequately carrying out his or her duties as a Director;
 - (d) determining on an annual basis, and as and when circumstances require, whether or not a Director is independent, in accordance with the Code and any other salient factors;
 - (e) providing oversight on and monitoring the independence of the Independent Directors on an ongoing basis;
 - (f) reviewing, as and when the circumstances require, whether the Chairman of the Board and the CEO share close family ties;
 - (g) deciding whether or not a Director is able to and has been adequately carrying out his duties as a director;
 - (h) determining the composition of our Board of Directors, taking into account the future requirements of our Company, the need for diversity in regard to our Board composition and other considerations such as those set out in the Code, annually to ensure that our Board of Directors and our Board committees comprise Directors who as a group provide an appropriate balance and diversity of skills, expertise, gender and knowledge of our Company, so as to avoid groupthink and foster constructive debate, and are of an appropriate level of independence and diversity of thought and background in their composition to enable them to make decisions in the best interest of our Company and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge, and reviewing our Company's progress towards achieving these objectives for achieving board diversity;
 - (i) establishing guidelines on what a reasonable and maximum number of such directorships and principal commitments for each director (or type of director) should be;
 - (j) undertaking a formal assessment of our Board's effectiveness as a whole and that each of our Board committees and individuals Directors and recommend for our Board's approval the objective performance criteria and process for the evaluation of the effectiveness of our Board as a whole, and of each of our Board committee separately, as well as the contribution of each individual Director to our Board;

CORPORATE GOVERNANCE

- (k) ensuring that our Directors disclose their relationships with our Company, related corporations, Substantial Shareholders or officers, if any, which may affect their independence and review such disclosures from our Directors and highlight them to our Board as required;
- (l) reviewing and approving the employment of persons related to our Directors, Executive Chairman, Chief Executive Officer or Substantial Shareholder and the proposed terms of their employment;
- (m) where a Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as Director, taking into consideration the Director's number of listed company board representation and other principal commitments and establishing guidelines on what a reasonable and maximum number of such directorships and principal commitments for each director (or type of director) should be. Where any director holds a significant number of listed company directorships and principal commitments which involve significant time commitment, providing a reasoned assessment of the ability of that Director to diligently discharge his or her duties, taking into consideration that Director's number of listed company board representation and other principal commitments;
- (n) assessing annually whether our Independent Directors have the capacity to devote sufficient time and attention to the affairs of our Group to ensure that they can effectively fulfill their duties as independent directors; and
- (o) undertaking generally such other functions and duties as may be required by law or the Catalyst Rules, and by amendments made thereto from time to time.

Our Nominating Committee will decide how our Board's performance is to be evaluated and will propose objective performance criteria, subject to the approval of our Board for assessing the effectiveness of our Board as a whole and for assessing the contribution of each individual Director to the effectiveness of our Board.

Each member of our Nominating Committee will not take part in determining his own re-nomination or independence and shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as a Director. In the event that any member of our Nominating Committee has an interest in a matter being deliberated upon by our Nominating Committee, he will abstain from participating in the review and approval process relating to that matter.

Generally, our Nominating Committee does not appoint new directors, but nominates them to our Board which retains the final discretion in appointing such new directors.

Nominating Committee's view of our Independent Directors

Our Nominating Committee, after having considered the following:

- (a) the principal occupation and commitments of our Independent Directors, including the number of listed company board representations that each of them has;
- (b) the attendance to date at board meetings of listed companies that each of our Independent Directors serves as independent directors;

CORPORATE GOVERNANCE

- (c) the confirmations by our Independent Directors that they are able to devote sufficient time and attention to the matters of our Group;
- (d) that none of our Independent Directors is, or has been, in any of the past three (3) financial years, employed by our Group;
- (e) that none of the immediate family members of our Independent Directors is, or has been, in any of the past three (3) financial years, employees by our Group and whose remuneration is determined by our Remuneration Committee;
- (f) that none of our Independent Directors is, or has been, a director of our Company for an aggregate period of more than nine years;
- (g) the confirmations by our Independent Directors that each of them is independent in conduct, character and judgement, and has no relationship with our Company, our related corporations, our substantial shareholders or our officers that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of our Company;
- (h) the professional experience and expertise of our Independent Directors; and
- (i) the composition of our Board,

is of the opinion that (i) each of our Independent Directors is individually and collectively able to commit sufficient time and resources to discharge their respective duties, and are suitable and possess the relevant experience to be appointed as Independent Directors of our Company; and (ii) our Independent Directors, as a whole, represent a strong and independent element on our Board which is able to exercise objective judgement on corporate affairs independently from our Controlling Shareholders.

Remuneration Committee

Our Remuneration Committee comprises Shida Yukihiro, Saito Kazuya and Faye Chong Wen Qi. The chairman of our Remuneration Committee is Shida Yukihiro.

Our Remuneration Committee will be responsible for:

- (a) reviewing and recommending to our Board, in consultation with the Chairman of the Board, for endorsement, a comprehensive framework of remuneration for our Directors, Executive Officers and other persons having authority and responsibility for planning, directing and controlling the activities of our Company (the “**Key Management Personnel**”);
- (b) ensuring the remuneration policies and systems of our Group, as approved by our Board, support our Group’s objectives and strategies, and are consistently being administered and being adhered to within our Group;
- (c) reviewing and recommending to our Board, for endorsement, specific remuneration packages for each of the Directors and Key Management Personnel;

CORPORATE GOVERNANCE

- (d) the recommendations of our Remuneration Committee should be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind, and termination terms shall be covered by our Remuneration Committee, to ensure that they are fair;
- (e) ensuring that the level and structure of remuneration of our Board and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of our Company, taking into account our Company's strategic objectives;
- (f) ensuring that a significant and appropriate proportion of our Directors' and Key Management Personnel's remuneration is structured so as to link rewards to corporate and individual performance, and that performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of our Company;
- (g) reviewing and approving the design of all share option plans, employee share option schemes and/or other equity-based plans (including performance-related remuneration scheme, incentive schemes) and benefits-in-kind and determining the eligibility criteria of the employees who can participate in such scheme;
- (h) ensuring that the remuneration of our Non-Executive Directors is appropriate to their level of contribution, taking into account factors such as effort, time spent and responsibilities;
- (i) reviewing our Group's remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation and the statements in the annual report with a view to achieving clear disclosure of the same;
- (j) in the case of service contracts and employment contracts, reviewing our Company's obligations arising in the event of termination of our 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;
- (k) approving performance targets for assessing the performance of each of our Key Management Personnel and recommend such targets as well as employee specific remuneration packages for each of such Key Management Personnel, for endorsement by the Board; and
- (l) conducting an annual review of and approving the remuneration of employees of our Group who are related to any of our CEO (if applicable), Directors or Substantial Shareholders will also be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our employee remuneration guideline and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the annual review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from participating in the review.

Each member of our Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package.

CORPORATE GOVERNANCE

Board Practices

Our Directors are to be appointed by our Shareholders at a general meeting, and an election of Directors takes place annually. One third (or the number nearest one third) of our Directors, are required to retire from office at each annual general meeting. Further, all our Directors are required to retire from office at least once in every three (3) years. However, a retiring Director is eligible for re-election at the meeting at which he retires.

Further details on the appointment and retirement of Directors can be found in “Appendix D – Summary of Selected Regulations of our Constitution” of this Offer Document.

DESCRIPTION OF OUR SHARES

The following statements are brief summaries of the rights and privileges of Shareholders conferred by the laws of Singapore and the Constitution. These statements summarise the material provisions of our Constitution and are qualified in entirety by reference to the laws of Singapore and our Constitution. Please refer to “Appendix D – Summary of Selected Regulations of our Constitution” of this Offer Document for further details.

A copy of our Constitution will be available for inspection at our registered office during normal business hours for a period of six (6) months after the date of registration of this Offer Document.

Shares

We have only one (1) class of shares, namely, ordinary Shares, which have identical rights in all respects and rank equally with one another.

Our Constitution provides that we may, subject to the provisions of the Companies Act and the Catalist Rules, issue shares of a different class with preferential, deferred, qualified or special rights, privileges or conditions as our Directors may think fit and may issue preference shares which are, or at our option are, redeemable, subject to certain limitations. Our Shares do not have a par value.

As at the date of this Offer Document, all of our Shares have been issued and fully paid. All of our Shares are in registered form. We may, subject to the provisions of the Companies Act and the Catalist Rules, purchase our own Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

Shareholders

Only persons who are registered on our register of members and, in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for our Shares, are recognised as our Shareholders. We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share or of the person whose name is entered in the Depository Register for that Share. We may close our register of members for any time or times if we provide SGX-ST at least five (5) clear Market Days’ notice. However, the register may not be closed for one (1) or more periods not exceeding 30 days in the aggregate in any calendar year. We typically close the register to determine our shareholders’ entitlement to receive dividends and other distributions.

Transfer of Shares

There is no restriction on the transfer of fully paid Shares except where required by law or the Catalist Rules. Our Directors may, in their discretion, decline to register any transfer of Shares which are not fully paid or Shares on which we have a lien. Shares may be transferred by a duly signed instrument of transfer in a form approved by the Directors and SGX-ST. Our Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. Lost or destroyed certificates for Shares may, be renewed upon provision of such evidence and letter of indemnity as may be required by our Directors under our Constitution, and if the applicant pays a fee which will not exceed S\$2.00.

DESCRIPTION OF OUR SHARES

General Meetings of Shareholders

We are required to hold an annual general meeting within four (4) months after the end of each financial year. Our Directors may convene an extraordinary general meeting whenever they think fit and must do so if our Shareholders representing not less than 10.0% of the total number of our paid-up shares that carry the right of voting at general meetings, request in writing that such a meeting be held. In addition, two (2) or more of our Shareholders holding not less than 10.0% of our issued share capital (excluding treasury shares) may call a meeting. Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of Directors. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding-up, amendments to our Constitution, a change of our corporate name and a reduction in our share capital. We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to each of our Shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A holder of our Shares is entitled to attend, speak and vote at any general meeting, in person or by proxy. A proxy does not need to be a Shareholder. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the depository register maintained by CDP 72 hours before the general meeting. Except as otherwise provided in our Constitution, two (2) or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution, on a poll, every Shareholder present in person or by proxy shall have one (1) vote for each Share which he holds or represents. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any Shareholder present in person or by proxy and representing not less than 5.0% of the total voting rights of all Shareholders having the right to attend and vote at the meeting or by any two (2) Shareholders present in person or by proxy and entitled to vote.

The following types of members ("**relevant intermediaries**" and each, a "**relevant intermediary**") are allowed to appoint more than two (2) proxies: (i) banking corporation licensed under the Banking Act 1970 of Singapore or its wholly-owned subsidiary which provides nominee services and holds Shares in that capacity; (ii) a capital market services licence holder which provides custodial services under the SFA and holds Shares in that capacity; and (iii) the CPF Board, in respect of Shares purchased on behalf of CPF members. However, each proxy must be appointed to exercise the rights attached to a different Share or Shares held by the appointing member, specifying which number and class of Shares.

The Catalist Rules requires all resolutions at general meeting to be voted by poll.

In the case of an equality of votes, the chairman of the meeting shall be entitled to a casting vote.

DESCRIPTION OF OUR SHARES

Dividends

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board. We must pay all dividends out of our profits. We may satisfy dividends by the issue of Shares to our Shareholders. Please refer to the sub-section entitled “Description of our Shares – Capitalisation, Bonus and Rights Issue” of this Offer Document. All dividends are paid *pro rata* amongst our shareholders in proportion to the amount paid up on each Shareholder’s Shares, unless the rights attaching to an issue of any Share provide otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a Shareholder whose name is entered in the depository register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

Capitalisation, Bonus and Rights Issue

Our Directors may, with the approval from our Shareholders at a general meeting, capitalise any sum standing to the credit of any of our Company’s reserve accounts or other undistributable reserve or any sum standing to the credit of the financial statements and distribute the same as bonus Shares credited as paid-up to our Shareholders in proportion to their shareholdings.

Our Directors may also issue bonus Shares to participants of any share incentive or option scheme or plan implemented by our Company and approved by our Shareholders in such manner and on such terms as our Board of Directors shall think fit.

Our Directors may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any securities exchange upon which the Shares are listed.

Take-overs

Under the Take-over Code issued by the Authority pursuant to Section 321 of the SFA, any person acquiring an interest, either on his own or together with persons acting or presumed to be acting in concert with him, in 30.0% or more of our voting shares must extend a take-over offer for the remaining voting shares in accordance with the provisions of the Take-over Code. In addition, a mandatory take-over offer is also required to be made if a person holding, either on his own or together with persons acting or presumed to be acting in concert with him, between 30.0% and 50.0% (both inclusive) of our voting shares acquires additional voting shares representing more than 1.0% of our voting shares in any six (6) month period.

Liquidation or Other Return of Capital

If we are liquidated or in the event of any other return of capital, the holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

DESCRIPTION OF OUR SHARES

Indemnity

As permitted by Singapore law, our Constitution provides that, subject to the Companies Act, our Board and officers shall be entitled to be indemnified out of the assets of our Company against any liability (as permitted under the Companies Act) incurred by the officer to a person other than our Company attaching to the officer in connection with any negligence, default, breach of duty or breach of trust.

Limitations on Rights to Hold Shares or Vote

Except as described in the sub-sections entitled “Description of our Shares – Voting Rights” and “Description of our Shares – Take-overs” of this Offer Document, there are no limitations imposed by Singapore law or by our Constitution on the rights of non-resident Shareholders to hold Shares or vote.

Minority Rights

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any of our shareholders, as they think fit to remedy any of the following situations where:

- (a) our affairs are being conducted or the powers of our Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one (1) or more of the Shareholders, including the applicant; or
- (b) we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our Shareholders, including the applicant.

Singapore courts have a wide discretion as to the relief they may grant and such relief is not limited to those listed in the Companies Act itself. Without prejudice to the foregoing, the Singapore courts may:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of our affairs in the future;
- (c) authorise civil proceedings to be brought in our name, or on our behalf, by a person or persons and on such terms as the court may direct;
- (d) provide for the purchase of a minority Shareholder’s Shares by our other Shareholders or by us and, in the case of a purchase of Shares by us, a corresponding reduction of our Company’s share capital;
- (e) in the case of a purchase of Shares by our Company, provide for a reduction accordingly of our Company’s share capital; or
- (f) provide that we be wound up.

DESCRIPTION OF OUR SHARES

Treasury Shares

The Constitution expressly permits our Company to purchase or acquire Shares or stocks of our Company and to hold such Shares or stocks (or any of them) as treasury shares in accordance with the requirements of the Companies Act. Our Company may make a purchase or acquisition of our own Shares (i) on a securities exchange if the purchase or acquisition has been authorised in advance by our Company in general meeting; or (ii) otherwise than on a securities exchange if the purchase or acquisition is made in accordance with an equal access scheme authorised in advance by our Company in general meeting. The aggregate number of Shares held as treasury shares shall not at any time exceed 10.0% of the total number of Shares of our Company at that time. Any excess Shares shall be disposed or cancelled before the end of a period of six (6) months beginning with the day on which that contravention of limit occurs, or such further period as the Registrar may allow. Where Shares or stocks are held as treasury shares by our Company through purchase or acquisition by our Company, our Company shall be entered in the register as the member holding those Shares or stocks.

Our Company shall not exercise any right in respect of the treasury shares and any purported exercise of such a right is void. Such rights include any right to attend or vote at meetings and our Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of our Company's assets (including any distribution of assets to members on a winding-up) may be made to our Company in respect of the treasury shares. However, this would not prevent an allotment of Shares as fully paid bonus Shares in respect of the treasury shares or the subdivision or consolidation of any treasury Share into treasury shares of a greater or smaller amount, if the total value of the treasury shares after the subdivision or consolidation is the same as the total value of the treasury share before the subdivision or consolidation, as the case may be.

Where Shares are held as treasury shares, our Company may at any time (i) sell the treasury shares (or any of them) for cash; (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to an employees' share scheme; (iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person; (iv) cancel the treasury shares (or any of them); or (v) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribe.

EXCHANGE CONTROLS

The following is a description of the exchange controls that exist in the jurisdictions in which our Group operates.

Singapore

There are currently no Singapore governmental laws, decrees, regulations or other legislation that may affect:

- (i) the import or export of capital, including the availability of cash and cash equivalents for use by our Group; and
- (ii) the remittance of dividends, interest or other payments to non-resident holders of our Company's securities.

Japan

There is currently no exchange control restrictions in Japan on the repatriation of capital and remittance of profits from our Japan-incorporated subsidiaries to our Company.

Our Company and its subsidiaries, including all of its Japan-incorporated subsidiaries, are "foreign-investors" for purposes of the Foreign Exchange and Foreign Trade Act of Japan (the "FEFTA"). Under the FEFTA, if conducted by a foreign investor, certain direct investments into Japan such as:

- (i) the acquisition of shares in a non-listed company from a non-foreign investor, or
- (ii) the acquisition of shares in a listed company which will result in the foreign-investor and its affiliated entities holding 1.0% or more of the outstanding shares in the listed company,

require either (depending, among others, on the specific businesses conducted by the company in which the investment is made):

- (a) prior notification to and approval of the competent minister(s);
- (b) submission of a post factum notification (within 45 days in principle) to the competent minister(s); or
- (c) no approval and notification.

In addition, under the FEFTA, the Minister of Finance of Japan has the power, *vis-a-vis* both Japan residents and non-residents entering into capital transactions related to Japan, to require such persons to obtain the prior approval of the Minister for the capital transaction, if the Minister is of the view that capital transactions generally, if conducted without any restrictions, would (i) make it difficult to maintain Japan's balance of international payments, (ii) bring about a drastic fluctuation in Japanese currency exchange rates, or (iii) involve a massive transfer of funds between Japan and a foreign state such as to adversely affect the financial market or capital market of Japan. Capital transactions include, among others, transactions that give rise to, alter, or extinguish a claim under or based on (x) a deposit contract, (y) a money loan agreement, or (z) a sales contract involving foreign means of payment (i.e., a foreign currency), between a resident and a non-resident. For purposes of the FEFTA, our Japanese subsidiaries are deemed Japan residents, while we are deemed non-resident in Japan (except for any branch office, local

EXCHANGE CONTROLS

office, or other office that we may establish in Japan in the future). Certain capital transactions, such as the acquisition of land by a non-resident in Japan, is reportable to the Minister of Finance within 20 days.

The Minister also has the power to require (i) Japan residents and non-residents to obtain the Minister's prior approval for payments from Japan to a foreign country, and (ii) Japan residents to obtain the Minister's prior approval for payments to non-residents, if the Minister finds that such measure is highly necessary to maintain Japan's balance of international payments. Currently, the Minister has not imposed any general obligation on Japan residents or non-residents to obtain any prior approval for capital transactions or payments to non-residents or to foreign countries.

Payments from our Japanese subsidiaries to our Company and vice versa are generally reportable if the payment amount exceeds JPY 30 million. If a payment is made or received through a bank, the Japanese subsidiary who paid or received the funds must submit the requisite form to the bank within ten days following the transfer in principle. The bank will then report the payment or receipt of funds to the competent minister through the Bank of Japan.

Malaysia

There are foreign exchange policies in Malaysia which regulates and monitors the capital flows in and out of Malaysia in order to preserve its financial and economic stability. The foreign exchange policies monitor and regulate both residents and non-residents. Subject to the Foreign Exchange Administration Notice No. 4 and the Foreign Exchange Administration Rules issued by the Bank Negara Malaysia, non-residents may freely repatriate any amount of funds from Malaysia, including, divestment proceeds, profits, dividends and any income arising from investment in Malaysia, subject to applicable reporting requirements and any withholding tax, provided that the repatriation is made in foreign currency.

Non-residents are also free to invest in any form of RM assets either as direct or portfolio investments. The investments can be funded through (a) conversion of foreign currency to RM with licensed onshore banks (excluding licensed international Islamic banks) or through an appointed overseas office of the licensed onshore bank's banking group, (b) foreign currency borrowings from the licensed onshore banks or (c) RM borrowing from licensed onshore banks (excluding licensed international Islamic banks) for real sector activities and for the purchase of residential and commercial properties in Malaysia except for the purchase of land only.

CLEARANCE AND SETTLEMENT

For the purposes of trading on SGX-ST, a board lot of our Shares will comprise 100 Shares. Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of CDP, and all dealings in and transactions of our Shares through Catalist will be effected in accordance with the terms and conditions for the operation of Securities Accounts maintained by a Depositor with CDP, as amended, modified or supplemented from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and Depository Agents in the Depository Register maintained by the CDP, rather than CDP itself, will be treated, under our Constitution and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding our Shares in Securities Accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on Catalist, although they will be *prima facie* evidence of title and may be transferred in accordance with our Constitution. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing our Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2.00, or such other amount as our Directors may decide, is payable to the Share Registrar for each share certificate issued and a stamp duty of S\$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S\$0.20 per S\$100.00 or part thereof of the last transacted price where it is withdrawn in the name of a third-party.

Persons holding physical share certificates who wish to trade on Catalist must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10.00 is payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such charges as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time. Transfers and settlements pursuant to on-exchange trades will be charged a fee of S\$30.00 and transfers and settlements pursuant to off-exchange trades will be charged a fee of 0.02% of the value of the transaction, subject to a minimum of S\$75.00.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis. A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.03% of the transaction value subject to a maximum of S\$600.00 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST at the prevailing rate of 9.0% (or such other rate prevailing from time to time).

Dealing in our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on Catalist generally takes place on the third (3rd) Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with a Depository Agent. The Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

GENERAL AND STATUTORY INFORMATION

INFORMATION ON DIRECTORS, EXECUTIVE OFFICERS AND CONTROLLING SHAREHOLDERS

1. Save as disclosed below, none of our Directors, Executive Officers or Controlling Shareholders:
 - (a) has at any time during the last ten (10) years, an application or a petition under any bankruptcy laws of any jurisdiction filed against him or her or against a partnership of which he or she was a partner at the time when he or she was a partner or at any time within two (2) years from the date he or she ceased to be a partner;
 - (b) has at any time during the last ten (10) years, an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he or she was a director or an equivalent person or a key executive, at the time when he or she was a director or an equivalent person or a key executive of that entity or at any time within two (2) years from the date he or she ceased to be a director or an equivalent person or a key executive of that entity, for the winding-up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
 - (c) has any unsatisfied judgments against him or her;
 - (d) has even been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he or she is aware) for such purpose;
 - (e) has been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he or she is aware) for such breach;
 - (f) at any time during the last ten (10) years, had judgment entered against him or her in any civil proceeding in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his or her part, or has been the subject of any civil proceedings (including any pending civil proceedings of which he or she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his or her part;
 - (g) has been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
 - (h) has been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
 - (i) has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him or her from engaging in any type of business practice or activity;

GENERAL AND STATUTORY INFORMATION

- (j) has ever, to his or her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of affairs of:
- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,
- in connection with any matter occurring or arising during the period when he or she was so concerned with the entity or business trust; and
- (k) has ever been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Disclosure relating to Isomoto Atsushi

In May 2018, legal proceedings were brought by a former employer (“**Former Employer**”) of Kuge Koji, an employee and director of Kurimen (“**Employee**”) against Isomoto Atsushi (who is also a director of Kurimen), Kurimen, the Employee, and the Employee’s spouse at the Tokyo District Court for the Employee’s alleged violation of his confidentiality and non-compete obligations owed to his Former Employer after he resigned in February 2018. The Former Employer alleged that Isomoto Atsushi and Kurimen were jointly liable with the Employee for soliciting the Former Employer’s customers using the Former Employer’s confidential information. The Former Employer claimed damages of JPY 8,073,162 and interest accrued and to be accrued thereupon.

In March 2019, the parties to the above litigation came to a full and final settlement of all claims and legal proceedings before the Tokyo District Court (“**Settlement Agreement**”), the terms of which are to be kept confidential. The settlement amount has been fully paid by Isomoto Atsushi, Kurimen, the Employee and the Employee’s spouse in accordance with the terms of the Settlement Agreement. Pursuant to the Settlement Agreement, the Former Employer has since discontinued its claim, and shall have no further claims against the other parties.

The Settlement Agreement did not have any adverse impact on our Group’s financials and operations as the settlement was largely covered by insurance. The terms of the settlement included a restriction on business conduct for a certain period of time which had expired in June 2020. There have been no further claims from the Former Employer.

GENERAL AND STATUTORY INFORMATION

Our Group has implemented a policy to hire only employees who do not have any non-compete obligations or have served out their non-complete obligations. In the event that, there are any potential new hires with non-compete obligations, our Group will first conduct the relevant interviews with them and obtain Board approval prior to such new hires starting work with our Group.

2. There is no shareholding qualification for Directors under our Constitution.
3. Save as disclosed in the section entitled “Interested Person Transactions” of this Offer Document, no Director or expert is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two (2) years preceding the date of this Offer Document, been acquired or disposed of by or leased to us or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to us or any of our subsidiaries.
4. No sum or benefit has been paid or is agreed to be paid to any Director or expert, or to any firm in which such Director or expert is a partner or any corporation in which such Director or expert holds shares or debentures, in cash or shares or otherwise, by any person to induce him or her to become, or to qualify him or her as, a Director, or otherwise for services rendered by him or her or by such firm or corporation in connection with the promotion or formation of our Company.
5. Save as disclosed in the section entitled “Interested Person Transactions” of this Offer Document:
 - (a) none of our Directors, Executive Officers, Substantial Shareholders or any of their associates has had any interest, direct or indirect, in any transactions to which our Company was or is to be a party;
 - (b) none of our Directors, Executive Officers, Substantial Shareholders or any of their associates has any interest, direct or indirect, in any company carrying on the same business or a similar trade which competes materially and directly with the existing business of our Group;
 - (c) none of our Directors, Executive Officers, Substantial Shareholders or any of their associates has any interest, direct or indirect, in any company that is our customer or supplier of goods and services; and
 - (d) none of our Directors has any interest in any existing contract or arrangement which is significant in relation to the business of our Company and our subsidiaries, taken as a whole.

SHARE CAPITAL

6. As at the Latest Practicable Date, there is only one (1) class of shares in the capital of our Company, being ordinary shares in the share capital of our Company. There are no founder, management or deferred shares. The rights and privileges attached to our Shares are stated in our Constitution.
7. Save as disclosed in the sections entitled “Share Capital” and “Ownership Structure” of this Offer Document, there are no changes in the share capital or the number and classes of shares of our Company or our subsidiaries within the three (3) years preceding the date of this Offer Document.

GENERAL AND STATUTORY INFORMATION

8. Save as disclosed in the sections entitled “Share Capital” and “Ownership Structure” of this Offer Document, no shares in, or debentures of, our Company or any of our subsidiaries have been issued, or are proposed to be issued, as fully or partly paid-up for cash, or for a consideration other than cash, during the last three (3) years preceding the date of this Offer Document.
9. Save as disclosed under the section entitled “Share Capital” of this Offer Document, as at the Latest Practicable Date, no person has been, or is entitled to be, given an option to subscribe for any shares in or debentures of our Company or any of our subsidiaries.

OUR CONSTITUTION

10. Our Company is registered in Singapore with the Accounting and Corporate Regulatory Authority with registration number 201938544H.
11. A summary of our Constitution relating to, *inter alia*, Directors’ powers to vote on contracts in which they are interested, Directors’ remuneration, Directors’ borrowing powers, Directors’ retirement, Directors’ share qualification, rights pertaining to shares, convening of general meetings and alteration of capital are set out in “Appendix D – Summary of Selected Regulations of the Constitution of our Company” of this Offer Document. Our Constitution is available for inspection at our registered office in accordance with paragraph 31 in the section entitled “General and Statutory Information – Documents Available for Inspection” of this Offer Document.

MATERIAL CONTRACTS

12. Save as disclosed below, our Company and our subsidiaries have not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two (2) years preceding the date of lodgement of this Offer Document:
 - (a) Facility letter dated 8 July 2022 entered into between Kiraboshi Bank, Ltd and FIJ for a loan amount of S\$403,830 (JPY 40 million) for the purpose of FIJ’s working capital;
 - (b) Loan agreement dated 22 March 2023 entered into between our Company and Starwoods Holdings Co., Ltd for a loan amount of S\$861,400 (JPY 100 million) for the purposes of our Company’s working capital; further details on the guarantee given by Kubota Yasuaki, our Director, in connection with this loan are provided in the section entitled “Interested Person Transactions – Past Interested Person Transactions – Personal Guarantees provided by our Directors, Furukawa Kazuteru and Kubota Yasuaki” of this Offer Document;
 - (c) Loan agreement dated 21 August 2023 entered into between our Company and Prosper Co., Ltd (a Japanese company) for a loan amount of S\$206,402 (JPY 23 million) for the purposes of our Company’s working capital; further details on the guarantee given by Kubota Yasuaki, our Director, in connection with this loan are provided in the section entitled “Interested Person Transactions – Present and Ongoing Interested Person Transactions – Personal Guarantees provided by our Directors, Furukawa Kazuteru and Kubota Yasuaki” of this Offer Document;
 - (d) Store assets transfer agreement dated 1 September 2023 entered into between FIJ and TMT for a sale of the store assets for a consideration S\$1,237,159 (JPY 146.6 million);
 - (e) Share purchase agreement dated 8 September 2023 entered into between our Company and FIJ in relation to the sale of 5,000 shares of common stock in TMT to our Company for a consideration of S\$448,700 (JPY 50 million);

GENERAL AND STATUTORY INFORMATION

- (f) Memorandum of Understanding dated 30 November 2023 entered into between FIJ, Mynavi Bridge in relation to the Mynavi Restaurant Business Fund;
- (g) Stores asset transfer agreement dated 20 November 2023 entered into between FIJ and Food Train Co., Ltd., in relation to an acquisition of properties, goodwill and security deposit in respect of the properties owned by Food Train Co., Ltd for a consideration of S\$1,645,153 (JPY 195 million);
- (h) Stock purchase agreement dated 30 November 2023 entered into between FIJ and Starwoods Holdings Co., Ltd in relation to a sale of Kurimen for a consideration of S\$1,794,800 (JPY 200 million);
- (i) Lease property management service agreement dated 30 November 2023 entered into between Mynavi SPC and FIJ in relation to the provision of property management services under the Mynavi Restaurant Business Fund;
- (j) Trademark assignment agreement dated 26 February 2024 entered into between FIS and First Pacific Capital Y.K. (Japanese company) in relation to the assignment of “Sanji”¹ trademark for consideration of S\$294,617 (JPY 33 million);
- (k) Share purchase agreement dated 26 February 2024 entered into between our Company and 第一太平洋投資股份有限公司 (First Pacific Investment) (a Taiwanese company) in relation to the sale of FIT for a consideration of S\$44,870 (JPY 5 million);
- (l) Loan agreement dated 30 April 2024 entered into between FIJ and Kiraboshi Bank, Ltd for a loan amount of S\$955,240 (JPY 110 million) for the purposes of our Company’s working capital;
- (m) Loan agreement dated 31 May 2024 entered into between our Company and Starwoods Holdings Co., Ltd for a loan amount of S\$861,400 (JPY 100 million) for the purposes of our Company’s working capital; further details on the guarantee given by Kubota Yasuaki, our Director, in connection with this loan are provided in the section entitled “Interested Person Transactions – Present and Ongoing Interested Person Transactions – Personal Guarantees provided by our Directors, Furukawa Kazuteru and Kubota Yasuaki” of this Offer Document;
- (n) Loan agreement dated 27 June 2024 entered into between FIJ and Prosper Co., Ltd for a loan amount of S\$843,700 (JPY 100 million) for the purposes of our Company’s working capital; further details on the guarantee given by Kubota Yasuaki, our Director, in connection with this loan are provided in the section entitled “Interested Person Transactions – Present and Ongoing Interested Person Transactions – Personal Guarantees provided by our Directors, Furukawa Kazuteru and Kubota Yasuaki” of this Offer Document;
- (o) Loan agreement dated 10 July 2024 entered into between FIJ and Kiraboshi Bank, Ltd for a loan amount of S\$349,720 (JPY 40 million) for the purposes of our Company’s working capital;

¹ As at the Latest Practicable Date, the transfer of ownership application of three (3) “Sanji” trade marks in China, Taiwan and Japan has not been filed by First Pacific Capital Y.K.

GENERAL AND STATUTORY INFORMATION

- (p) The personal guarantees referred to in the sub-section entitled “Interested Person Transactions – Present and Ongoing Interested Person Transactions – Personal Guarantees provided by our Directors, Furukawa Kazuteru and Kubota Yasuaki” of this Offer Document;
- (q) The Service Agreements referred to in the sub-section entitled “Directors, Executive Officers and Employees – Service Agreements” in this Offer Document; and
- (r) The Sponsorship, Management and Underwriting Agreement and Placement Agreement, as further described in the sub-section entitled “General and Statutory Information – Management, Underwriting and Placement Arrangements” of this Offer Document.

LITIGATION

- 13. To the best of our knowledge and belief, having made all reasonable enquiries, neither our Company nor any of our subsidiaries is engaged in any legal or arbitration proceedings as plaintiff or defendant, including those which are pending or known to be contemplated, which may have or which have had in the 12 months immediately preceding the date of lodgement of the Offer Document, a material effect on our Group’s financial position or profitability of our Company or our subsidiaries.

MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

- 14. Pursuant to the Sponsorship, Management and Underwriting Agreement entered into between our Company and PPCF as the Sponsor and Issue Manager, our Company appointed PPCF to sponsor and manage the Invitation. PPCF will receive a management fee for such services rendered.

Pursuant to the Placement Agreement entered into between our Company and PPCF as the Placement Agent, PPCF will receive a placement commission from our Company of 4.0% of the gross proceeds raised from the investors introduced by the PPCF. Subject to any applicable laws and regulations, our Company agrees that PPCF shall be at liberty at its own expense to sub-place its placement obligations under the Placement Agreement and/or appoint such sub-placement agents upon such terms and conditions as PPCF may deem fit.

The Underwriter will receive an underwriting commission of 4.0% of the aggregate Invitation Price for the total number of Public Offer Shares underwritten by the Underwriter but excluding the portion of the Public Offer Shares which have been applied to satisfy excess applications for Placement Shares. PPCF may, at its absolute discretion, appoint one or more sub-underwriters for the Public Offer Shares. Payment of the underwriting commission shall be made whether or not any allotment and issue of the Public Offer Shares is made to PPCF or its nominees.

- 15. The Sponsorship, Management and Underwriting Agreement may be terminated by PPCF on the occurrence of certain events including:
 - (a) PPCF becoming aware of any inaccuracy or misrepresentation by our Company and/or their respective agent(s) or any breach of any of the warranties, representations, covenants or undertakings given by our Company to PPCF in the Sponsorship, Management and Underwriting Agreement;

GENERAL AND STATUTORY INFORMATION

- (b) if any of the conditions precedent in the Sponsorship, Management and Underwriting Agreement has not been fulfilled or waived by PPCF on or before the date for the settlement of subscriptions, sales and purchases of the Invitation Shares as our Company and PPCF may agree;
- (c) if there shall have been or come into effect, since the date of the Sponsorship, Management and Underwriting Agreement:
 - (i) in the opinion of PPCF, any material adverse effect, or any development involving a prospective material adverse effect;
 - (ii) in any relevant jurisdiction, any introduction or prospective introduction of or any change in any statute, regulation, order, policy or directive (whether or not having the force of law and including without limitation, any directive or request issued by the SGX-ST) or in the interpretation or application thereof by any court or other competent authority;
 - (iii) any material adverse change, or any development involving a prospective material adverse change or crisis, in local, national or international monetary, financial and capital markets (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, industrial, economic, legal or monetary conditions, taxation or exchange controls (including without limitation, the imposition or any moratorium, suspension or material restriction on trading in securities generally on the SGX-ST (including Catalist));
 - (iv) any material adverse change, or any development involving a prospective material adverse change, in local, national or international securities or stock markets or financial markets;
 - (v) any occurrence or any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict that may have a material adverse effect on the financial markets;
 - (vi) any regional or local outbreak of disease that may have a material adverse effect on the financial markets;
 - (vii) any event or series of events in the nature of *force majeure* (including without limitation, acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, acts of war, acts of terrorism, acts of God, accident, epidemics, earthquakes or interruption or delay in transportation);
 - (viii) any material adverse change, or any development involving a prospective material adverse change, in the business, trading position, operations or prospects of our Company or of our Group as a whole; or
 - (ix) any material adverse change, or any development involving a prospective material adverse change, which make it uncommercial or otherwise contrary to or outside the usual commercial practices in Singapore for PPCF to observe or perform or be obliged to observe or perform the terms of the Sponsorship, Management and Underwriting Agreement,

GENERAL AND STATUTORY INFORMATION

which event(s) shall in the reasonable opinion of PPCF exercised in good faith (a) be likely to prejudice the success of the subscription, placement or issue of the Invitation Shares (whether in the primary market or in respect of dealings in the secondary market) or be likely to have a material adverse effect or a material adverse effect on the offer of the Invitation Shares, or (b) be likely to have a material adverse effect on the business, trading position, operations or prospects of our Company or of our Group as a whole, or (c) make it impracticable or inadvisable to proceed with the subscription, sale, placement, issue or transfer of the Invitation Shares, or (d) be such that no reasonable full sponsor or issue manager would have entered into the Sponsorship, Management and Underwriting Agreement, or (e) result in a material fluctuation or material adverse conditions in the SGX-ST which event(s) shall in the reasonable opinion of PPCF exercised in good faith be likely to have a material adverse effect on the Invitation, or (f) make it uncommercial or otherwise contrary to or outside the usual commercial practices in Singapore for PPCF to observe or perform or be obliged to observe or perform the terms of the Sponsorship, Management and Underwriting Agreement;

- (d) a stop order is issued by the SGX-ST, acting as agent on behalf of the Authority, or other competent authority pursuant to the SFA (notwithstanding that a supplementary or replacement offer document is subsequently registered with the SGX-ST);
- (e) if the SGX-ST or the Authority or other regulatory body having authority over our Company shall make any ruling (or revoke any ruling previously made) the effect of which would restrict or impede the listing of and quotation for the Invitation Shares;
- (f) if the issue and subscription and/or sale and transfer of the Invitation Shares in accordance with the provisions of the Sponsorship, Management and Underwriting Agreement shall be prohibited by any statute, order, regulation or directive issued by, or objected to by, any legislative, executive or regulatory body or authority of Singapore or elsewhere (including without any limitation, the Authority and the SGX-ST); or
- (g) there is a conflict of interest for PPCF, or any dispute, conflict or disagreement with our Company or our Company wilfully fails to comply with any advice from or recommendation of PPCF.

Notwithstanding anything herein contained, PPCF may by notice in writing to our Company terminate the Sponsorship, Management and Underwriting Agreement if:

- (a) there comes to the notice of PPCF (1) any statement contained in this Offer Document or Application Forms relating hereto which in the sole and absolute opinion of PPCF has become untrue, incorrect or misleading in any material respect, or (2) circumstances or matters have arisen or have been discovered, which would, if this Offer Document was to be issued at that time, constitute in the sole and absolute opinion of PPCF, a material omission of such information, and our Company fails to lodge a supplementary or replacement Offer Document or document within a reasonable time after being notified of such a material misrepresentation or omission or fails to promptly take such steps as PPCF may reasonably require to inform investors of the lodgement of such supplementary Offer Document or document; or
- (b) our Company has not been admitted to the Official List of Catalist or there is no listing or quotation for trading of the Invitation Shares on Catalist on or before 30 November 2024 (or such other date as our Company and PPCF may agree).

GENERAL AND STATUTORY INFORMATION

16. The Placement Agreement and the obligations of PPCF under the Placement Agreement are conditional upon, amongst others:
- (a) this Offer Document having been registered by the SGX-ST acting as agent on behalf of the Authority by the date of registration in accordance with the Catalist Rules;
 - (b) the notice of registration ("**Registration Notice**") being issued or granted by the SGX-ST acting as agent on behalf of the Authority and such Registration Notice not being revoked or withdrawn on or prior to the date of closing of the Application List or such other date for settlement of subscriptions of Invitation Shares as our Company and PPCF may agree (the "**Closing Date**");
 - (c) the compliance by our Company to the satisfaction of the SGX-ST with all the conditions imposed by the SGX-ST in granting the listing and quotation notice (if any), where such conditions are required to be complied with by the Closing Date;
 - (d) the SGX-ST not having withdrawn or changed the terms and conditions of its letter of eligibility for the admission of our Company to the Official List of Catalist and the question of dealing in all the existing issued Shares in the Capital of our Company and the Invitation Shares on Catalist ("**Admission**") and our Company having complied with any conditions contained therein required to be complied with prior to the Admission;
 - (e) such approvals as may be required for the transactions described in the Placement Agreement and in this Offer Document in relation to the Admission and the Invitation being obtained, and not withdrawn or amended, on or before the date on which our Company is admitted to Catalist (or such other date as our Company and PPCF may agree in writing);
 - (f) the offer, allotment, issue, transfer and subscription of the Invitation Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of this Agreement by any legislative, executive or regulatory body or authority of Singapore or any other jurisdiction, which is applicable to our Company or PPCF;
 - (g) there not having occurred, in the opinion of PPCF, any material adverse effect or any development likely to involve a prospective material adverse effect, whether or not arising from transactions in the ordinary course of business, subsequent to the date of this Agreement which, in the opinion of PPCF, is or is likely to be materially adverse in the context of the Invitation or is reasonably likely to prejudice materially the success of the Invitation or dealings in the secondary market nor the occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect, as at the Closing Date, any of the warranties or representations contained in the Placement Agreement nor any breach by our Company of any of its obligations hereunder;
 - (h) the compliance by our Company with all applicable laws and regulations concerning the Admission, the listing of the Shares, the Invitation Shares and the Pre-IPO Option Shares on Catalist and the transactions contemplated in the Placement Agreement and this Offer Document and no new laws, regulations and directives having been promulgated, published and/or issued and/or having taken effect or any other similar matter having occurred which, in the reasonable opinion of PPCF, has or may have an adverse effect on the Invitation and the listing of the Shares, the Invitation Shares, PPCF Shares and the Pre-IPO Option Shares on Catalist;

GENERAL AND STATUTORY INFORMATION

- (i) the delivery by our Company to PPCF by 8.00 am on the Closing Date, of a certificate signed on behalf of our Company by its duly authorised officers;
- (j) the delivery to PPCF, on the date of registration of this Offer Document, of a copy of the legal due disclosure letter (or equivalent) in agreed form prepared by in relation to the Admission and PPCF being satisfied with the results, findings, advice, opinions and/or conclusions set out in such letter (or equivalent);
- (k) the letters of undertaking as set out in the sub-section entitled “Ownership Structure – Moratorium” of this Offer Document being executed and delivered to PPCF before the date of registration of the Offer Document; or
- (l) the representations, warranties and undertakings in the Placement Agreement remaining true and accurate in all respects as at the Closing Date and our Company having performed all of its obligations hereunder to be performed on or before the Closing Date.

MISCELLANEOUS

- 17. There has been no previous issue of Shares by our Company or offer for sale of our Shares to the public within the two (2) years preceding the date of this Offer Document.
- 18. There has not been any public take-over offer by a third party in respect of our Shares, or by our Company in respect of shares of another corporation or units of a business trust, which has occurred between the date of incorporation of our Company and the Latest Practicable Date.
- 19. Save as disclosed in the sub-section entitled “General and Statutory Information – Management, Underwriting and Placement Arrangements” and the section entitled “Plan of Distribution” of this Offer Document, no commission, discount or brokerage has been paid or other special terms granted within the two (2) years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing for and/or purchasing or agreeing to subscribe for and/or purchase or procuring or agreeing to procure subscription for and/or purchase of any shares in or debentures of our Company or any of our subsidiaries.
- 20. No expert is employed on a contingent basis by our Company or any of our subsidiaries, or has a material interest, whether direct or indirect, in the shares of our Company or our subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Invitation.

Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Banker. In the ordinary course of business, the Receiving Banker will deploy these monies in the inter-bank money market. All profits derived from the deployment of such monies will accrue to the Receiving Banker. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.

GENERAL AND STATUTORY INFORMATION

21. Save as disclosed in the section entitled “Risk Factors” of this Offer Document, the financial condition and operations of our Group are not likely to be affected by any of the following:
- (a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group’s liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure;
 - (c) unusual or infrequent events or transactions or any significant economic changes that may materially affect the amount of reported income from operations; and
 - (d) known trends or uncertainties that have had or that we reasonably expect to have a material favourable or unfavourable impact on revenues or operating income.
22. Save as disclosed in the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document, our Directors are not aware of any event which has occurred between the end of FY2024 and the Latest Practicable Date, which may have a material effect on the financial position and results of operations of our Group or the financial information provided in this Offer Document.
23. Details, including the name address and professional qualifications including membership in a professional body of the auditors of our Company for the Period Under Review are as follows:

Name and address	Professional body	Partner-in-charge/ Professional qualification
Forvis Mazars LLP (Formerly known as Mazars LLP) ⁽¹⁾ 135 Cecil St, #10-01 Singapore 069536	Institute of Singapore Chartered Accountants	Partner-in-charge: Ooi Chee Keong (A member of the Institute of Singapore Chartered Accountants)

Note:

- (1) Or such member firms of Forvis Mazars LLP (formerly known as Mazars LLP) in order to comply with applicable legislation.

We currently have no intention of changing our auditors after the Listing.

CONSENTS

24. The Auditors and Reporting Accountants, Forvis Mazars LLP (formerly known as Mazars LLP), has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of the “Appendix A – Independent Auditors’ Report And The Audited Consolidated Financial Statements For The Financial Years Ended 28 February 2022, 28 February 2023 And 29 February 2024” and “Appendix B – Independent Auditors’ Assurance Report And The Compilation Of Unaudited Pro Forma Consolidated Financial Information Of Food Innovators Holdings Limited For The Financial Year Ended 29 February 2024” in the form and context in which they are included in the Offer Document.

GENERAL AND STATUTORY INFORMATION

25. The Sponsor, Issue Manager, Underwriter and Placement Agent has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and references thereto in the form and context in which they appear in this Offer Document and to act in such capacities in relation of this Offer Document (including its opinion as set out in the section entitled “Capitalisation and Indebtedness – Working Capital” of this Offer Document).
26. The Independent Market Researcher has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its report entitled “Overview of the Food Service Industry in Japan” dated 29 August 2024 in the form and context in which they are included in the Offer Document, and references to its name in the form and context in which they appear in this Offer Document.
27. Each of the Legal Adviser to our Company on Singapore Law, the Legal Adviser to our Company on Japanese Law, the Legal Adviser to our Company on Malaysia Law, and the Legal Adviser to the Sponsor, Issue Manager, Underwriter and Placement Agent on Singapore Law has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto in the form and context in which they appear in this Offer Document and to act in such capacity in relation of this Offer Document.
28. Each of the Legal Adviser to our Company on Singapore Law, the Legal Adviser to our Company on Japanese Law, the Legal Adviser to our Company on Malaysian Law, the Legal Adviser to the Sponsor, Issue Manager, Underwriter and Placement Agent on Singapore Law, the Share Registrar, the Principal Bankers and the Receiving Banker do not make or purport to make any statement in this Offer Document or any statement upon which a statement in this Offer Document is based and each of them makes no representation regarding any statement in this Offer Document and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any liability to any person which is based on, or arises out of, any statement, information or opinions in, or omission from, this Offer Document.

DOCUMENTS AVAILABLE FOR INSPECTION

29. The following documents or copies thereof may be inspected at our registered address during normal business hours for a period of six (6) months from the date of registration of this Offer Document by the SGX-ST as acting on behalf of the Authority:
 - (a) our Constitution;
 - (b) the Audited Consolidated Financial Statements for the Financial Years ended 28 February 2022 and 2023, and 29 February 2024 as set out in “Appendix A – Independent Auditors’ Report And The Audited Consolidated Financial Statements For The Financial Years Ended 28 February 2022, 28 February 2023 And 29 February 2024” of this Offer Document;
 - (c) the Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 29 February 2024 as set out in “Appendix B – Independent Auditors’ Assurance Report And The Compilation Of Unaudited Pro Forma Consolidated Financial Information Of Food Innovators Holdings Limited For The Financial Year Ended 29 February 2024” of this Offer Document;

GENERAL AND STATUTORY INFORMATION

- (d) the material contracts referred to in this Offer Document;
- (e) the original letters of consent referred to in this Offer Document;
- (f) the Service Agreements referred to in the sub-section entitled “Directors, Executive Officers and Employees – Service Agreements” in this Offer Document;
- (g) the bilingual Industry Report as set out in “Appendix C – Industry Report” of this Offer Document; and
- (h) the rules of the Food Innovators Employee Share Option Scheme, being the applicable rules in respect of the Pre-IPO Options, as set out in “Appendix E – Pre-IPO Options” of this Offer Document.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

30. Our Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Invitation and our Group, and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

This page has been intentionally left blank.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

**CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022,
28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED
(Incorporated in Singapore)
AND ITS SUBSIDIARIES

This page has been intentionally left blank.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

**INDEPENDENT AUDITORS’ REPORT ON THE AUDITED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023
AND 29 FEBRUARY 2024**

The Board of Directors
Food Innovators Holdings Limited
6 Eu Tong Sen Street,
#09-17 The Central,
Singapore 059817

Dear Sirs,

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Food Innovators Holdings Limited (the “Company”) and its subsidiaries (the “Group”). The consolidated financial statements comprise the consolidated statement of financial position as at 28 February 2022, 28 February 2023 and 29 February 2024 and the related consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial years ended 28 February 2022, 28 February 2023 and 29 February 2024, including a summary of material accounting policies and other explanatory information, as set out on pages A4 to A71.

In our opinion, the accompanying consolidated financial statements of the Group are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) so as to give a true and fair view of the consolidated financial position of the Group as at 28 February 2022, 28 February 2023 and 29 February 2024 and of the consolidated financial performance, changes in equity and cash flows of the Group for the financial years ended 28 February 2022, 28 February 2023 and 29 February 2024.

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 *Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accounts and Accounting Entities (“ACRA Code”)* together with the ethical requirements that are relevant to our audit of the consolidated 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.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

Report on the Audit of the Consolidated Financial Statements (Continued)

Responsibilities of Management and Directors for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with the SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide 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 consolidated financial statements and to maintain accountability of assets.

In preparing the consolidated 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.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ 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 consolidated 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 consolidated 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.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- 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 auditors’ report to the related disclosures in the consolidated 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 auditors’ 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

Restriction on Distribution and Use

This report has been prepared solely for inclusion in the Offer Document of the Company in connection with the Initial Public Offering of the shares of the Company on the Catalist of Singapore Exchange Securities Trading Limited and for no other purpose.

FORVIS MAZARS LLP (FORMERLY KNOWN AS MAZARS LLP)

Public Accountants and
Chartered Accountants

Singapore

9 October 2024

Ooi Chee Keong

Partner-in-charge

A member of the Institute of Singapore Chartered Accountants

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

	<u>Note</u>	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Revenue	4	43,773	39,668	37,818
Cost of sales		<u>(35,920)</u>	<u>(34,245)</u>	<u>(32,065)</u>
Gross profit		7,853	5,423	5,753
Other income	5	2,912	1,081	2,146
Administrative and distribution expenses		(6,971)	(7,608)	(5,685)
Other expenses		(595)	(1,563)	(874)
Finance costs	6	(780)	(577)	(819)
Share of losses from equity-accounted for associate		<u>(91)</u>	<u>-</u>	<u>-</u>
Profit /(Loss) before income tax	7	2,328	(3,244)	521
Income tax expense	8	<u>(923)</u>	<u>(143)</u>	<u>(118)</u>
Profit/(Loss) for the year		<u>1,405</u>	<u>(3,387)</u>	<u>403</u>
Other comprehensive loss: Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign subsidiaries		<u>(121)</u>	<u>(214)</u>	<u>(92)</u>
		<u>(121)</u>	<u>(214)</u>	<u>(92)</u>
Total comprehensive income/(loss) for the financial year		<u>1,284</u>	<u>(3,601)</u>	<u>311</u>
Profit/(Loss) for the year attributable to:				
- Owners of the Company		1,405	(3,387)	403
- Non-controlling interests		<u>-</u>	<u>-</u>	<u>-</u>
		<u>1,405</u>	<u>(3,387)</u>	<u>403</u>
Total comprehensive income/(loss) for the financial year attributable to:				
- Owners of the Company		1,284	(3,601)	311
- Non-controlling interests		<u>-</u>	<u>-</u>	<u>-</u>
		<u>1,284</u>	<u>(3,601)</u>	<u>311</u>
Earnings/(Loss) per share attributable to owners of the Company (cents)				
Basic and diluted earnings/(loss) per share	9	<u>1.62</u>	<u>(3.98)</u>	<u>0.47</u>
Total basic and diluted earnings/(loss) per share		<u>1.62</u>	<u>(3.98)</u>	<u>0.47</u>

The accompanying notes from an integral part of and should be read in conjunction with these consolidated financial statements

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

	<u>Note</u>	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	10	1,247	2,821	7,043
Trade and other receivables	11	7,990	5,658	5,845
Inventories	12	393	281	447
Income tax receivables		-	19	-
		<u>9,630</u>	<u>8,779</u>	<u>13,335</u>
Non-current assets				
Property, plant and equipment	13	3,300	2,158	3,375
Right-of-use assets	14	33,605	25,543	31,029
Intangible assets	15	491	890	1,583
Goodwill	16	1,257	428	428
Investment in associate	17	92	-	-
Other investment	18	-	-	-
Trade and other receivables	11	12,850	13,372	15,265
Deferred tax assets	19	273	297	549
		<u>51,868</u>	<u>42,688</u>	<u>52,229</u>
Total assets		<u>61,498</u>	<u>51,467</u>	<u>65,564</u>
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	20	8,173	6,750	6,532
Borrowings	21	1,787	2,566	3,439
Lease liabilities	22	13,272	10,381	13,970
Income tax payable		900	-	101
		<u>24,132</u>	<u>19,697</u>	<u>24,042</u>
Non-current liabilities				
Trade and other payables	20	7,732	8,543	9,221
Borrowings	21	6,376	8,531	11,257
Lease liabilities	22	20,886	16,230	19,115
		<u>34,994</u>	<u>33,304</u>	<u>39,593</u>
Capital and reserves				
Share capital	23	23,673	21,277	21,277
Share option reserve	24	1,018	792	654
Merger reserve	25	(15,415)	(15,415)	(15,415)
Translation reserve	26	(131)	(10)	204
Accumulated losses		<u>(6,773)</u>	<u>(8,178)</u>	<u>(4,791)</u>
Total equity		<u>2,372</u>	<u>(1,534)</u>	<u>1,929</u>
Total liabilities and equity		<u>61,498</u>	<u>51,467</u>	<u>65,564</u>

The accompanying notes from an integral part of and should be read in conjunction with these consolidated financial statements

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

	Share capital S\$'000	Accumulated losses S\$'000	Translation reserve S\$'000	Merger reserve S\$'000	Share option reserve S\$'000	Total Equity S\$'000
Balance at 1 March 2021 (unaudited)	21,277	(5,194)	296	(15,415)	552	1,516
Profit for the year	-	403	-	-	-	403
Other comprehensive income	-	-	(92)	-	-	(92)
Exchange differences on translation of foreign operations	-	-	(92)	-	-	(92)
Total comprehensive loss for the year	-	403	(92)	-	-	311
Share-based compensation expense	-	-	-	-	102	102
Balance at 28 February 2022	21,277	(4,791)	204	(15,415)	654	1,929
Loss for the year	-	(3,387)	-	-	-	(3,387)
Other comprehensive loss	-	-	(214)	-	-	(214)
Exchange differences on translation of foreign operations	-	-	(214)	-	-	(214)
Total comprehensive loss for the year	-	(3,387)	(214)	-	-	(3,601)
Share-based compensation expense	-	-	-	-	138	138
Balance at 28 February 2023	21,277	(8,178)	(10)	(15,415)	792	(1,534)

The accompanying notes form an integral part of and should be read in conjunction with these consolidated financial statements

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

	Share capital S\$'000	Accumulated losses S\$'000	Translation reserve S\$'000	Merger reserve S\$'000	Share option reserve S\$'000	Total Equity S\$'000
Balance at 28 February 2023 (Continued)	21,277	(8,178)	(10)	(15,415)	792	(1,534)
Profit for the year	-	1,405	-	-	-	1,405
Other comprehensive income	-	-	(121)	-	-	(121)
Exchange differences on translation of foreign operations	-	-	(121)	-	-	(121)
Total comprehensive income for the year	-	1,405	(121)	-	-	1,284
Share capital pending issuance (Note 23)	2,396	-	-	-	-	2,396
Share-based compensation expense	-	-	-	-	226	226
Balance at 29 February 2024	23,673	(6,773)	(131)	(15,415)	1,018	2,372

The accompanying notes form an integral part of and should be read in conjunction with these consolidated financial statements

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Operating activities			
Profit/(Loss) before income tax	2,328	(3,244)	521
Adjustments for:			
Depreciation of property, plant and equipment	509	779	774
Depreciation of right of use assets	15,225	13,114	16,956
Amortisation of intangible assets	71	109	56
Employee share options expense	226	138	102
Fair value loss arising from other investment at FVTPL	-	31	-
Gain on disposal of intangible assets	(294)	-	-
Gain on disposal of right-of-use-asset	-	-	(7)
Gain on disposal of subsidiaries ⁽¹⁾	(1,707)	-	-
Loss on disposal of property, plant and equipment	19	512	10
Loss on lease termination ⁽²⁾	-	685	-
Impairment loss on property, plant and equipment	-	-	81
Impairment loss on right-of-use assets	-	-	226
Impairment loss on intangible assets	288	529	-
Impairment loss on goodwill	489	-	-
Reversal for credit losses on receivables	(153)	34	(80)
Interest income	(5)	(14)	(24)
Interest expense	780	577	819
Bad debts expense	-	364	-
Unrealised foreign exchange gain	(280)	(371)	(71)
Share of losses from equity-accounted for associate	91	-	-
Gain on derecognition of right-of-use-asset	-	-	(14)
Operating cash flows before movements in working capital	17,587	13,243	19,349
Changes in working capital:			
Inventories	(112)	166	(242)
Trade and other receivables	(1,455)	1,682	3,487
Trade and other payables	788	(91)	(1,748)
Cash generated from operations	16,808	15,000	20,846
Income tax (paid)/refunded	(23)	(100)	88
Net cash generated from operating activities	16,785	14,900	20,934

The accompanying notes from an integral part of and should be read in conjunction with these consolidated financial statements

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Investing activities			
Proceeds from disposal of property, plant and equipment	81	13	146
Proceeds from disposal of intangible assets	306	-	-
Proceed from disposal of subsidiaries, net ⁽¹⁾	1,570	-	-
Purchase of property, plant and equipment	(1,975)	(540)	(765)
Acquisition of intangible assets	(17)	(70)	(150)
Interest received	5	14	24
Acquisition of investment in associate	(179)	-	-
Purchase of other investment at FVTPL	-	(31)	-
Acquisition of business (Note 16)	(1,750)	-	-
Net cash used in investing activities	<u>(1,959)</u>	<u>(614)</u>	<u>(745)</u>
Financing activities			
Repayment of obligation under leases	(16,225)	(16,011)	(18,000)
(Repayment)/Proceed of borrowings	(2,167)	(2,167)	2,214
Proceeds from share issuance	2,396	-	-
Interest paid	(41)	-	-
Net cash used in financing activities	<u>(16,037)</u>	<u>(18,178)</u>	<u>(15,786)</u>
Net change in cash and cash equivalents	(1,211)	(3,892)	4,403
Cash and cash equivalents at beginning of the financial year	2,821	7,043	3,147
Effect of exchange rate changes on cash and cash equivalents	(363)	(330)	(507)
Cash and cash equivalents at end of financial year	<u>1,247</u>	<u>2,821</u>	<u>7,043</u>

The accompanying notes from an integral part of and should be read in conjunction with these consolidated financial statements

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

(1) During the financial year ended 29 February 2024, the Group has entered into 2 Share purchase agreements with third parties to dispose of its wholly-owned subsidiaries – Kurimen Co Ltd. (“CLM”) and Food Innovators Taiwan Co., Ltd. (“FIT”) from the restaurant operation and management business segment for considerations of JPY200 million (approximately S\$1,794,000) and JPY5 million (approximately S\$45,000).

The major classes and carrying amount of the assets and liabilities of CLM (Kurimen) and FIT (Food Innovator Taiwan) at the respective disposal dates as mentioned above are as follows:

	CLM	FIT	Total
	30 November 2023	26 February 2024	At disposal dates 1 and 2
	S\$’000	S\$’000	S\$’000
Assets			
Trade and other receivable	451	51	502
Income tax receivable	-	1	1
Cash and cash equivalents	253	16	269
	<u>704</u>	<u>68</u>	<u>772</u>
Liabilities			
Trade and other payables	(554)	(14)	(568)
Net assets of disposal group	<u>150</u>	<u>54</u>	<u>204</u>
Gain/(Loss) on disposal:			
Cash consideration received	1,794	45	1,839
Net assets derecognised	(150)	(54)	(204)
Cumulative exchange differences relating to CLM and FIT reclassified from equity	73	(1)	72
Gain/(Loss) on disposal	<u>1,717</u>	<u>(10)</u>	<u>1,707</u>

The reconciliation of cash inflows on disposal of subsidiaries are as follows:

	CLM	FIT	Total
	30 November 2023	26 February 2024	At disposal dates
	S\$’000	S\$’000	S\$’000
Cash consideration	1,794	45	1,839
Cash and cash equivalents of subsidiaries disposed of	(253)	(16)	(269)
Net cash inflows on disposal	<u>1,541</u>	<u>29</u>	<u>1,570</u>

(2) Loss on lease termination during the financial year ended 28 February 2023 pertain to the early termination of leases.

The accompanying notes from an integral part of and should be read in conjunction with these consolidated financial statements

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

Reconciliation of liabilities arising from financing activities:

	As at 1 March 2023 S\$'000	Non-cash movement				As at 29 February 2024 S\$'000
		Financing cash outflows S\$'000	Acquisition S\$'000	Interest S\$'000	Lease modification S\$'000	
Liabilities						
Bank Borrowings	11,097	(2,167)	-	176	-	8,163
Lease liabilities	26,611	(16,225)	28,392	563	(2,414)	34,158
	As at 1 March 2022 S\$'000	Non-cash movement				As at 28 February 2023 S\$'000
		Financing cash outflows S\$'000	Acquisition S\$'000	Interest S\$'000	Lease modification S\$'000	Foreign exchange movement S\$'000
Liabilities						
Bank Borrowings	14,696	(2,167)	-	121	-	(1,553)
Lease liabilities	33,085	(16,011)	13,057	456	-	(3,976)

The accompanying notes form an integral part of and should be read in conjunction with these consolidated financial statements

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

Reconciliation of liabilities arising from financing activities (Continued):

	As at 1 March 2021 S\$'000	Financing cash inflows/ (outflows) S\$'000	Non-cash movement				Foreign exchange movement S\$'000	As at 28 February 2022 S\$'000
			Acquisition S\$'000	Interest S\$'000	Lease modification S\$'000	Derecognition of lease S\$'000		
Liabilities								
Bank Borrowings	12,860	2,214	-	174	-	(552)	14,696	
Lease liabilities	39,037	(18,000)	15,235	645	(1,417)	(2,155)	33,085	

The accompanying notes form an integral part of and should be read in conjunction with these consolidated financial statements

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

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

1. General

Food Innovators Holdings Limited (the “Company”) (Registration Number 201938544H) was incorporated on Singapore and is domiciled in Singapore with its principal place of business and registered office address at 6 Eu Tong Sen Street, #09-17, The Central, Singapore 059817.

The principal activity of the Company is that of investment holding and management consultancy services.

The detail of its operating entities are disclosed as follows:

<u>Company name</u>	<u>Registration number</u>	<u>Principal activities</u>
Food Innovators Japan Co., Ltd.	8013301030426	Restaurant operation; sale, lease and brokerage of real estate; provision of restaurant management consultancy services
F Innovators Singapore Pte. Ltd.	201205603M	Restaurants operation, the provision of business management and consultancy services
F Innovators Malaysia Sdn. Bhd.	201701028559	Restaurant operation
Food Innovators Taiwan Co., Ltd.	82870173	Franchising of restaurants
Kurimen Co., Ltd.	6013301041383	Provision of restaurant cleaning and waste disposal service
Tomaatti Co., Ltd.	6010401173215	Restaurants operation, the provision of business management and consultancy services

The consolidated financial statements of the Group for the financial year ended 28 February 2022, 28 February 2023 and 29 February 2024 were authorised for issue by the board of director on the date of this report.

2. Summary of material accounting policies

2.1 Basis of preparation

The financial statements of the Group have been drawn up in accordance with the provisions of the Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) including related Interpretations of SFRS(I) (“SFRS(I) INT”) and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group are presented in Singapore dollar (“S\$”) which is also the functional currency of each subsidiaries within the Group, and all values presented are rounded to the nearest thousand (“S\$’000”), unless otherwise indicated.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

2. Summary of material accounting policies (Continued)

2.1 Basis of preparation (Continued)

Going Concern

As at 29 February 2024, the Group’s current liabilities exceeded its current assets by S\$14,502,000.

This condition indicates the existence of a material uncertainty that may cast a significant doubt on the ability of the Group to continue as a going concern.

To support the appropriateness of preparing the financial statements on a going concern basis, which includes the management’s consideration of the adequacy of funds to meet the Group’s obligations, working capital and capital commitment needs, management prepared a 24-months consolidated cash flow forecast from 1 March 2024 (“Cash Flow Forecast”).

In preparing the Cash Flow Forecast, the management has taken the following into consideration:

- (i) The Group has received additional fundings of JPY50 million (approximately S\$470,000) subsequent to the financial year end from an investor on the subscription of the Company’s ordinary shares;
- (ii) The Group has obtained short-term loan of JPY110 million (approximately S\$1,000,000) subsequent to the financial year end from financial institutions with repayment term of 10 months instalment from 27 May 2024, with interest bearing at 1.3% per annum and supported by a personal guarantee from one of the directors of a subsidiaries;
- (iii) The Group has obtained short-term loan of JPY100 million (approximately S\$909,000) subsequent to the financial year end from a third-party company with repayment term within 5 months from 31 May 2024, with interest bearing at 5% per annum and supported by a personal guarantee from one of the directors of the Company;
- (iv) The Group has obtained an additional loan of JPY100 million (approximately S\$909,000) subsequent to the financial year end from a third-party company, repayable on 30 June 2026, with interest bearing at 5% per annum and supported by a personal guarantee from one of the directors of the Company;
- (v) The Group has obtained an additional loan of JPY40 million (approximately S\$363,000) subsequent to the financial year end from financial institutions with repayment term of 60 months instalment from 27 July 2024, with interest bearing at 1.3% per annum and supported by a personal guarantee from one of the directors of a subsidiaries;
- (vi) The Group generated positive cash flows from operating activities of S\$20,934,000, S\$14,900,000 and S\$16,785,000 in FY2022, FY2023 and FY2024, respectively; and
- (vii) The expected cashflow from the Group’s restaurant leasing and subleasing business.

Taking into account of the above, the management is of the view that the Group will have sufficient cash resources to satisfy its obligations and commitments due in the foreseeable future, and the Group will be able to continue in operational existence for the foreseeable future and to discharge their liabilities in the normal course of business, as and when they fall due. The directors are of the opinion that the preparation of the financial statements on a going concern basis remains appropriate.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

2. Summary of material accounting policies (Continued)

2.1 Basis of preparation (Continued)

Adoption of new and revised standards

During the financial years ended 28 February 2022, 28 February 2023 and 29 February 2024, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INT that are relevant to its operations and effective for the respective reporting periods. The adoption of these new or revised SFRS(I)s and SFRS(I) INT did not result in changes to the Group’s accounting policies and has no material effect on the current or prior year’s financial statement and is not expected to have a material effect on future periods.

SFRS(I) and SFRS(I) INT issued but not yet effective

At the date of authorisation of these statements, the following SFRS(I) and SFRS(I) INT that are relevant to the Group were issued but not yet effective:

SFRS(I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
SFRS(I) 16	Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Various	Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
SFRS(I) 1-7, SFRS(I) 7	Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements	1 January 2024
SFRS(I) 1-21, SFRS(I) 1	Amendments to SFRS(I) 1-21: Lack of Exchangeability	1 January 2025
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Group in the period of their initial adoption.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

2. Summary of material accounting policies (Continued)

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders’ meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group’s equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree’s identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests’ share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

2. Summary of material accounting policies (Continued)

2.2 Basis of consolidation (Continued)

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* (“SFRS(I) 9”) or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company’s separate financial statements.

2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

The Group has the option to apply a “concentration test” as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree’s identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at the lower of cost and fair value less costs to sell.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

2. Summary of material accounting policies (Continued)

2.3 Business combinations (Continued)

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

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

The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 Income Taxes and SFRS(I) 1-19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree’s share-based payment awards are measured in accordance with SFRS(I) 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

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

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

2. Summary of material accounting policies (Continued)

2.3 Business combinations (Continued)

Business combinations involving entities under common control

Business combinations involving entities under common control are accounted for by applying the “pooling-of-interest” method which involves the following:

- the assets and liabilities of the combining entities are reflected at their carrying amounts.
- no adjustments are made to reflect the fair values or recognise any new assets or liabilities.
- no goodwill is recognised as a result of the combination.
- any difference between the consideration paid/transferred and the equity acquired is reflected within the equity as merger reserve.
- the statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.
- comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

2.4 Revenue recognition

The Group is principally in the business of selling food and beverages and sub-leasing of properties. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group’s activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service.

Restaurant leasing and subleasing business

Leasing income comprises of revenue earned from the leases on the commercial space provided.

Food retail business

Restaurant sales is recognised at the point in time that the control of the products has been transferred, being when the food and beverages have been delivered to the customer.

2.5 Borrowing costs

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

2.6 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund and Malaysian Employees Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2.7 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

2. Summary of material accounting policies (Continued)

2.8 Equity-settled share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which the share options are granted. In valuing the share options, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (“market conditions”), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in employee share option reserve, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“the vesting date”). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that year.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

When the options are exercised, the proceeds received (net of any directly attributable transaction costs) and the related balance previously recognised in the share options reserve are credited to share capital, when new ordinary shares are issued.

2.9 Income tax

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

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

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

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

2. Summary of material accounting policies (Continued)

2.9 Income tax (Continued)

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

2.10 Dividend

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

2. Summary of material accounting policies (Continued)

2.11 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs 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 property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

	<u>Useful lives</u>
Tools and fixtures	2 - 10 years
Motor vehicle	10 years
Renovation	over the lease term
Leased assets	3 - 5 years
Right-of-use assets	over the lease term

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

2. Summary of material accounting policies (Continued)

2.12 Intangible assets

Goodwill on acquisition

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

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 (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary.

Business rights, trademarks and franchise rights

Business rights, trademarks and franchise rights are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Cost includes the purchase price (net of any discounts) and other directly attributable costs for its intended use. The costs of business rights, trademarks and franchise right are amortised to profit or loss using the straight-line method over estimated useful life of 5 years, 10 years and 3 years respectively.

Software licenses

Software licenses are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Cost includes the purchase price (net of any discounts) and other directly attributable costs for its intended use. The costs of software license amortised to profit or loss using the straight-line method over estimated useful life of 5 years.

2.13 Impairment of tangible and intangible assets excluding goodwill

The Group reviews the carrying amounts of its tangible and intangible assets as at each reporting date to assess for any indication of 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.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

2. Summary of material accounting policies (Continued)

2.13 Impairment of tangible and intangible assets excluding goodwill (Continued)

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its 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.

An impairment loss for the amount by which the asset’s carrying amount exceeds the recoverable amount is recognised immediately in profit or loss.

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

2.14 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 Revenue from Contracts with Customers in Note 2.4.

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income (“FVTOCI”) and fair value through profit or loss (“FVTPL”). The classification at initial recognition depends on the Group’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

2. Summary of material accounting policies (Continued)

2.14 Financial instruments (Continued)

Financial assets

Initial recognition and measurement (Continued)

The Group’s business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset’s contractual cash flows are solely payments of principal and interest (“SPPI”) on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVTOCI, or is irrevocably elected at initial recognition to be designated FVTPL if, by designating the financial asset as FVTPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

Interest income

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

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial assets has not increased significantly since initial recognition.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

2. Summary of material accounting policies (Continued)

2.14 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group uses a practical expedient to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

While they are not financial assets, contract assets arising from the Group’s contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group’s accounting policy for its impairment of financial assets, refer to Note 29.

Derecognition of financial assets

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

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

2. Summary of material accounting policies (Continued)

2.14 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Classification as debt or equity

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

Equity instruments

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

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Merger reserve

Merger reserve represents the difference between the purchase consideration and the share capital of the amalgamated entities under common control.

Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Group commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

2. Summary of material accounting policies (Continued)

2.14 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group’s accounting policy for borrowing costs (see Note 2.4 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expire.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis, comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

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

2.16 Cash and cash balances

Cash and cash balances comprise cash on hand which are subject to insignificant risk of changes in value.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

2. Summary of material accounting policies (Continued)

2.17 Leases

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

The Group as a lessee

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 Leases. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee’s incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

2. Summary of material accounting policies (Continued)

2.17 Leases (Continued)

The Group as a lessee (Continued)

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset has been reduced to zero.

The Group as a lessor

Where a contract contains more than one lease and/or non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component.

At the lease commencement date, the Group assess and classify each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Operating Leases

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

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

2. Summary of material accounting policies (Continued)

2.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event where it is probable that the obligation will result in an outflow of economic benefits that can be reasonably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

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

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

2.19 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

Non-monetary government grant is recognised at nominal amount.

Jobs Support Scheme

The Jobs Support Scheme provides wage support to employers to help them retain their local employees during this period of economic uncertainty. Employers who have made CPF contributions for their local employees will qualify for the pay-outs under the scheme.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The management, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the group of executive directors and chief executive officer who make strategic decisions.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

3. Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Group's accounting policies

Determination of functional currency

The Group translates foreign currency items into the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities, judgement is used by the Group to determine the currency of the primary economic environment in which the respective entities operate. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

3.2 Key sources of estimation uncertainty

The estimates and assumptions 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.

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

The Group depreciates the property, plant and equipment and right-of-use assets over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment and right-of-use assets. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset was already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's property, plant and equipment and right-of-use assets as at 29 February 2024 were S\$36,905,000 (2023 and 2022: S\$27,701,000 and S\$34,404,000).

Measurement of ECL of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of Japan. The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The carrying amount of the Group's trade receivables as at 29 February 2024 are S\$5,972,000 (2023 and 2022: S\$4,522,000 and S\$5,304,000).

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

3. Critical accounting judgements and key sources of estimation uncertainty

3.2 Key sources of estimation uncertainty (Continued)

Measurement of ECL of trade receivables (Continued)

The expected loss allowance on the Group’s trade receivables as at 29 February 2024 was S\$258,000 (2023 and 2022: S\$232,000 and S\$360,000) (Note 11).

Measurement of ECL of other receivables

For other receivables, the loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s history, existing market conditions as well as forward looking estimates at the end of each reporting year. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The expected loss allowances on the other receivables of the Group as at 29 February 2024 are S\$35,000 (2023 and 2022: S\$214,000 and S\$52,000) (Note 11).

Impairment assessment of goodwill

The Group tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units (“CGU”) to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU, including their best estimate of a suitable discount rate in order to calculate present value. The carrying amount of goodwill as at 29 February 2024 was S\$1,257,000 (2023 and 2022: S\$428,000 and S\$428,000). Impairment loss recognised during the financial year is amounting to S\$489,000 (2023 and 2022: S\$NIL) (Note 16).

Impairment of intangible assets

The Group assess intangible assets for any indication of impairment at least on an annual basis. Determining whether intangible assets are impaired requires an estimation of the value-in-use. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the intangible assets, including their best estimate of a suitable discount rate in order to calculate present value. The carrying amount of intangible assets as at 29 February 2024 was S\$491,000 (2023 and 2022: S\$890,000 and S\$1,583,000). Impairment loss recognised during the financial year is amounting to S\$288,000 (2023 and 2022: S\$529,000 and S\$NIL) (Note 15).

Provision for income taxes

The Company has exposure to income taxes in one jurisdiction of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Company’s current tax (receivable)/payable as at 29 February 2024 was S\$900,000 (2023 and 2022: (S\$19,000) and S\$101,000).

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Critical judgement over the lease terms

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option. For leases of office space and retail stores, the following factors are considered to be most relevant:

- If any leasehold improvements are expected to have a significant remaining value, the Group typically includes the extension option in lease liabilities;
- If the retail stores are located in strategic locations that will contribute to the continued profitability of the retail segment, the Group typically includes the extension option in lease liabilities;
- Otherwise, the Group considers other factors including its historical lease periods for similar assets, costs required to obtain replacement assets, and business disruptions.

The extension options for certain retail stores, equipment and motor vehicles have not been included in lease liabilities because the Group could replace the assets without significant cost or business disruption. The assessment of reasonably certain to exercise extension options is only revised if a significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee.

4. Revenue

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Restaurant leasing and subleasing business	19,614	17,265	19,138
Food retail business	24,159	22,403	18,680
	43,773	39,668	37,818

	<u>Restaurant leasing and sublease business</u>			<u>Food retail business</u>		
	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
<u>Geographical markets</u>						
Japan	19,614	17,265	19,138	11,945	11,032	10,882
Singapore	-	-	-	6,419	7,029	5,879
Malaysia	-	-	-	5,539	4,127	1,750
Taiwan	-	-	-	256	215	169
	19,614	17,265	19,138	24,159	22,403	18,680

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

4. Revenue (Continued)

	<u>Restaurant leasing and sublease business</u>			<u>Food retail business</u>		
	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
<u>Timing of transfer of goods and services</u>						
Point in time	-	-	-	24,159	22,403	18,680
Over time	<u>19,614</u>	<u>17,265</u>	<u>19,138</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>19,614</u>	<u>17,265</u>	<u>19,138</u>	<u>24,159</u>	<u>22,403</u>	<u>18,680</u>

The Group has applied the practical expedient permitted under SFRS(I) 15 to not disclose the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) and the corresponding timing of revenue recognition as of the end of the financial year for those performance obligations which are part of contracts that have an original expected duration of one year or less.

Operating lease commitments

Under restaurant leasing and subleasing business, the Group lease out its right-of-use assets under operating lease agreements. These non-cancellable leases have remaining lease terms of between 1 and 9 years.

As at the end of financial year, future minimum rental receivables under operating leases at the end of the financial year are as follows:

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Future minimum lease payments receivable:			
Within one year	15,424	17,564	16,995
After one year but within five years	22,085	34,061	27,690
More than five years	<u>6,814</u>	<u>3,860</u>	<u>1,597</u>
	<u>44,323</u>	<u>55,485</u>	<u>46,282</u>

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

5. Other income

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Consultancy income	324	324	216
Realise foreign exchange gain, net	44	10	80
Unrealised foreign exchange gain, net	280	371	71
Franchise income	-	6	6
Interest income	5	14	24
Gain on disposal of intangible assets	294	-	-
Gain on disposal of subsidiaries	1,707	-	-
Government grants	43	219	1,457
Rent concession arising from COVID-19	-	-	222
Rental income	90	41	25
Rental rebate	4	4	-
Royalty income	-	-	5
Sundry income	48	17	40
Other	73	75	-
	<u>2,912</u>	<u>1,081</u>	<u>2,146</u>

6. Finance costs

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Interest expense:			
- lease liabilities	563	456	645
- bank borrowing	176	121	174
- others	41	-	-
	<u>780</u>	<u>577</u>	<u>819</u>

7. Profit/(Loss) before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the consolidated financial statements, the following charges/(credits) were included in the determination of profit/(loss) before income tax:

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Audit fee paid to auditor of the Company	90	95	79
Directors' remuneration	699	769	798
Employee benefits expense			
- Salaries, bonuses and other benefits	8,092	7,164	5,532
- Contributions to defined contribution plans	169	172	156
- Share option expenses	226	138	102
Fair value loss arising from financial assets at FVTPL	-	31	-
	<u>-</u>	<u>31</u>	<u>-</u>

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

8. Income tax expense

	<u>2024</u> S\$’000	<u>2023</u> S\$’000	<u>2022</u> S\$’000
Current income tax			
- Current financial year	941	59	161
- Over provision in respect of prior years	-	(3)	-
Deferred tax			
- Current financial year (Note 19)	(18)	87	(43)
	<u>923</u>	<u>143</u>	<u>118</u>

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2023 and 2022: 17%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year from the last year.

Reconciliation of effective tax rate

	<u>2024</u> S\$’000	<u>2023</u> S\$’000	<u>2022</u> S\$’000
Profit/(Loss) before income tax	2,328	(3,244)	521
Tax expense at tax rate of 17%	396	(551)	89
Tax effect of income not subjected to tax	(83)	(46)	(31)
Tax effect of expenses not deductible for tax purpose	478	450	139
Over provision of income tax in respect of prior financial year	-	(3)	-
Effect of different tax rates of overseas operations	685	(282)	142
Deferred tax assets not recognised	38	687	50
Utilisation of previously unrecognised deferred assets	(591)	(112)	(304)
Others	-	-	33
	<u>923</u>	<u>143</u>	<u>118</u>

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

9. Basic and diluted earnings/(loss) per share

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Profit/(Loss) attributable to the owners of the Company from continuing operations (S\$'000)	1,405	(3,387)	403
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share (in thousand units)	86,554	85,107	85,107
Basic and diluted earnings/(loss) per share (cents per share)	<u>1.62</u>	<u>(3.98)</u>	<u>0.47</u>

The basic earnings per share for the year ended 28 February 2022, 28 February 2023 and 29 February 2024 are the same as the respective diluted earnings per share, as there were no potential dilutive ordinary shares in existence during the year ended 28 February 2022, 28 February 2023 and 29 February 2024.

10. Cash and bank balances

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Cash on hand	23	30	26
Cash at banks	<u>1,224</u>	<u>2,791</u>	<u>7,017</u>
	<u>1,247</u>	<u>2,821</u>	<u>7,043</u>

The effective interest rates of the cash and bank balances of the Group range from 0% to 5.48% (2023 and 2022: 0% to 4.72% and 0% to 3.44%) per annum.

The Group’s and Company’s cash and cash equivalents that are not denominated in the functional currencies of the respective entities are as follows:

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
JPY	<u>208</u>	<u>14</u>	<u>2</u>

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

11 Trade and other receivables

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
<u>Trade receivables</u>			
Third parties	6,230	4,754	5,664
Less: Allowance for credit losses	(258)	(232)	(360)
	5,972	4,522	5,304
<u>Other receivables</u>			
- Third parties	1,372	1,481	942
- Deposits	10,426	10,520	11,834
Less: Allowance for credit losses	(35)	(214)	(52)
	11,763	11,787	12,724
VAT receivables	-	194	201
Prepayment	3,105	2,527	2,881
Total	20,840	19,030	21,110
Current	7,990	5,658	5,845
Non-current	12,850	13,372	15,265
Total	20,840	19,030	21,110

Trade receivables are unsecured, non-interest bearing and generally on 0 to 30 (2023 and 2022: 0 to 30) days' credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The other receivables are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

Deposits mainly represent refundable rental deposits for the rental of restaurant outlets and sublease properties. The deposits with a carrying amount of S\$660,000 (2023 and 2022: S\$1,237,000 and S\$1,500,000) have been pledged to financial institution to secure loans granted to the group (Note 21).

Prepayment mainly comprise prepaid operating expenses.

The Group's and Company's trade and other receivables (net of allowance and impairment loss) that are not denominated in the functional currencies of the respective entities are as follows:

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
JPY	-	143	-

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

12. Inventories

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Finished goods	<u>393</u>	<u>281</u>	<u>447</u>

The cost of inventories recognised as an expense and included in "cost of sales" line item in profit or loss for the financial year ended 29 February 2024 amounted to S\$6,063,000 (2023 and 2022: S\$4,962,000 and S\$3,602,000).

13. Property, plant and equipment

	<u>Renovation</u> S\$'000	<u>Tools and fixtures</u> S\$'000	<u>Leased assets</u> S\$'000	<u>Motor vehicle</u> S\$'000	<u>Total</u> S\$'000
<u>Cost</u>					
At 1 March 2021 (Unaudited)	4,648	1,544	292	36	6,520
Additions	477	288	-	-	765
Disposals	(203)	(35)	-	-	(238)
Written off	-	(52)	-	-	(52)
Exchange differences	(180)	(35)	(19)	-	(234)
At 28 February 2022	4,742	1,710	273	36	6,761
Additions	306	234	-	-	540
Disposals	(622)	(54)	(43)	-	(719)
Exchange differences	(491)	(133)	(42)	(2)	(668)
At 28 February 2023	3,935	1,757	188	34	5,914
Additions	1,429	405	99	42	1,975
Disposals	(175)	(163)	(143)	-	(481)
Written off	-	(1)	-	-	(1)
Exchange differences	(261)	(93)	(15)	(3)	(372)
At 29 February 2024	<u>4,928</u>	<u>1,905</u>	<u>129</u>	<u>73</u>	<u>7,035</u>

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

13. Property, plant and equipment (Continued)

	<u>Renovation</u> S\$'000	<u>Tools and fixtures</u> S\$'000	<u>Leased assets</u> S\$'000	<u>Motor vehicle</u> S\$'000	<u>Total</u> S\$'000
<u>Accumulated depreciation</u>					
At 1 March 2021 (Unaudited)	1,868	652	146	11	2,677
Depreciation	441	310	16	7	774
Disposals	(60)	(22)	-	-	(82)
Written off	-	(52)	-	-	(52)
Exchange differences	(39)	30	(10)	-	(19)
At 28 February 2022	2,210	918	152	18	3,298
Depreciation	287	423	62	7	779
Disposals	(117)	(42)	(25)	-	(184)
Exchange differences	(135)	(48)	(26)	(1)	(210)
At 28 February 2023	2,245	1,251	163	24	3,683
Depreciation	262	207	27	13	509
Disposals	(96)	(142)	(143)	-	(381)
Written off	-	(1)	-	-	(1)
Exchange differences	(79)	(54)	(9)	(2)	(144)
At 29 February 2024	2,332	1,261	38	35	3,666
<u>Impairment losses</u>					
At 1 March 2021 (Unaudited)	4	3	-	-	7
Additions	2	79	-	-	81
At 28 February 2022	6	82	-	-	88
Disposals	-	(10)	-	-	(10)
Exchange differences	-	(5)	-	-	(5)
At 28 February 2023	6	67	-	-	73
Exchange differences	-	(4)	-	-	(4)
As at 29 February 2024	6	63	-	-	69
<u>Net carrying amount</u>					
At 29 February 2024	2,590	581	91	38	3,300
At 28 February 2023	1,684	439	25	10	2,158
At 28 February 2022	2,526	710	121	18	3,375

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

13. Property, plant and equipment (Continued)

Leased assets consist of moveable kitchen equipment that the company owned.

During the financial year, the Group acquired property, plant and equipment for an aggregate of approximately S\$1,975,000 (2023 and 2022: S\$540,000 and S\$765,000) by cash.

During the financial year, the Group carried out a review of the recoverable amount of kitchen tools and renovation attached with respective operating restaurant. The review led to the recognition of an impairment loss of S\$NIL (2023 and 2022: S\$NIL and S\$81,000) that has been recognised in profit or loss.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

14. Right-of-use assets	<u>Group</u>	<u>Subleasing properties</u> S\$'000	<u>Restaurant premise</u> S\$'000	<u>Office premise</u> S\$'000	<u>Staff accommodation</u> S\$'000	<u>Tools and equipment</u> S\$'000	<u>Total</u> S\$'000
	Cost						
	At 1 March 2021 (Unaudited)	66,066	5,459	240	180	160	72,105
	Additions	13,744	1,069	228	194	-	15,235
	Derecognition of right-of-use assets	(18,939)	(799)	-	(261)	(38)	(20,037)
	Reclassification	(415)	203	-	211	-	(1)
	Exchange differences	(3,828)	(161)	(14)	(14)	(9)	(4,026)
	At 28 February 2022	56,628	5,771	454	310	113	63,276
	Additions	10,239	2,481	337	-	-	13,057
	Derecognition of right-of-use assets	(2,456)	(2,560)	(213)	-	(35)	(5,264)
	Exchange differences	(9,251)	(489)	(61)	(49)	(17)	(9,867)
	At 28 February 2023	55,160	5,203	517	261	61	61,202
	Additions	25,081	2,179	118	87	-	27,465
	Additions due to acquisition (Note 16)	927	-	-	-	-	927
	Disposals	(5,166)	(885)	-	-	-	(6,051)
	Derecognition of right-of-use assets	-	(201)	-	-	-	(201)
	Exchange differences	(6,002)	(307)	(38)	(28)	(6)	(6,381)
	At 29 February 2024	70,000	5,989	597	320	55	76,961

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

14. Right-of-use assets (Continued)

<u>Group</u>	<u>Subleasing properties</u> S\$'000	<u>Restaurant premise</u> S\$'000	<u>Office premise</u> S\$'000	<u>Staff accommodation</u> S\$'000	<u>Tools and equipment</u> S\$'000	<u>Total</u> S\$'000
Accumulated depreciation						
At 1 March 2021 (Unaudited)						
Depreciation	32,625	2,064	105	60	106	34,960
Derecognition of right-of-use assets	15,011	1,592	203	128	22	16,956
Reclassification	(17,528)	(565)	-	(250)	(38)	(18,381)
Exchange differences	(188)	-	-	188	-	-
	(1,926)	(61)	(8)	(5)	(6)	(2,006)
At 28 February 2022	27,994	3,030	300	121	84	31,529
Depreciation	11,051	1,733	230	78	22	13,114
Derecognition of right-of-use assets	(2,029)	(2,296)	(213)	-	(41)	(4,579)
Exchange differences	(4,734)	(207)	(37)	(22)	(14)	(5,014)
At 28 February 2023	32,282	2,260	280	177	51	35,050
Depreciation	13,206	1,654	246	112	7	15,225
Disposals	(2,753)	(885)	-	-	-	(3,638)
Derecognition of right-of-use assets	-	(201)	-	-	-	(201)
Exchange differences	(3,443)	(139)	(29)	(21)	(5)	(3,637)
At 29 February 2024	39,292	2,689	497	268	53	42,799

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

14. Right-of-use assets (Continued)

	Subleasing properties S\$'000	Restaurant premise S\$'000	Office premise S\$'000	Staff accommodation S\$'000	Tools and equipment S\$'000	Total S\$'000
Impairment losses						
At 1 March 2021 (Unaudited)	492	-	-	-	-	492
Addition	226	-	-	-	-	226
At 28 February 2022	718	-	-	-	-	718
Exchange differences	(109)	-	-	-	-	(109)
At 28 February 2023	609	-	-	-	-	609
Exchange differences	(52)	-	-	-	-	(52)
At 29 February 2024	557	-	-	-	-	557
Net carrying amount						
At 29 February 2024	30,151	3,300	100	52	2	33,605
At 28 February 2023	22,269	2,943	237	84	10	25,543
At 28 February 2022	27,916	2,741	154	189	29	31,029

Disposal during the current financial year relates to disposal of sublease properties to a third party. Derecognition during the current financial year and previous year relates to the cancellation and termination of the lease contract with the landlord in the existing leases.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

<u>Group</u>	<u>Business right</u> S\$'000	<u>Software</u> S\$'000	<u>Trademark</u> S\$'000	<u>Franchise right</u> S\$'000	<u>Total</u> S\$'000
Cost					
At 1 March 2021 (Unaudited)	694	412	829	25	1,960
Addition	-	150	-	-	150
Exchange translation differences	(41)	(24)	(5)	-	(70)
At 28 February 2022	653	538	824	25	2,040
Additions	-	70	-	-	70
Exchange translation differences	(101)	(87)	(11)	-	(199)
At 28 February 2023	552	521	813	25	1,911
Additions	-	17	-	-	17
Disposal	-	(20)	(578)	-	(598)
Exchange translation differences	(50)	(48)	(5)	-	(103)
At 29 February 2024	502	470	230	25	1,227

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

Group	Business right S\$'000	Software S\$'000	Trademark S\$'000	Franchise right S\$'000	Total S\$'000
Accumulated amortisation					
At 1 March 2021 (Unaudited)	56	97	2	14	169
Amortisation	-	46	2	8	56
Exchange translation differences	(11)	(2)	-	-	(13)
At 28 February 2022	45	141	4	22	212
Amortisation	3	105	1	-	109
Exchange translation differences	(45)	(25)	-	-	(70)
At 28 February 2023	3	221	5	22	251
Amortisation	-	71	-	-	71
Disposal	-	(10)	-	-	(10)
Exchange translation differences	-	(22)	-	-	(22)
At 29 February 2024	3	260	5	22	290

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

15. Intangible assets (Continued)	Business right S\$'000	Software S\$'000	Trademark S\$'000	Franchise right S\$'000	Total S\$'000
Accumulated impairment					
At 1 March 2021 (Unaudited)	245	-	-	-	245
Addition	-	-	-	-	-
At 28 February 2022	245	-	-	-	245
Additions	-	97	432	-	529
Exchange translation differences	-	(2)	(2)	-	(4)
At 28 February 2023	245	95	430	-	770
Additions	-	-	288	-	288
Disposal	-	-	(576)	-	(576)
Exchange translation differences	(22)	(9)	(5)	-	(36)
At 29 February 2024	223	86	137	-	446
Net carrying amount					
At 29 February 2024	276	124	88	3	491
At 28 February 2023	304	205	378	3	890
At 28 February 2022	363	397	820	3	1,583

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

16. Goodwill

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Cost:			
At beginning of financial year	428	428	428
Arising from acquisition of business	1,318	-	-
Less: Impairment loss	<u>(489)</u>	<u>-</u>	<u>-</u>
At end of financial year	<u>1,257</u>	<u>428</u>	<u>428</u>

Goodwill acquired in a business combination is allocated to the cash-generating units that are expected to benefit from the business combination.

Acquisition of business

On 1 December 2023, the Group completed the acquisition of 100% of the business of 5 unit of sublease properties, for a cash consideration of JPY195,000,000 (approximately S\$1,750,000) from a third party. The goodwill arising from this acquisition represents premium paid for an acquired business over its net identifiable assets. It reflects the value of factors such as strategic location of the assets and the expected synergies from the Group’s operations.

	Fair value recognised on date of acquisition \$'000
Assets	
Right-of-use assets	927
Other receivables	<u>703</u>
	1,630
Liabilities	
Deposit payables	(271)
Lease liabilities	<u>(927)</u>
Net assets	<u>432</u>
Goodwill arising from acquisition	1,318
Total consideration	<u>1,750</u>

The acquired business contributed revenue of S\$240,000 and net profit of S\$31,000 to the Group for the period from the date of acquisition to 31 March 2024. If the acquisition had occurred on 1 March 2023, consolidated revenue and profit for the year ended 29 February 2024 would have been S\$44,733,000 and S\$1,408,000.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

16. Goodwill (Continued)

The carrying amount of goodwill had been allocated by CGU as follows:

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
F Innovators Singapore Pte. Ltd. (“FIS”)	214	428	428
Sublease business	1,043	-	-
	<u>1,257</u>	<u>428</u>	<u>428</u>

The Group tests cash-generating units for impairment annually, or more frequently when there is an indication for impairment.

The Group has measured the recoverable amount of the CGU based on a value in use calculation using 5-years cash flows projections approved by the Board of Directors. Key assumptions on which management has based its cash flow projections for the respective periods are as follows:

	<u>Discount rate</u>			<u>Growth rate</u>			<u>Terminal growth rate</u>		
	<u>2024</u> %	<u>2023</u> %	<u>2022</u> %	<u>2024</u> %	<u>2023</u> %	<u>2022</u> %	<u>2024</u> %	<u>2023</u> %	<u>2022</u> %
Sublease business	6.9	-	-	1.0	-	-	-	-	-
F Innovators Singapore Pte Ltd	5.6	8.0	7.7	4.0	5.0	2.6	2.5	2.0	1.5

Discount rate: The discount rate is based on the weighted average cost of the Group’s capital (the “WACC”), adjusted for the specific circumstances of the CGU and based on management’s experience, and re-grossed to arrive at the pre-tax rate.

Growth rates: The projected revenue growth rates used are based on the published industry research, adjusted for the specific circumstances of the CGU and based on management’s experience, and do not exceed the long-term average growth rate for the corresponding industry of the CGU.

Terminal growth rate: The terminal growth rate is based on the published countries inflation and industry research, adjusted for the specific circumstances of the CGU and based on management’s experience.

Management is of the view that no reasonable possible changes in any of the key assumptions would cause the CGU’s carrying amount to materially exceed its recoverable amount.

As at 29 February 2024, an impairment losses of S\$214,000 and S\$275,000 (2023 and 2022: S\$NIL) is recognised in the profit or loss of the Group in relation to the goodwill allocated to FIS and sublease business CGUs respectively, as the recoverable amount of the CGUs was estimated to be less than its carrying amount.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

17. Investment in associate

	<u>2024</u> S\$’000	<u>2023</u> S\$’000	<u>2022</u> S\$’000
Investment in associate, at cost	179	-	-
Share of post-acquisition results	(91)	-	-
Exchange differences	4	-	-
	<u>92</u>	<u>-</u>	<u>-</u>
Carrying amount	<u>92</u>	<u>-</u>	<u>-</u>

The details of the associates are as follows:

<u>Name of associate</u>	<u>Country of incorporation and principal place of business</u>	<u>Principal activities</u>	<u>Effective equity interest held by the Group</u>		
			<u>2024</u>	<u>2023</u>	<u>2022</u>
			%	%	%
HALAKI Corporation ⁽¹⁾	Japan	Restaurant operation	40	-	-

⁽¹⁾ Not required for audit.

In financial year ended 29 February 2024, the Group established Halaki Corporation, a private company incorporated in Japan for JPY20,000,000 together with third parties in which the Group hold 40% and have significant influence.

18. Other investment

	<u>2024</u> \$’000	<u>2023</u> \$’000	<u>2022</u> \$’000
Non-current investment			
- Unquoted equity instrument – at FVTPL	<u>-</u>	<u>-</u>	<u>-</u>

Unquoted equity instruments

The investments in unquoted equity instruments classified at FVTPL relate to investments in one (2023 and 2022: one and NIL) private company incorporated in Japan which is engaged in the operation of the restaurant of beef burger and are denominated in JPY.

In financial year ended 28 February 2023, the Group invested in one private company incorporated in Japan for JPY3,000,000 (approximately S\$31,000).

At the end of 29 February 2024 and 28 February 2023, management had assessed and recognised a full fair value loss for the unquoted equity instrument of S\$31,000 in profit or loss of the Group in view of the negative financial position of the investee company.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

19. Deferred tax assets

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
At beginning of the year	297	549	548
Credit to profit or loss for the year (Note 8)	18	(87)	43
Exchange differences	(42)	(165)	(42)
	<u>273</u>	<u>297</u>	<u>549</u>
<u>Deferred tax assets</u>			
Tax losses	-	-	676
Unearned revenue	457	487	-
Others	513	296	70
	<u>970</u>	<u>783</u>	<u>746</u>
<u>Deferred tax liabilities</u>			
Accelerated tax depreciation	-	(40)	(127)
Others	(697)	(446)	(70)
	<u>(697)</u>	<u>(486)</u>	<u>(197)</u>

(a) Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

(b) The following deductible temporary difference has not been recognised:

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Tax losses	<u>2,383</u>	<u>5,637</u>	<u>2,255</u>

The tax losses are subject to tax authorities and compliance with tax regulations in the respective countries in which the Company and certain subsidiaries operate. Deferred tax assets have not been recognised in respect of the tax losses due to uncertainty in the availability of future taxable profit against which the Group and the Company can utilise the tax losses.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

20. Trade and other payables

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
<u>Trade payables</u>			
- Third parties	591	809	661
<u>Other payables</u>			
- Third parties	7,435	6,092	6,604
- accrued operating expenses	642	693	502
- deposit received	7,120	7,610	7,954
	<u>15,197</u>	<u>14,395</u>	<u>15,060</u>
GST payables	117	89	32
Total	<u>15,905</u>	<u>15,293</u>	<u>15,753</u>
Current	8,173	6,750	6,532
Non-current	7,732	8,543	9,221
Total	<u>15,905</u>	<u>15,293</u>	<u>15,753</u>

Trade payables are unsecured, non-interest bearing and are normally settled between 30 to 60 (2023 and 2022: 30 to 60) days' credit terms.

Other payables including advance from a third party amounting to S\$897,000 secured by one of the directors of the Company, with interest bearing at 5% per annum and was fully repaid on 21 March 2024.

Other than those disclosed above, other payables are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

21. Borrowings

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
<u>Current</u>			
Loans	1,787	2,566	3,439
<u>Non-current</u>			
Loans	6,376	8,531	11,257
	<u>8,163</u>	<u>11,097</u>	<u>14,696</u>

The Group's loans amounting to S\$426,000 (2023 and 2022: S\$NIL) are supported by a personal guarantee from one of the directors of the Company.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

21. Borrowings (Continued)

The Group's loans amounting to S\$2,518,000 (2023: S\$3,933,000; 2022: S\$5,414,000) are supported by a personal guarantee from one of the directors of a subsidiaries.

The Group's loans amounting to S\$511,000 (2023: S\$983,000; 2022: S\$1,323,000) are secured by securities over a security deposit as disclosed in Note 11.

The weighted average effective interest rates of the Group's loans are 1.57% (2023 and 2022: 1.40% and 1.43%)

The Group's borrowings that are not denominated in the functional currencies of the respective entities are as follows:

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Malaysian Ringgit	-	-	244

22. Leases

The Group has lease contracts relating to retail outlet premises in Singapore and Japan.

Extension options

The Group has lease contract with extension option exercisable by the Group up to 3 months before the end of the non-cancellable contract period. The extension option is exercisable by the Group and not the lessor. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised.

The Group included the extension option in the lease term for leases of retail outlet premises because of the additional costs that would arise to replace the assets. The movement of right-of-use assets are disclosed in Note 14.

a) Lease liabilities

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Current	13,272	10,381	13,970
Non-current	20,886	16,230	19,115
	<u>34,158</u>	<u>26,611</u>	<u>33,085</u>

The maturity analysis of lease liabilities is disclosed in Note 29.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

22. Leases (Continued)

b) Amount recognised in profit or loss

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Depreciation of right-of-use assets	15,225	13,114	16,956
Interest expense on lease liabilities	563	456	645
Expenses relating to short term leases or low-value assets	1,759	3,297	1,581

23. Share capital

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
<u>Issuance and fully paid, with no par value</u>			
At beginning of year	21,277	21,277	21,277
Share capital pending issuance	2,396	-	-
At end of year	<u>23,673</u>	<u>21,277</u>	<u>21,277</u>
	<u>2024</u>	<u>2023</u>	<u>2022</u>
	No. of ordinary shares ('000)		
<u>Issuance and fully paid, with no par value</u>			
At beginning of year	85,107	85,107	85,107
Share capital pending issuance	11,321	-	-
At end of year	<u>96,428</u>	<u>85,107</u>	<u>85,107</u>

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

As at 29 February 2024, the company has received capital payments amounting to S\$2,396,000 from external investors, representing 11% of the total issued capital of S\$21,277,000. However, as of the reporting date, the issuance of shares against these payments is pending the formalisation of share issuance procedures. The company is actively working to complete the issuance process in a timely manner.

24. Share option reserve

The Share option reserve represents equity-settled share options granted to employee. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options and is reduced by the expiry or exercise of the share option.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

25. Merger reserve

The merger reserve represents amalgamation involving under common control. The reserve arises from the difference between the purchase consideration and the share capital of the amalgamated entities under common control.

26. 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.

27. Share-based payment

Share options were granted to key management personnel and employees who were employed on 2 September 2019 by Food Innovators Japan Co., Ltd. (“FIJ”), regardless the length of service under the Food Innovators Japan Co., Ltd. (“FIJ”) Share Option Scheme, which became operative on 2 September 2019.

Once they have vested, the options are exercisable over a period from 2 September 2021 to 31 March 2024. The options may be exercised in full or in part, on the payment of the exercise price. The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

On 2 September 2019, options to subscribe for 1,838 ordinary shares in the FIJ at an exercise price of JPY130,000 per ordinary share were granted pursuant to the Scheme (“2019 Options”). The 2019 Options are exercisable from 2 September 2021 and expire on 31 March 2024.

On 26 August 2020, Share Option Scheme issued by FIJ was terminated and re-issued by Food Innovator Holdings Limited (“FIH”). Option to subscribe for 13,409,068 ordinary shares in FIH at an exercise price of S\$0.25 per ordinary share were granted pursuant to the Scheme (“2020 Options”). The 2020 Options are exercisable during the period from 2 September 2021 or the date of commencement of dealing in FIH shares on Catalist, whichever is later, until and expire on 31 March 2024.

<u>Date of grant</u>	<u>Expiry date</u>	<u>Exercise price(S\$)</u>	<u>At 1.3.2023</u>	<u>Granted</u>	<u>Exercised</u>	<u>Forfeited</u>	<u>At 29.2.2024</u>
26.08.2020	31.3.2024	0.25	12,692,332	-	-	-	12,692,332

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Black Scholes model. The expected life used in the model has been adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

27. Share-based payment (Continued)

Fair value of share options granted as at 29 February 2024, 28 February 2023 and 28 February 2022 assumptions used:

Date of grant of options	26/8/2020
Fair value at measurement date	S\$0.082
Share price	S\$0.25
Exercise price	S\$0.25
Expected volatility	47.05%
Expected option life	4 years
Risk-free interest rate	0.332%

The expected volatility is based on the historical volatility of comparable companies (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

28. Significant related party transactions

A related party is defined as follows:

- (i) A person or a close member of that person’s family is related to the Group and Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

- (ii) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

28. Significant related party transactions (Continued)

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

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions at rates and terms agreed between the Group and the related parties:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
	S\$’000	S\$’000	S\$’000
With related parties			
Merchant sales	-	-	9

Compensation of directors and key management personnel

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
	S\$’000	S\$’000	S\$’000
Directors of the Group			
Short-term employee benefits	699	769	798
Post-employment benefits	32	30	25

29. Financial instruments and financial risks

The Group’s activities expose it to credit risk, market risks (including foreign currency risk and interest rate risk) and liquidity risk. The Group’s overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group’s financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There have been no changes to the Group’s exposure to these financial risks or the manner in which it manages and measures the risk.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

29. Financial instruments and financial risks (Continued)

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group’s credit risk arises mainly from bank balances, trade and other receivables. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risk, the Group categorises the aforementioned financial assets and contract assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 30 days, but not later than when the financial asset is more than 90 days past due as per SFRS(I) 9’s presumption.

The Group has not rebutted the presumption included in SFRS(I) 9 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

The Group’s internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risk ^{Note 1}	12-months ECL
2	Non-significant increase in credit risks since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition ^{Note 2} or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired ^{Note 3}	Difference between financial asset’s gross carrying amount and present value of estimated future cash flows discounted at the financial asset’s original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount ^{Note 4}	Written off

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

29. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty 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 counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group’s future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst’s reports etc) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are >30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

29. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Trade receivables (Note 11)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries (e.g. Singapore and Japan) and the growth rates of the major industries which its customers operate in.

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there is no reasonable expectations for recovering the outstanding balances.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

29. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Trade receivables (Note 11)

The loss allowance for trade receivables is determined as follows:

	Trade receivables					Total
	Current	Past due 1 to 30 days	Past due 31 to 60 days	Past due 61 to 90 days	Past due more than 90 days	
29 February 2024						
Expected credit loss rates	3.65%	0.00%	0.00%	0.00%	7.23%	
Total gross carrying amount (S\$'000)	4,608	361	3	13	1,245	6,230
Loss allowance (S\$'000)	168	-	-	-	90	258
28 February 2023						
Expected credit loss rates	3.76%	0.00%	0.00%	0.00%	9.94%	
Total gross carrying amount (S\$'000)	3,857	19	2	1	875	4,754
Loss allowance (S\$'000)	145	-	-	-	87	232
28 February 2022						
Expected credit loss rates	3.64%	3.85%	0.00%	0.00%	26.01%	
Total gross carrying amount (S\$'000)	4,943	26	6	1	688	5,664
Loss allowance (S\$'000)	180	1	-	-	179	360

Other receivables and deposits with external parties (Note 11)

The Group assessed the loss allowance of the other receivables and deposits with external parties on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of other receivables, the Group considered amongst other factors, the financial position of other receivables as of 28 February 2022, 28 February 2023 and 29 February 2024, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the other receivables operate in. Accordingly, the Group determined that the ECL for other receivables and deposits with external parties are S\$35,000 (2023 and 2022: S\$214,000 and S\$52,000).

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

29. Financial instruments and financial risks (Continued)

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company’s income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

The Group’s foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Group does not have any formal policy for hedging against exchange exposure. The Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Group is mainly exposed to Japanese Yen (“JPY”) as follows:

	<u>2024</u> S\$’000	<u>2023</u> S\$’000	<u>2022</u> S\$’000
Monetary assets			
Trade and other receivables	-	143	-
Cash and cash equivalents	<u>208</u>	<u>14</u>	<u>2</u>
Net financial assets	<u>208</u>	<u>157</u>	<u>2</u>

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of a reasonably possible change in the JPY exchange rate against Singapore dollar (“S\$”), with all other variables held constant, of the Group’s loss net of tax:

	<u>2024</u> S\$’000	<u>Group</u> <u>(Decrease)/increase</u> <u>Profit net of tax</u> <u>2023</u> S\$’000	<u>2022</u> S\$’000
JPY/S\$			
- strengthened 5%	10	8	-
- weakened 5%	<u>(10)</u>	<u>(8)</u>	<u>-</u>

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

29. Financial instruments and financial risks (Continued)

Market risk (Continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company’s financial instruments will fluctuate because of changes in market interest rates. The Company’s exposure to interest rate risk arises primarily from their cash at bank and borrowings.

The Company’s policy is to obtain the most favourable interest rate available.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 100 (2023 and 2022: 100) basis points lower/higher and all other variables were held constant, the Company’s profit before income tax would have been S\$3,000, 2023: S\$9,000 and 2022: S\$34,000 lower/higher, arising mainly as a result of lower/higher interest income on floating rate cash at bank balances. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly lower volatility as in prior financial years.

Interest rate benchmark reform and associated risks

In view of the reform of major interest rate benchmarks that is being undertaken globally, the Group monitors and manages its potential transition to alternative rates, as applicable. The Group evaluates the contracts that could be affected, and takes a proactive approach in approaching the relevant counterparties to discuss about and assess the potential impact on the Group.

The Group applied the practical expedient under the Phase 2 amendments to SFRS(I) 9 Financial Instruments, SFRS(I) 1-39 Financial Instruments: Recognition and Measurement and SFRS(I) 7 Financial Instruments: Disclosures, which assist entities in applying the Standards when changes are made to contractual cash flows or hedging relationships because of the ongoing reform of inter-bank offered rates (“IBOR”) and other interest rate benchmarks (the “reform”), to not consider whether the changes required by the Reform to contractual cash flows of financial instrument measured at amortised cost would result in the derecognition of the financial asset or financial liability. Instead, the Group changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate used. The exception applies only to the extent that the change is required by interest rate benchmark reform when both these conditions are met:

- a) the change is necessary as a direct consequence of the reform; and
- b) the new basis for determining the contractual cash flows as a result of the reform is economically equivalent to the previous basis.

As at 29 February 2024, the Group has amended the terms and conditions of certain financial instruments to the new benchmark rate.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

29. Financial instruments and financial risks (Continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipts cycles. The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group’s operations are financed mainly through equity and holding company. The directors are satisfied that funds are available to finance the operations of the Group.

The following table details the Group and the Company’s remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Company is expected to receive or (pay). The table includes both interest and principal cash flows

<u>Group</u>	<u>Effective interest rate</u> %	<u>Less than 1 year</u> S\$’000	<u>2 to 5 years</u> S\$’000	<u>Over 5 years</u> S\$’000	<u>Total</u> S\$’000
<u>Undiscounted Financial Assets</u>					
Cash and cash equivalents	-	1,247	-	-	1,247
Trade and other receivables (excluding prepayments)	-	6,417	10,478	840	17,735
As at 29 February 2024		7,664	10,478	840	18,982
Cash and cash equivalents	-	2,821	-	-	2,821
Trade and other receivables (excluding prepayments)	-	4,872	10,724	907	16,503
As at 28 February 2023		7,693	10,724	907	19,324
Cash and cash equivalents	-	7,043	-	-	7,043
Trade and other receivables (excluding prepayments)	-	3,108	15,121	-	18,229
As at 28 February 2022		10,151	15,121	-	25,272

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

29. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

<u>Group</u>	<u>Effective interest rate</u> %	<u>Less than 1 year</u> S\$'000	<u>2 to 5 years</u> S\$'000	<u>Over 5 years</u> S\$'000	<u>Total</u> S\$'000
<u>Undiscounted Financial Liabilities</u>					
Trade and other payables (excluding GST payable)	-	8,077	7,701	10	15,788
Borrowings	1.57	1,904	3,772	2,923	8,599
Lease liabilities	1.63	14,498	18,933	6,132	39,563
As at 29 February 2024		24,479	30,406	9,065	63,950
Trade and other payables (excluding GST payable)	-	6,717	8,487	-	15,204
Borrowings	1.43	2,668	4,847	4,110	11,625
Lease liabilities	1.59	10,594	14,994	3,528	29,116
As at 28 February 2023		19,979	28,328	7,638	55,945
Trade and other payables (excluding GST payable)	-	14,408	1,286	27	15,721
Borrowings	1.43	4,199	5,897	5,956	16,052
Lease liabilities	1.59	14,573	18,917	906	34,396
As at 28 February 2022		33,180	26,100	6,889	66,169
<u>Total undiscounted net financial liabilities</u>					
As at 29 February 2024		(16,815)	(19,928)	(8,225)	(44,968)
As at 28 February 2023		(12,286)	(17,604)	(6,731)	(36,621)
As at 28 February 2022		(23,029)	(10,979)	(6,889)	(40,897)

30. Capital management policies and objectives

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital structure in order to support its business and maximise shareholder value.

The Company manages its capital structure, defined as share capital and accumulated reserves, and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return of capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 28 February 2022, 28 February 2023 and 29 February 2024.

The Company has no externally imposed capital requirements for the financial years ended 28 February 2022, 28 February 2023 and 29 February 2024.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

31. Fair value of assets and liabilities

The fair values of applicable assets and liabilities, are determined and categorised using a fair value hierarchy as follows:

- (a) Level 1 - the fair values of assets and liabilities with standard terms and conditions and which trade in active markets that the Group can access at the measurement date are determined with reference to quoted market prices (unadjusted).
- (b) Level 2 - in the absence of quoted market prices, the fair values of the assets and liabilities are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets or included within Level 1, quoted prices for identical or similar assets/liabilities in non-active markets.
- (c) Level 3 - in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The table below analyses the Group’s asset that is measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition.

	Note	Group Level 3 S\$’000
2024		
<u>Recurring fair value measurement</u>		
Other investment at FVTPL – Unquoted equity instrument	18	-
2023		
<u>Recurring fair value measurement</u>		
Other investment at FVTPL – Unquoted equity instrument	18	-

Except as disclosed in the respective notes, the carrying amounts of the current financial assets and financial liabilities, including cash and cash equivalents, trade and other receivables and trade and other payables, approximate their respective fair values due to their short-term nature.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

31. Fair value of assets and liabilities (Continued)

Level 3

Unquoted equity instrument classified as other investment held at FVTPL

The unquoted equity instrument was valued using the net asset value of the investee.

Summary of the quantitative information about the significant unobservable inputs used in the level 3 fair value measurements.

<u>Description</u>	<u>Fair value at 28 February 2024 S\$’000</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Relationship of unobservable inputs to fair value</u>
Other investment at fair value through profits and loss:				
Unquoted equity instrument	- (2023: \$NIL)	Net asset approach	Net asset value	An increase/ decrease will result in an increase/ decrease in fair value

Movements in Level 3 assets subject to recurring fair value measurements

The following table presents the reconciliation for the other investment held at FVTPL, measured at fair value based on significant unobservable inputs:

	<u>2024 S\$’000</u>	<u>2023 S\$’000</u>
Opening balance	-	-
Addition	-	31
Fair value loss included in profit or loss for the financial year	-	(31)
Closing balance	-	-

In 28 February 2023, the amount of fair value loss financial year included in profit or loss under ‘other expenses’.

Valuation policies and procedures

The Group’s Chief Financial Officer (“CFO”) oversees the Group’s financial reporting valuation process and is responsible for setting and documenting the Group’s valuation policies and procedures and reports to the Board of Directors.

It is the Group’s policy that where assessed necessary, the Group would engage experts to perform significant financial reporting valuations. The CFO is responsible for selecting and engaging such external experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 fair value measurement guidance.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024

31. Fair value of assets and liabilities (Continued)

Valuation policies and procedures (Continued)

He also reviews at least on an annual basis, the appropriateness of the valuation methodologies and assumptions adopted and evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

The analysis and results of the external valuations are then reported to the Board of Directors for approval.

During the financial year, there is no change in the applicable valuation techniques.

32. Segment information

The Board of Directors is the Group’s chief operating decision maker. Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions, allocate resources and assess performance.

The Board of Directors considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the four primary geographic areas namely, Japan, Singapore, Malaysia and Taiwan. From a business segment perspective, management separately considers the restaurant leasing and subleasing business and food retail business.

- (a) Property subleasing business focuses on spaces and tenants in the restaurant business in Japan.
- (b) Food retail business is a Japan-headquartered company. The Group has expanded to various locations overseas and currently manage restaurants in Japan, Singapore, Malaysia and Taiwan.

Except as disclosed above, no operating segments have been aggregated to form the above reportable operating segments.

As the amounts of total assets and liabilities for each reportable segment are not regularly provided to the Board of Directors, such information is not presented.

The Board of Directors assesses the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of expenditure from the operating segments such as restructuring costs and impairment loss that are not expected to recur regularly in every period which are separately analysed. Interest income and finance expenses are not allocated to segments, as this type of activity is driven by the Group Treasury, which manages the cash position of the Group.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

32. Segment information (Continued)

Analysis by business segments

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
<u>Segment revenue</u>			
- Restaurant leasing and sublease business	19,614	17,265	19,138
- Food retail business	24,159	22,403	18,680
Total	<u>43,773</u>	<u>39,668</u>	<u>37,818</u>
<u>Segment results</u>			
Segment gross profit ⁽¹⁾ :			
- Restaurant leasing and sublease business	3,862	2,279	2,613
- Food retail business	3,991	3,144	3,140
Total	<u>7,853</u>	<u>5,423</u>	<u>5,753</u>
Other income	2,912	1,081	2,146
Administrative and distribution expenses	(6,971)	(7,608)	(5,685)
Other expenses	(595)	(1,563)	(874)
Finance costs	(780)	(577)	(819)
Share of losses from equity-accounted for associate	(91)	-	-
Profit/(Loss) before income tax	2,328	(3,244)	521
Income tax expense	(923)	(143)	(118)
Profit/(Loss) for the year	<u>1,405</u>	<u>(3,387)</u>	<u>403</u>

(1) The cost of sales used in the calculation of segmental GP includes the cost of raw material, payroll and lease rental directly attributable to the outlet.

Geographical segments

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Revenue			
Japan	31,559	28,297	30,020
Singapore	6,419	7,029	5,879
Malaysia	5,539	4,127	1,750
Taiwan	256	215	169
	<u>43,773</u>	<u>39,668</u>	<u>37,818</u>

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2022, 28 FEBRUARY 2023 AND
29 FEBRUARY 2024**

32 Segment information (Continued)

Geographical segments (Continued)

	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Non-current assets			
Japan	48,716	40,791	50,429
Singapore	1,718	1,228	976
Malaysia	1,434	669	824
	<u>51,868</u>	<u>42,688</u>	<u>52,229</u>

This page has been intentionally left blank.

**APPENDIX B – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND
THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

**REPORT ON THE COMPILATION OF UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL
INFORMATION FOR THE FINANCIAL YEAR ENDED
29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED
(Incorporated in Singapore)
AND ITS SUBSIDIARIES

This page has been intentionally left blank.

**APPENDIX B – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND
THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

**INDEPENDENT AUDITORS’ ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO
FORMA CONSOLIDATED FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

The Board of Directors
Food Innovators Holdings Limited
6 Eu Tong Sen Street,
#09-17 Soho 1 @ The Central,
Singapore 059817

Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information

We have completed our assurance engagement to report on the compilation of unaudited pro forma consolidated financial information of Food Innovators Holdings Limited (the “Company”) and its subsidiary (the “Group”). The unaudited pro forma consolidated financial information consists of the unaudited pro forma consolidated statement of financial position as at 29 February 2024, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flow for the financial year ended 29 February 2024, and related notes as set out in pages B5 to B16 of the Offer Document issued. The applicable criteria on the basis of which management has compiled the pro forma consolidated financial information are described in Note 3.

The unaudited pro forma consolidated financial information has been compiled by management to illustrate the impact of the significant events set out in Note 2 on:

- (i) the Group’s unaudited pro forma consolidated financial position as at 29 February 2024 as if the Proposed transactions had taken place on 29 February 2024; and
- (ii) the Group’s unaudited pro forma consolidated financial performance and unaudited pro forma consolidated statement of cash flow for the financial year ended 29 February 2024 as if the Proposed Transactions had taken place on 1 March 2023.

As part of this process, information about the Group’s consolidated financial position as at 29 February 2024, consolidated financial performance and consolidated cash flows for the financial year ended 29 February 2024 have been extracted by management of the Group from the Group’s financial statements for the financial year ended 29 February 2024, on which an audit report and a review report have been published respectively.

APPENDIX B – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

INDEPENDENT AUDITORS’ ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

Management’s Responsibility for the Unaudited Pro Forma Consolidated Financial Information

Management is responsible for compiling the unaudited pro forma consolidated financial information of the Group on the basis of the applicable criteria as described in Note 3.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply Singapore Standard on Quality Control (SSQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors’ Responsibilities

Our responsibility is to express an opinion about whether the unaudited pro forma consolidated financial information of the Group has been compiled, in all material respects, by management on the basis as described in Note 3.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Consolidated Financial Information Included in a Prospectus* (“SSAE 3420”) issued by the Institute of Singapore Chartered Accountants. This standard requires that the auditor plan and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the unaudited pro forma consolidated financial information of the Group on the basis of the applicable criteria as described in Note 3.

**APPENDIX B – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND
THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

**INDEPENDENT AUDITORS’ ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO
FORMA CONSOLIDATED FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

Auditors’ Responsibilities (Continued)

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma consolidated financial information of the Group, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma consolidated financial information of the Group.

The purpose of the unaudited pro forma consolidated financial information of the Group included in a Offer Document is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at the respective dates would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma consolidated financial information of the Group has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by management in the compilation of the unaudited pro forma consolidated financial information of the Group provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- (i) The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- (ii) The unaudited pro forma consolidated financial information of the Group reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner’s judgement, having regard to the auditors’ understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma consolidated financial information of the Group has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma consolidated financial information of the Group.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**APPENDIX B – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND
THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

**INDEPENDENT AUDITORS’ ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO
FORMA CONSOLIDATED FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

Opinion

In our opinion:

- (a) The unaudited pro forma consolidated financial information of the Group has been compiled:
 - (i) in a manner consistent with the accounting policies adopted by the Group in its latest audited financial statements, which are in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”);
 - (ii) on the basis of the applicable criteria stated in Note 3 of the unaudited pro forma consolidated financial information of the Group; and
- (b) each material adjustment made to the information used in the preparation of the unaudited pro forma consolidated financial information of the Group is appropriate for the purpose of preparing such unaudited pro forma consolidated financial information.

Restriction of Use and Distribution

This report has been prepared solely for inclusion in the offer Document of the Company in connection with the Initial Public Offering of the shares of the Company on the Catalist of Singapore Exchange Securities Trading Limited and for no other purpose.

**FORVIS MAZARS LLP
(FORMERLY KNOWN AS MAZARS LLP)**
Public Accountants and
Chartered Accountants

Singapore

9 October 2024

Ooi Chee Keong
Partner-in-charge
A member of the Institute of Singapore Chartered Accountants

**APPENDIX B – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND
THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARY

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 29 FEBRUARY 2024**

	<u>2024</u> S\$'000
Revenue	43,773
Cost of sales	<u>(35,920)</u>
Gross profit	7,853
Other income	2,912
Administrative and distribution expenses	(7,559)
Other expenses	(595)
Finance costs	(780)
Share of losses from equity-accounted for associate	<u>(91)</u>
Profit before income tax	1,740
Income tax expense	<u>(923)</u>
Profit for the year	<u>817</u>
Other comprehensive loss:	
Items that may be reclassified subsequently to profit or loss	
Exchange differences on translation of foreign subsidiaries	<u>(121)</u>
	<u>(121)</u>
Total comprehensive income for the financial year	<u>696</u>
Profit for the year attributable to:	
- Owners of the Company	817
- Non-controlling interest	<u>-</u>
	<u>817</u>
Total comprehensive income for the financial year attributable to:	
- Owners of the Company	696
- Non-controlling interest	<u>-</u>
	<u>696</u>
Earnings per share attributable to owners of the Company (cents)	
Basic and diluted earnings per share	<u><u>0.94</u></u>

The accompanying notes form an integral part of and should be read in conjunction with these unaudited interim condensed consolidated financial statements.

**APPENDIX B – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND
THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARY

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2024**

	<u>2024</u> S\$'000
<u>ASSETS</u>	
Current assets	
Cash and bank balances	1,717
Trade and other receivables	7,990
Inventories	393
Income tax receivables	-
	10,100
Non-current asset	
Property, plant and equipment	3,300
Right-of-use assets	33,605
Intangible assets	491
Goodwill	1,257
Investment in associate	92
Other investment	-
Trade and other receivable	12,850
Deferred tax assets	273
	51,868
Total assets	61,968
<u>LIABILITIES AND EQUITY</u>	
Current liabilities	
Trade and other payables	8,173
Borrowings	1,787
Lease liabilities	13,272
Income tax payable	900
	24,132
Non-current liabilities	
Trade and other payables	7,732
Borrowings	6,376
Lease liabilities	20,886
	34,994
Capital and reserves	
Share capital	24,143
Share option reserve	1,606
Merger reserve	(15,415)
Translation reserve	(131)
Accumulated losses	(7,361)
	2,842
Total liabilities and equity	61,968

*The accompanying notes form an integral part of and should be read in conjunction
with these unaudited interim condensed consolidated financial statements.*

**APPENDIX B – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND
THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARY

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 FEBRUARY 2024**

	<u>2024</u> S\$'000
Operating activities	
Profit before income tax	1,740
Adjustments for:	
Depreciation of property, plant and equipment	509
Depreciation of right of use assets	15,225
Amortisation of intangible assets	71
Employee share options expense	814
Gain on disposal of intangible assets	(294)
Gain on disposal of subsidiaries	(1,707)
Loss on disposal of property, plant and equipment	19
Impairment loss on intangible assets	288
Impairment loss on goodwill	489
Reversal for credit losses on receivables	(153)
Interest income	(5)
Interest expense	780
Unrealised foreign exchange gain	(280)
Share of losses from equity-accounted for associate	91
	17,587
Operating cash flows before movements in working capital	17,587
Changes in working capital:	
Inventories	(112)
Trade and other receivables	(1,455)
Trade and other payables	788
	788
Cash generated from operations	16,808
Income tax paid	(23)
	(23)
Net cash generated from operating activities	16,785

*The accompanying notes form an integral part of and should be read in conjunction
with these unaudited interim condensed consolidated financial statements.*

**APPENDIX B – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND
THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARY

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 FEBRUARY 2024**

	<u>2024</u> S\$'000
Investing activities	
Proceeds from disposal of property, plant and equipment	81
Proceeds from disposal of intangible assets	306
Proceed from disposal of subsidiaries, net	1,570
Purchase of property, plant and equipment	(1,975)
Interest received	5
Acquisition of intangible assets	(17)
Acquisition of investment in associate	(179)
Acquisition of business	(1,750)
	(1,959)
Net cash used in investing activities	
Financing activities	
Repayment of obligation under leases	(16,225)
Repayment of borrowings	(2,167)
Proceeds from share issuance	2,866
Interest paid	(41)
	(15,567)
Net cash used in financing activities	
	(741)
Net change in cash and cash equivalents	
Cash and cash equivalents at beginning of the financial year	2,821
Effect of exchange rate changes on cash and cash equivalents	(363)
	1,717
Cash and cash equivalents at end of financial year	

*The accompanying notes form an integral part of and should be read in conjunction
with these unaudited interim condensed consolidated financial statements.*

**APPENDIX B – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND
THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARY

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 FEBRUARY 2024**

Reconciliation of liabilities arising from financing activities:

	As at 1 March 2023 S\$'000	Financing cash outflows S\$'000	Non-cash movement				As at 29 February 2024 S\$'000
			Acquisition S\$'000	Interest S\$'000	Lease modification S\$'000	Foreign exchange movement S\$'000	
Liabilities							
Bank Borrowings	11,097	(2,167)	-	176	-	(943)	8,163
Lease liabilities	26,611	(16,225)	28,392	563	(2,414)	(2,769)	34,158

The accompanying notes form an integral part of and should be read in conjunction with these unaudited interim condensed consolidated financial statements.

APPENDIX B – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARY

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION YEAR ENDED 29 FEBRUARY 2024

1. GENERAL INFORMATION

Food Innovators Holdings Limited (the “Company”) (Registration Number 201938544H) was incorporated on Singapore and is domiciled in Singapore with its principal place of business and registered office address at 6 Eu Tong Sen Street, #09-17, The Central, Singapore 059817.

The principal activity of the Company is that of investment holding and management consultancy services.

The detail of its operating entities are disclosed as follows:

<u>Company name</u>	<u>Registration number</u>	<u>Principal activities</u>
Food Innovators Japan Co., Ltd.	8013301030426	Restaurant operation; sale, lease and brokerage of real estate; provision of restaurant management consultancy services
F Innovators Singapore Pte. Ltd.	201205603M	Restaurants operation, the provision of business management and consultancy services
F Innovators Malaysia Sdn. Bhd.	201701028559	Restaurant operation
Food Innovators Taiwan Co., Ltd.	82870173	Franchising of restaurants
Kurimen Co., Ltd.	6013301041383	Provision of restaurant cleaning and waste disposal service
Tomaatti Co., Ltd.	6010401173215	Restaurants operation, the provision of business management and consultancy services

The consolidated financial statements of the Group for the financial year ended 29 February 2024 were authorised for issue by the board of director on the date of this report.

2. SIGNIFICANT EVENTS

Save for the following significant events relating to the Group (the “Significant Events”) discussed below, the directors, as at the date of this report, are not aware of other significant acquisitions, disposal of assets and subsidiary or significant changes made to the capital structure of the Group as at 29 February 2024.

(a) Capital injection from Rakusei

On 15 March 2024, the Group entered into an investment agreements with Rakusei Co., Ltd. for the issuance of 2,048,636 unit of shares for an total consideration of JPY50,000,000 (approximate S\$469,836).

**APPENDIX B – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND
THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARY

**NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
YEAR ENDED 29 FEBRUARY 2024**

2. SIGNIFICANT EVENTS (Continued)

(b) ESOP Granted

The following employees and non-employees share option plan (“ESOP”) were assumed to be granted on 1 March 2023.

On 22 May 2024, the Group granted 16,017,500 ESOP to employees and 252,500 to former employees at an exercise price of S\$0.22 per ESOP (“FY2025 ESOP”). The FY2025 ESOP is exercisable at any time after the first anniversary of the date of grant of such option until the expiry on 31 March 2028. As of the grant date of 22 May 2024, the value per FY2025 ESOP is S\$0.036. The value of the 16,270,000 ESOP granted is approximate S\$587,747.

3 BASIS OF PREPARATION OF THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

3.1 The unaudited pro forma consolidated financial information refers to the consolidated financial information of the Group which is presented in Singapore dollar (“S\$”) which is also the functional currency of the Company. The unaudited pro forma consolidated financial information has been prepared for illustrative purposes only. It has been prepared based on certain assumptions and after making certain adjustments to show what

(a) the unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Group for the financial year ended 29 February 2024 would have been if the significant events as described in Note 2 had been in place since 1 March 2023; and

(b) the unaudited pro forma consolidated statement of financial position of the Group as at 29 February 2024 would have been if the significant events as described in Note 2 had been in place on 29 February 2024.

3.2 However, the unaudited pro forma consolidated financial information of the Group may not give a true picture of the Group’s actual financial position, financial performance and cash flows because of its nature and is not necessarily indicative of the results of the operations and cash flows or the related effects on the financial position that would have been attained had the Group.

3.3 The unaudited pro forma consolidated financial information of the Group has been compiled based on the audited consolidated financial statements of the Group for the financial years ended 28 February 2022, 2023 and 29 February 2024 which were prepared in accordance with SFRS(I) and audited by Forvis Mazars LLP (formerly known as Mazars LLP), Public Accountants and Chartered Accountants Singapore, in accordance with Singapore Standards of Auditing;

3.4 The independent auditors’ reports of the aforementioned audited financial statements were not subject to any qualification.

**APPENDIX B – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND
THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARY

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
YEAR ENDED 29 FEBRUARY 2024

4. STATEMENT OF PRO FORMA ADJUSTMENTS

4.1 Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 29 February 2024

	Financial year ended 29 February 2024 of the Group		
	Audited Consolidated Statements of Profit or Loss and Other Comprehensive Income S\$'000	Unaudited Pro Forma Adjustments Event Note 2 (b) S\$'000	Unaudited Pro Forma Consolidated Statements of Profit or Loss and Other Comprehensive Income S\$'000
Revenue	43,773	-	43,773
Cost of sales	(35,920)	-	(35,920)
Gross profit	7,853	-	7,853
Other income	2,912	-	2,912
Administrative and distribution expenses	(6,971)	(588)	(7,559)
Other expenses	(595)	-	(595)
Finance costs	(780)	-	(780)
Share of losses from equity- accounted for associates	(91)	-	(91)
Profit before income tax	2,328	(588)	1,740
Income tax expense	(923)	-	(923)
Profit for the year	1,405	(588)	817
Other comprehensive loss: Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign subsidiaries	(121)	-	(121)
Total comprehensive income for the financial year	1,284	(588)	696

**APPENDIX B – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND
THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARY

**NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
YEAR ENDED 29 FEBRUARY 2024**

4. STATEMENT OF PRO FORMA ADJUSTMENTS (Continued)

4.2 Unaudited pro forma consolidated statement of financial position of the Group as at 29 February 2024

	Audited Consolidate d Statement of Financial Position 29.02.2024 S\$'000	Unaudited Pro Forma Adjustments Event Note 2(a) S\$'000	Unaudited Pro Forma Adjustment s Event Note 2(b) S\$'000	Unaudited Pro Forma Consolidate d Statements of Profit or Loss and Other Comprehen sive Income S\$'000
ASSETS				
Current assets				
Cash and bank balances	1,247	470	-	1,717
Trade and other receivables	7,990	-	-	7,990
Inventories	393	-	-	393
	<u>9,630</u>	<u>470</u>	<u>-</u>	<u>10,100</u>
Non-current assets				
Property, plant and equipment	3,300	-	-	3,300
Right-of-use assets	33,605	-	-	33,605
Intangible assets	491	-	-	491
Goodwill	1,257	-	-	1,257
Investment in associate	92	-	-	92
Other investment	-	-	-	-
Trade and other receivable	12,850	-	-	12,850
Deferred tax assets	273	-	-	273
	<u>51,868</u>	<u>-</u>	<u>-</u>	<u>51,868</u>
Total assets	<u>61,498</u>	<u>470</u>	<u>-</u>	<u>61,968</u>
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	8,173	-	-	8,173
Borrowings	1,787	-	-	1,787
Lease liabilities	13,272	-	-	13,272
Income tax payable	900	-	-	900
	<u>24,132</u>	<u>-</u>	<u>-</u>	<u>24,132</u>
Non-current liabilities				
Trade and other payables	7,732	-	-	7,732
Borrowings	6,376	-	-	6,376
Lease liabilities	20,886	-	-	20,886
	<u>34,994</u>	<u>-</u>	<u>-</u>	<u>34,994</u>
Capital and reserves				
Share capital	23,673	470	-	24,143
Share option reserve	1,018	-	588	1,606
Merger reserve	(15,415)	-	-	(15,415)
Translation reserve	(131)	-	-	(131)
Accumulated losses	(6,773)	-	(588)	(7,361)
	<u>2,372</u>	<u>470</u>	<u>-</u>	<u>2,842</u>
Total liabilities and equity	<u>61,498</u>	<u>470</u>	<u>-</u>	<u>61,968</u>

**APPENDIX B – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND
THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARY

**NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
YEAR ENDED 29 FEBRUARY 2024**

4. STATEMENT OF PRO FORMA ADJUSTMENTS (Continued)

4.3 Unaudited pro forma consolidated statement of cash flows of the Group for the year ended 29 February 2024

	Audited Consolidated Statement of Cash Flows S\$’000	Unaudited Pro Forma Adjustments Event Note 2(a, b) S\$’000	Unaudited Pro Forma Statement of Cash Flows S\$’000
Operating activities			
Profit before income tax	2,328	(588)	1,740
Adjustments for:			
Depreciation of property, plant and equipment	509	-	509
Depreciation of right of use assets	15,225	-	15,225
Amortisation of intangible assets	71	-	71
Employee share options expense	226	588	814
Gain on disposal of intangible assets	(294)	-	(294)
Gain on disposal of subsidiaries	(1,707)	-	(1,707)
Loss on disposal of property, plant and equipment	19	-	19
Impairment loss on intangible assets	288	-	288
Impairment loss on goodwill	489	-	489
Reversal for credit losses on receivables	(153)	-	(153)
Interest income	(5)	-	(5)
Interest expense	780	-	780
Unrealised foreign exchange gain	(280)	-	(280)
Share of losses from equity-accounted for associate	91	-	91
Operating cash flows before movements in working capital	17,587	-	17,587
Changes in working capital:			
Inventories	(112)	-	(112)
Trade and other receivables	(1,455)	-	(1,455)
Trade and other payables	788	-	788
Cash generated from operations	16,808	-	16,808
Income tax paid	(23)	-	(23)
Net cash generated from operating activities	16,785	-	16,785

**APPENDIX B – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND
THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARY

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
YEAR ENDED 29 FEBRUARY 2024

4. STATEMENT OF PRO FORMA ADJUSTMENTS (Continued)

4.3 Unaudited pro forma consolidated statement of cash flows of the Group for the year ended 29 February 2024 (Continued)

	Audited Consolidated Statement of Cash Flows S\$'000	Unaudited Pro Forma Adjustments Event Note 2(a, b) S\$'000	Unaudited Pro Forma Statement of Cash Flows S\$'000
Investing activities			
Proceeds from disposal of property, plant and equipment	81	-	81
Proceeds from disposal of intangible assets	306	-	306
Proceed from disposal of subsidiaries, net	1,570	-	1,570
Purchase of property, plant and equipment	(1,975)	-	(1,975)
Interest received	5	-	5
Acquisition of intangible assets	(17)	-	(17)
Acquisition of investment in associate	(179)	-	(179)
Acquisition of business	(1,750)	-	(1,750)
Net cash used in investing activities	(1,959)	-	(1,959)
Financing activities			
Repayment of obligation under leases	(16,225)	-	(16,225)
Repayment of borrowings	(2,167)	-	(2,167)
Proceeds from share issuance	2,396	470	2,866
Interest paid	(41)	-	(41)
Net cash used in financing activities	(16,037)	470	(15,567)
Net change in cash and cash equivalents	(1,211)	470	(741)
Cash and cash equivalents at beginning of the financial year	2,821		2,821
Effect of exchange rate changes on cash and cash equivalents	(363)	-	(363)
Cash and cash equivalents at end of financial year	1,247	470	1,717

**APPENDIX B – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND
THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION OF FOOD INNOVATORS HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

FOOD INNOVATORS HOLDINGS LIMITED AND ITS SUBSIDIARY

**NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
YEAR ENDED 29 FEBRUARY 2024**

4. STATEMENT OF PRO FORMA ADJUSTMENTS (Continued)

- 4.4 Our unaudited pro forma consolidated financial information as at 29 February 2024 included in the unaudited pro forma Report has been prepared on an illustrative basis to show the impact of the Significant Events.

The unaudited pro forma consolidated financial information of the Group, because of its nature, is not necessarily indicative of the results of the operations, cash flows and financial position that would have been attained had the Significant Events actually occurred earlier. Save as disclosed in Note 2, the management, for the purpose of preparing this set of unaudited pro forma consolidated financial information of the Group, has not considered the effects of other events.

5. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the assumption that the significant events occurred as at 1 March 2024, and based on the following data:

	Group Year ended <u>29.02.2024</u> S\$
Profit for the year (attributable to the owner of the Company)	<u>817,000</u>
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share	86,559,866
Basic and diluted earnings per share (cents per share)	<u>0.94</u>

日本の外食産業における概況レポート
Overview of Japan's Food Service Industry

報告書

Report

2024年8月29日

29 August 2024

<レポート概要>

<Report Summary>

1. レポート内容

Report Contents

日本の外食産業・飲食店業の動向等を、オープンデータならびに弊社蓄積情報を基に解説する。

The report will provide an analysis of trends in Japan's food service and restaurant industries, drawing on publicly available information and information accumulated by Yano Research Institute.

2. レポート構成

Report Structure

ー 1. 外食産業の市場規模推移と消費動向

Market size trends and consumption trends in the food service industry

- ・外食産業の市場規模推移（2005年～2021年）※日本フードサービス協会の統計データを引用

Market size trends in the food service industry (2005-2021), citing statistical data from the Japan Foodservice Association

売上高推移は下記の分類とする。

Sales trends are classified as follows:

外食産業全体 Food service industry as a whole	飲食店（食堂・レストラン、そば・うどん店、すし店、その他） Restaurants (cafeteria / restaurants, soba / udon noodle restaurants, sushi restaurants, etc.)
宿泊施設 Accommodation	喫茶店 Coffee shops
居酒屋・ビヤホール Izakaya/Beer Hall	料亭・バー/キャバレー/ナイトクラブ Ryotei, Bar, Cabaret, Nightclub

※ デイナーレストランは飲食店に含まれ、ホテル料飲部門は宿泊施設に含むが、ダイナーレストラン単独の売上高推移のデータは作成不可となる。

APPENDIX C – INDUSTRY REPORT

※ Dinner restaurants are categorised under Restaurants, and hotel's food and beverage departments are categorised under Accommodation. However, sales trends specifically for dinner restaurants are not available.

- ・ 外食産業売上高の前年比伸び率推移（2010年～2023年）

Year-on-year growth rate trends of sales in the food service industry (2010-2023)

- ※ 日本フードサービス協会の協会加盟会員社を対象としたデータを引用
- ※ Based on data from a survey on member companies of the Japan Foodservice Association.

- ・ 一般外食の消費動向推移（2019年～2023年）

Trends in consumption expenditure for dining out (2019-2023)

- ※ 総務省「家計調査」を引用
- ※ Based on the Family Income and Expenditure Survey by the Ministry of Internal Affairs and Communications ("MIC").

－ 2. 飲食店の事業所数・従業者数の推移

Trends in the number of restaurant establishments and employees

- ・ 飲食店の事業所数の推移（2016年）および（2021年）

Trends in the number of restaurant establishments compared between (2016) and (2021)

- ※ 総務省・経済産業省「経済センサス」を引用
- ※ Based on the "Economic Census Activity Survey" by the MIC and the Ministry of Economy, Trade and Industry ("METI").

- ・ 飲食店の従業者数の推移（2016年）および（2021年）

Trends in the number of restaurant employees compared between (2016) and (2021)

- ※ 総務省・経済産業省「経済センサス」を引用
- ※ Based on the "Economic Census Activity Survey" by the MIC and the METI.

- ・ 飲食店の従業員規模別の事業所構成（2021年）

Composition of restaurant establishments by employee size as at (2021)

- ※ 総務省・経済産業省「経済センサス」を引用
- ※ Based on the "Economic Census Activity Survey" by the MIC and the METI.

- ・ 飲食店の経営組織数の推移（2019年～2023年）

Trends in the number of corporate entities operating in the restaurant industry in Japan (2019-2023)

- ※ 総務省・経済産業省「経済構造実態調査」を引用
- ※ Based on the "Economic Structure Survey" by the MIC and the METI.

APPENDIX C – INDUSTRY REPORT

- ・ 飲食店の事業従事者数の推移（2019年～2023年）

Trends in the number of persons working at restaurants (2019-2023)

※ 総務省「サービス産業動向調査」を引用

※ Based on the “Survey on Service Industries” by the MIC.

－ 3. 外食産業の現在の動向の解説

Analysis of current trends in the food service industry

- ・ 外食産業全体の動向解説

Analysis of trends in the food service industry as a whole

- ・ デイナーレストランの動向解説

Analysis of dinner restaurant trends

- ・ 訪日外国人の増加による飲食店への影響

The impact of rising numbers of foreign visitors to Japan on local restaurants

- ・ 日系外食企業のアジア地区等への海外展開の動向

Trends in the overseas expansion of Japanese food service companies in the Asian regions, etc.

APPENDIX C – INDUSTRY REPORT

<目次>

<Table of Contents>

1. 外食産業の市場規模推移と消費動向	C-9
Market size trends and consumption trends in the food service industry	
1.1 外食産業の市場規模推移	C-9
Market size trends in the food service industry	
1.2 一般外食の消費動向推移	C-13
Trends in consumption expenditure for dining out	
2. 飲食店の事業所数・従業者数の推移	C-15
Trends in the number of restaurant establishments and employees	
2.1 飲食店の事業所数の推移（2016年）および（2021年） / 「経済センサス」	C-15
Trends in the number of restaurant establishments compared between (2016) and (2021) / “Economic Census”	
2.2 飲食店の経営組織数の推移（2019年～2023年） / 「経済構造実態調査」	C-18
Trends in the number of corporate entities operating in the restaurant industry in Japan (2019-2023) / “Economic Structure Survey”	
2.3 飲食店の従業者数の推移（2016年）および（2021年） / 「経済センサス」	C-19
Trends in the number of restaurant employees compared between (2016) and (2021) / “Economic Census”	
2.4 飲食店の従業員規模別の事業所構成（2021年） / 「経済センサス」	C-22
Composition of restaurant establishments by employee size as of (2021) / “Economic Census”	
2.5 飲食店の事業従事者数の推移（2019年～2023年） / 「サービス産業動向調査」	C-24
Trends in the number of persons working at restaurants (2019-2023) / “Survey on Service Industries	
3. 外食産業の現在の動向	C-26
Current trends in the food service industry	
3.1 外食産業全体の動向	C-26
Overall trends in the food service industry	
3.1.1 コロナ前の動向（～2019年）	C-26
Trends before COVID-19 (~2019)	
3.1.2 コロナ禍の動向（2020年～2022年）	C-27
Trends during COVID-19 pandemic (2020-2022)	
3.1.3 コロナ後の動向（2023年～）	C-29
Post COVID-19 trends (2023~)	
3.2 デイナーレストランの動向	C-31

APPENDIX C – INDUSTRY REPORT

Trends in dinner restaurants	
3.2.1	コロナ前の動向（～2019年）C-31
	Trends before COVID-19 (~2019)
3.2.2	コロナ禍の動向（2020年～2022年）C-32
	Trends during COVID-19 pandemic (2020-2022)
3.2.3	コロナ後の動向（2023年～）C-37
	Post COVID-19 trends (2023~)
3.3	訪日外国人の増加による飲食店への影響C-39
	The impact of rising number of foreign visitors to Japan on local restaurants
3.4	日系外食企業のアジア地区等への海外展開の動向C-47
	Trends in overseas expansion of Japanese food service companies to the Asian regions, etc.

APPENDIX C – INDUSTRY REPORT

＜用語について＞ <About the Terms>

用語 Term	意味 Meaning
事業所（経済センサス） Business Establishment (Economic Census)	<p>経済活動が行われている場所ごとの単位で、原則として以下の2点を備えているものをいう。</p> <p>A unit per location where economic activities are conducted, which in principle meets the following two criteria:</p> <ul style="list-style-type: none"> ● 一定の場所（1区画）を占めて、単一の経営主体のもとで経済活動が行われていること。 Economic activities are carried out under a single management entity occupying a certain area (one lot). ● 従業者と設備を有して、物の生産や販売、サービスの提供が継続的に行われていること。 It has employees and equipment, and continuously engages in the production or sale of goods, or the provision of services.
従業員（経済センサス） Employee (Economic Census)	<p>当該事業所に所属して働いている全ての人をいう。他の会社などの別経営の事業所へ出向又は派遣している人は含まれるが、別経営の事業所から出向又は派遣されているなど、当該事業所から賃金・給与を支給されていない人は含めない。</p> <p>It refers to all individuals who belong to and work for a business establishment. It includes those who are seconded or dispatched to business establishments under different managements, such as another company. It does not include those who are not paid wages or salaries by the business establishment, such as those who are seconded or dispatched from another business establishment under different management.</p>
経営組織（経済構造実態調査） Corporate Entities (Economic Structure Survey)	<p>事業・活動を行う法人（外国の会社を除く）をいう。</p> <p>A corporate entity (excluding foreign companies) that engages in a business or activity.</p>
事業従事者（サービス産業動向調査）	<p>事業所・企業等において、実際に働いている人をいう。別経営の事業所から出向又は派遣されているなど、当該事業所から賃</p>

APPENDIX C – INDUSTRY REPORT

<p>Persons Working at the Location of Establishment (Survey on Service Industries)</p>	<p>金・給与を支給されていない人は含まれるが、他の会社などの別経営の事業所へ出向又は派遣している人は含まれない。</p> <p>なお、年次調査（拡大調査）における事業活動別の事業従事者は、1人の者が複数の事業活動に従事している場合があるため、延べ人数となっている。</p> <p>A person who actually works at a business establishment or a company. It includes those who are not paid wages or salaries by the business establishment, such as being seconded or dispatched from another business establishment under different management. It does not include those who are seconded or dispatched to another business establishment under different management, such as another company.</p> <p>In the annual (expanded) survey, the number of “Persons Working at the Location of Establishment” by business activity is a cumulative total because one person may be engaged in multiple business activities.</p>
--	--

APPENDIX C – INDUSTRY REPORT

1. 外食産業の市場規模推移と消費動向

Market size trends and consumption trends of the food service industry

1.1 外食産業の市場規模推移

Market size trends of the food service industry

- 一般社団法人日本フードサービス協会の「外食産業市場規模推計」(図表 1 参照)によると、当該飲食業種(飲食店、宿泊施設、喫茶・居酒屋等、料亭・バー等)の2021年の市場規模は13兆9,146億円であった。直近5年間の年平均成長率(2017年~2021年)を見ると-10.9%であるが、コロナ禍前の5年間(2015年~2019年)においては、1.0%で堅調に推移していた。なお、同協会が発表する市場規模の最新版は2021年であり、コロナ後は回復が進んでいることが他データから確認できる。

According to the “Food Service Industry Market Size Estimates” (See Chart 1.) by the Japan Foodservice Association, the market size for the food service industry, including restaurants, accommodation, coffee shops and izakaya, ryotei and bars, was 13,914.16 billion yen in 2021. The Compounded Annual Growth Rate (“CAGR”) for the most recent five years (2017-2021) is -10.9%. However, in the five years prior to the COVID-19 pandemic (2015-2019), the industry experienced a steady growth rate of 1.0%. While the latest market size published by the Japan Foodservice Association is for the year 2021, data in other reports has indicated that the post COVID-19 recovery remains robust.

- 分野別に2021年の市場規模を比較すると、「飲食店」が10兆4,018億円で全体の74.8%を占め、「宿泊施設」は1兆4,682億円で10.6%、「喫茶・居酒屋等」が1兆2,250億円で8.8%、「料亭・バー等」が8,196億円で5.9%という構成になっている。

In 2021, a sector-wise comparison of the market size revealed that “Restaurants” accounted for 74.8% of the total market size at 10,401.8 billion yen, “Accommodation” accounted for 10.6% at 1,468.2 billion yen while “Coffee shops and Izakayas, etc.” accounted for 8.8% at 1,225.0 billion yen. “Ryotei and bars, etc.” accounted for 5.9% at 819.6 billion yen.

- 分野別の年平均成長率を見ると、コロナ禍前(2015年~2019年)においては、「飲食店」が1.7%、「宿泊施設」が0.4%、「喫茶・居酒屋等」が0.0%、「料亭・バー等」が-1.1%であった。一方、直近5年間(2017年~2021年)では、「飲食店」が-7.5%、「宿泊施設」が-15.1%、「喫茶・居酒屋等」が-13.3%、「料亭・バー等」が-26.6%となっている。コロナ禍で産業全体が大打撃を受けたが、「飲食店」はテイクアウト需要等を取り込めたことから他の分野と比較して落込みは軽度であった。一方、コロナ禍前から低調であった「料亭・バー等」は、コロナ禍で大きく落ち込んだ。

Examining the CAGR by sectors, prior to the COVID-19 pandemic (2015-2019), “Restaurants” and “Accommodations” witnessed a growth rate of 1.7% and 0.4% respectively, “Coffee shops and Izakayas” was unchanged, and “Ryoteis and bars” declined by 1.1%. However, over the past five years (2017-2021), the rates shifted significantly: “Restaurants” declined by 7.5%, “Accommodations” declined by 15.1%, “Coffee shops and Izakayas” declined by 13.3%, and “Ryoteis and bars” declined by 26.6%. Despite the severe impact of the COVID-

APPENDIX C – INDUSTRY REPORT

19 pandemic on the industry, the decline in the “Restaurants” sector was mild compared to other sectors as it was able to capture takeout demand, among other factors. Conversely, “Ryoteis and bars,” which were already experiencing poor performance before the COVID-19 pandemic, faced a substantial decline due to the pandemic's effects.

- 外食産業は2000年代に突入して以降、長らくマイナス成長が続き、2000年代初頭のITバブルの崩壊、2009年のリーマンショックの影響に伴う消費者の節約志向の高まり、2011年の東日本大震災の影響などによって市場は落ち込んだ。しかし、2012年以降は景気の回復に加え、デフレ傾向が続いていた外食の客単価にも回復の兆しが強まり、市場はプラス成長へと転じる。その後も、消費増税の影響などのマイナス要素はあるものの、毎年、プラス成長が続いてきた。訪日外国人旅行者の増加に伴う需要増もあったなか、2020年に発生した新型コロナウイルスの感染拡大により人の移動が制限されたことにより需要が消失し、飲食業は非常に厳しい環境に追い込まれた。

The food service industry experienced prolonged negative growth in the 2000s, impacted by the burst of the IT bubble in the early 2000s, increased consumer thriftiness following the dissolution of Lehman Brothers in 2009, and the effects of the Great East Japan Earthquake in 2011. However, from 2012 onwards, the industry began to recover, aided by economic improvements and a reversal in the deflationary trend in the average spend per customer. This led to a positive market growth, which persisted annually despite the market facing challenges such as the consumption tax hike. The increase in foreign visitors to Japan also contributed to rising demand. However, the spread of the COVID-19 pandemic in 2020 and the resulting movements restrictions caused a significant drop in demand, and created a highly challenging environment for the food service industry.

〈図表1-市場規模推移〉

<Chart 1 – Trends in the Market Size>

飲食店、宿泊施設、喫茶・居酒屋等、料亭・バー等の市場規模推移

(億円)

	2005年	2006年	2007年	2008年	2009年	2010年	2011年	2012年	2013年	2014年
当該飲食業種合計	205,013	208,498	209,485	208,969	201,243	199,157	192,972	196,662	204,733	210,269
飲食店	121,565	124,083	127,510	128,435	126,079	124,946	122,230	124,683	129,088	132,204
食堂・レストラン	86,254	88,313	90,141	90,800	88,513	87,774	85,462	88,158	91,150	94,348
そば・うどん店	10,657	10,633	10,834	10,720	10,667	10,785	10,637	10,717	11,506	11,696
すし店	12,915	13,061	13,716	13,673	13,452	12,863	12,847	12,753	13,551	13,916
その他飲食店	11,739	12,076	12,819	13,242	13,447	13,524	13,284	13,055	12,881	12,244
宿泊施設	31,209	31,403	31,111	30,657	27,603	26,879	23,721	25,460	26,700	27,410
喫茶・居酒屋等	21,975	21,989	21,225	20,964	20,163	20,213	20,110	19,977	20,798	21,301
喫茶店	11,074	11,019	10,593	10,359	10,045	10,189	10,182	10,197	10,611	10,921
居酒屋等	10,901	10,970	10,632	10,605	10,118	10,024	9,928	9,780	10,187	10,380
料亭・バー等	30,264	31,023	29,639	28,913	27,398	27,119	26,911	26,542	28,147	29,354
料亭	3,617	3,708	3,543	3,456	3,275	3,242	3,217	3,173	3,364	3,509
バー等	26,647	27,315	26,096	25,457	24,123	23,877	23,694	23,369	24,783	25,845

	2015年	2016年	2017年	2018年	2019年	2020年	2021年	CAGR 2015-2019	CAGR 2017-2021
当該飲食業種合計	217,706	218,225	220,315	221,016	226,428	152,908	139,146	1.0%	-10.9%
飲食店	136,247	139,464	142,215	142,800	145,776	109,780	104,018	1.7%	-7.5%
食堂・レストラン	97,923	99,325	101,155	101,049	103,221	73,780	68,046	1.3%	-9.4%
そば・うどん店	12,373	12,499	12,856	13,016	13,144	9,613	9,464	1.5%	-7.4%
すし店	14,386	15,187	15,231	15,445	15,466	12,639	12,179	1.8%	-5.4%
その他飲食店	11,565	12,453	12,973	13,290	13,945	13,748	14,329	4.8%	2.5%
宿泊施設	29,979	28,528	28,203	28,773	30,503	16,461	14,682	0.4%	-15.1%
喫茶・居酒屋等	21,937	21,518	21,663	21,661	21,922	14,544	12,250	0.0%	-13.3%
喫茶店	11,285	11,256	11,454	11,646	11,784	8,055	7,767	1.1%	-9.3%
居酒屋等	10,652	10,262	10,209	10,015	10,138	6,489	4,483	-1.2%	-18.6%
料亭・バー等	29,543	28,715	28,234	27,782	28,227	12,123	8,196	-1.1%	-26.6%
料亭	3,531	3,432	3,375	3,321	3,373	1,449	980	-1.1%	-26.6%
バー等	26,012	25,283	24,859	24,461	24,854	10,674	7,216	-1.1%	-26.6%

※バー等：バー・キャバレー・ナイトクラブを含む
 ※居酒屋等：居酒屋・ビアホール等

APPENDIX C – INDUSTRY REPORT

Trends in the market size for Restaurants, Accommodation, Coffee shops & Izakaya, etc., Ryotei & Bars, etc. (100 million yen)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total of the F&B sector concerned	205,013	208,498	209,485	208,969	201,243	199,157	192,972	196,662	204,733	210,269
Restaurants	121,565	124,083	127,510	128,435	126,079	124,946	122,230	124,683	129,088	132,204
Cafeterias and Restaurants	86,254	88,313	90,141	90,800	88,513	87,774	85,462	88,158	91,150	94,348
Soba/Udon noodle restaurants	10,657	10,633	10,834	10,720	10,667	10,785	10,637	10,717	11,506	11,696
Sushi restaurants	12,915	13,061	13,716	13,673	13,452	12,863	12,847	12,753	13,551	13,916
Other restaurants	11,739	12,076	12,819	13,242	13,447	13,524	13,284	13,055	12,881	12,244
Accommodation	31,209	31,403	31,111	30,657	27,603	26,879	23,721	25,460	26,700	27,410
Coffee shops & Izakaya, etc.	21,975	21,989	21,225	20,964	20,163	20,213	20,110	19,977	20,798	21,301
Coffee shops	11,074	11,019	10,593	10,359	10,045	10,189	10,182	10,197	10,611	10,921
Izakaya, etc.	10,901	10,970	10,632	10,605	10,118	10,024	9,928	9,780	10,187	10,380
Ryotei & Bars, etc.	30,264	31,023	29,639	28,913	27,398	27,119	26,911	26,542	28,147	29,354
Ryotei	3,617	3,708	3,543	3,456	3,275	3,242	3,217	3,173	3,364	3,509
Bar, etc.	26,647	27,315	26,096	25,457	24,123	23,877	23,694	23,369	24,783	25,845

	2015	2016	2017	2018	2019	2020	2021	CAGR 2015-2019	CAGR 2017-2021
Total of the F&B sector concerned	217,706	218,225	220,315	221,016	226,428	152,908	139,146	1.0%	-10.9%
Restaurants	136,247	139,464	142,215	142,800	145,776	109,780	104,018	1.7%	-7.5%
Cafeterias and Restaurants	97,923	99,325	101,155	101,049	103,221	73,780	68,046	1.3%	-9.4%
Soba/Udon noodle restaurants	12,373	12,499	12,856	13,016	13,144	9,613	9,464	1.5%	-7.4%
Sushi restaurants	14,386	15,187	15,231	15,445	15,466	12,639	12,179	1.8%	-5.4%
Other restaurants	11,565	12,453	12,973	13,290	13,945	13,748	14,329	4.8%	2.5%
Accommodation	29,979	28,528	28,203	28,773	30,503	16,461	14,682	0.4%	-15.1%
Coffee shops & Izakaya, etc.	21,937	21,518	21,663	21,661	21,922	14,544	12,250	0.0%	-13.3%
Coffee shops	11,285	11,256	11,454	11,646	11,784	8,055	7,767	1.1%	-9.3%
Izakaya, etc.	10,652	10,262	10,209	10,015	10,138	6,489	4,483	-1.2%	-18.6%
Ryotei & Bars, etc.	29,543	28,715	28,234	27,782	28,227	12,123	8,196	-1.1%	-26.6%
Ryotei	3,531	3,432	3,375	3,321	3,373	1,449	980	-1.1%	-26.6%
Bar, etc.	26,012	25,283	24,859	24,461	24,854	10,674	7,216	-1.1%	-26.6%

*Bars, etc. Including bars, cabarets, and nightclubs

*Izakaya, etc. Izakaya, beer halls, etc.

*In-flight meals, group meals, and retail sales of food products are not included

*Presented after processing data from "Food Service Industry Market Size Estimates" data by the Japan Foodservice Association.

- 一般社団法人日本フードサービス協会による協会加盟会員社を対象とした「外食産業市場動向調査」で示された外食産業の売上高の前年比伸び率を見ると、2020年の全体の売上高は新型コロナウイルス感染症の影響を受けて前年比 **84.9%**と大きく落ち込んだ（図表2参照）。翌2021年も緊急事態宣言やまん延防止等重点措置の発出と解除が繰り返されたことで外食需要は低迷し、全体売上高は前年比 **98.6%**と2年連続で縮小した。特に「パブレストラン/居酒屋」の落ち込みは深刻で、2020年が前年比 **50.8%**、2021年は同 **57.8%**と、酒類提供の禁止や制限が行われたことが影響して非常に厳しい事態となった。

The year-on-year growth rate of food service industry sales, as reported in the "Food Service Industry Market Trend Survey" conducted by the Japan Foodservice Association on member companies of the Japan Foodservice Association, indicated a sharp decline in 2020. Overall sales fell to 84.9% of the previous year's level due to the impact of COVID-19 (See Chart 2.). In 2021, the demand for dining out remained sluggish due to the repeated issuance and lifting of state of emergency declarations and priority measures to prevent the spread of the disease. Consequently, overall sales declined for the second consecutive year, reaching 98.6% of the previous year's level. The decline in the "Pub Restaurants / Izakaya" sector was particularly severe, with sales plummeting to 50.8% in 2020 and 57.8% in 2021, when compared to the corresponding previous year's levels. The decline is primarily attributed to prohibitions and restrictions on the serving of alcoholic beverages.

- 2022年には3月にまん延防止等重点措置による営業制限が解除されたことを受けて外食需要は回復に転じ、全体売上高は前年比 **113.3%**となった。2023年は3月にマスク着用の自由化、5月には新型コロナウイルスの感染症法上の位置づけを5類へ移行と、さらに規制の解除が進んで人流が活発になり、外食需要は回復基調が続いた。入国の水際対策が撤廃されて急回復したインバウンド需要の拡大も寄与し、2023年の外食産業の全体売上高は前年比

APPENDIX C – INDUSTRY REPORT

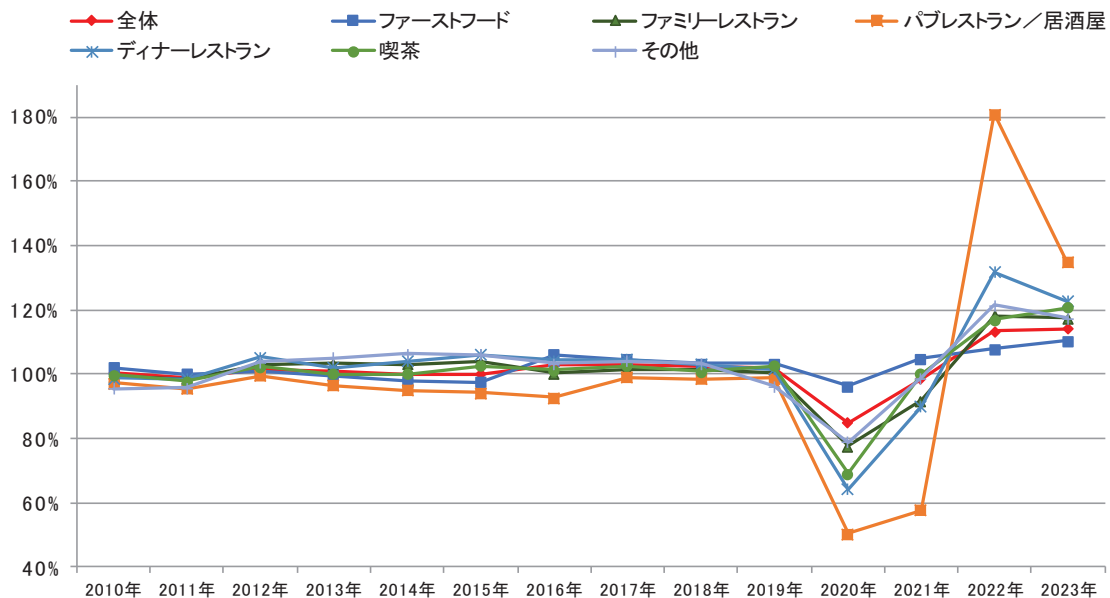
114.1%となっている。コロナ禍で甚大なダメージを受け外食産業だが、感染の波が収まって各種の制限が撤廃され、社会経済活動が正常化していく中で、本格的な回復に向かっている。

In 2022, restaurant demand began to recover following the lifting of business restrictions in March, with overall sales reaching 113.3% of the previous year's level. The relaxation of mask-wearing regulations in March 2023, the reclassification of COVID-19's category to Class 5 under the Infectious Disease Control Law (the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases) in May 2023, and the further lifting of restrictions, resulted in increased movement of people and continued recovery in demand for food service. The expansion of inbound demand, which recovered sharply following the removal of sea border measures for entry into Japan, also contributed to the overall sales of the food service industry in 2023, which was up by 114.1% when compared to the previous year's level. While the food service industry had been severely damaged by the COVID-19 pandemic, the waves of infections have subsided, various restrictions have lifted, socioeconomic activities have normalised and the industry is heading towards a full-fledged recovery.

〈図表 2 -売上高の前年比伸び率推移〉

<Chart 2 - The year-on-year growth rate of food service industry sales>

外食産業売上高の前年比伸び率推移



※一般社団法人日本フードサービス協会「外食産業市場動向調査」(協会加盟会員社を対象とした調査)

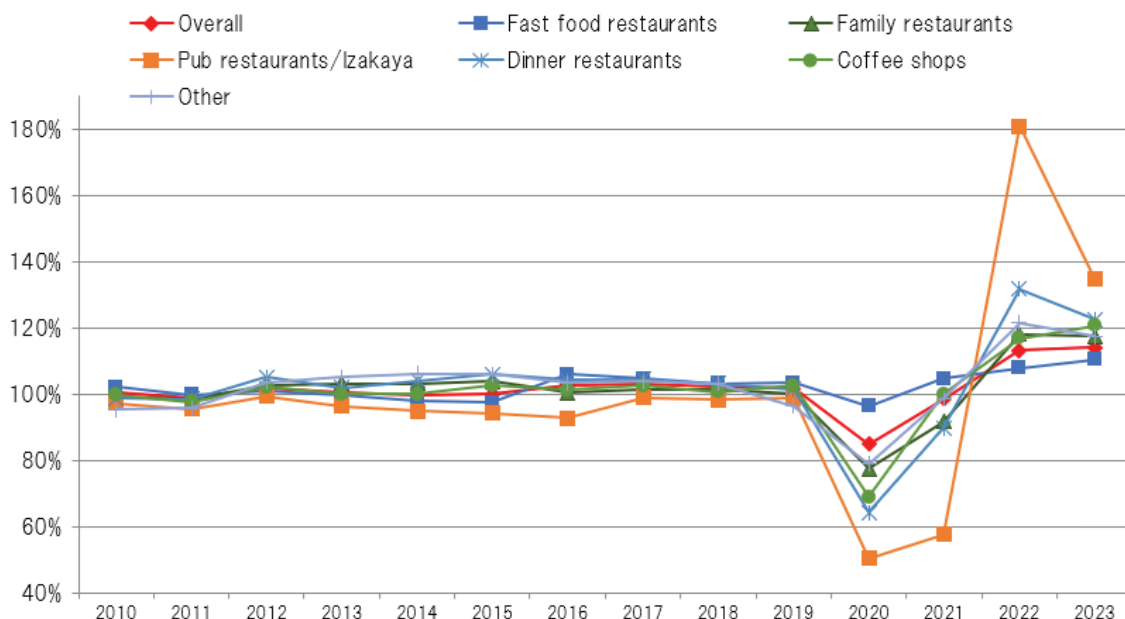
APPENDIX C – INDUSTRY REPORT

外食産業売上高の前年比伸び率推移

	2010年	2011年	2012年	2013年	2014年	2015年	2016年	2017年	2018年	2019年	2020年	2021年	2022年	2023年
全体	100.5%	98.8%	101.6%	100.7%	99.8%	100.1%	102.8%	103.1%	102.3%	101.9%	84.9%	98.6%	113.3%	114.1%
ファーストフード	102.1%	99.9%	101.1%	99.5%	97.9%	97.4%	106.0%	104.6%	103.3%	103.4%	96.3%	104.8%	107.9%	110.4%
ファミリーレストラン	99.3%	98.4%	102.7%	103.3%	103.2%	103.8%	100.4%	101.5%	101.3%	100.3%	77.6%	91.8%	118.1%	117.5%
パブレストラン/居酒屋	97.2%	95.5%	99.5%	96.5%	95.0%	94.3%	92.8%	99.0%	98.5%	98.9%	50.5%	57.8%	180.9%	134.9%
ディナーレストラン	98.7%	98.6%	105.3%	102.1%	104.0%	106.0%	104.3%	104.5%	103.2%	101.5%	64.3%	89.9%	131.7%	122.7%
喫茶	99.8%	97.8%	102.2%	100.1%	100.1%	102.5%	101.2%	102.6%	100.8%	102.6%	69.0%	100.1%	116.8%	120.6%
その他	95.5%	95.9%	103.7%	105.2%	106.3%	106.1%	103.4%	104.0%	103.3%	96.4%	78.9%	98.8%	121.4%	117.5%

※一般社団法人日本フードサービス協会「外食産業市場動向調査」協会加盟会員社を対象とした調査

Year-over-year growth rate trends in food service industry sales



*"Food Service Industry Market Trend Survey" (survey of Association member companies), Japan Foodservice Association

Year-over-year growth rate trends in food service industry sales

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Overall	100.5%	98.8%	101.6%	100.7%	99.8%	100.1%	102.8%	103.1%	102.3%	101.9%	84.9%	98.6%	113.3%	114.1%
Fast food restaurants	102.1%	99.9%	101.1%	99.5%	97.9%	97.4%	106.0%	104.6%	103.3%	103.4%	96.3%	104.8%	107.9%	110.4%
Family restaurants	99.3%	98.4%	102.7%	103.3%	103.2%	103.8%	100.4%	101.5%	101.3%	100.3%	77.6%	91.8%	118.1%	117.5%
Pub restaurants/izakaya	97.2%	95.5%	99.5%	96.5%	95.0%	94.3%	92.8%	99.0%	98.5%	98.9%	50.5%	57.8%	180.9%	134.9%
Dinner restaurants	98.7%	98.6%	105.3%	102.1%	104.0%	106.0%	104.3%	104.5%	103.2%	101.5%	64.3%	89.9%	131.7%	122.7%
Coffee shops	99.8%	97.8%	102.2%	100.1%	100.1%	102.5%	101.2%	102.6%	100.8%	102.6%	69.0%	100.1%	116.8%	120.6%
Other	95.5%	95.9%	103.7%	105.2%	106.3%	106.1%	103.4%	104.0%	103.3%	96.4%	78.9%	98.8%	121.4%	117.5%

*"Food Service Industry Market Trend Survey" (survey of Association member companies), Japan Foodservice Association

1.2 一般外食の消費動向推移

Trends in Consumption Expenditure for Dining Out

- 総務省の「家計調査」(図表3参照)によると、2023年の一般外食の支出金額(年間)は15万6,113円と、前年の13万264円から2万5千円以上上昇した。2019年の16万2,606円からは6,493円低くなっているが、コロナ禍からの回復が見て取れる。また、品目別に見ると、日本そば・うどん、中華そば、すし、和食、洋食、焼き肉、ハンバーガー、喫茶代については、2019年を上回っている。特に、ハンバーガーにおいては、131.6%(対2019年)と大きく上回った。金額では、他の主食的外食(会社での食事代等を含む)が最も高く、それ以外では和食(2万2,598円)やすし(1万3,530円)などが高くなっている。一方、飲

APPENDIX C – INDUSTRY REPORT

酒代は73.5%（対2019年）と、2021年の9,034円を底値に回復傾向にあるものの、コロナ前の水準にはかなり遠い。若者のアルコール離れはコロナ前から言われていたが、実際に20代の飲酒習慣は低下傾向にあり、飲酒に対する支出は今後大きくは伸びないものと推察される。

Based on the Family Income and Expenditure Survey (See Chart 3.) by the Ministry of Internal Affairs and Communications (“MIC”), the annual amount spent on dining out in 2023 was 156,113 yen, an increase of more than 25,000 yen from the 132,264 yen in 2022. Although this figure is 6,493 yen lower than the 162,606 yen spent in 2019, there are signs of recovery from the COVID-19 pandemic. With reference to specific food categories, it was observed that the consumption expenditure for “Soba” & “Udon” (Japanese noodles), Chinese Soba, Sushi, Japanese meals, Western meals, Broiled meat, Hamburgers and Other refreshments were also higher than the expenditure in 2019. In particular, the figure was significantly higher for Hamburgers at 131.6% (vs. 2019). In terms of consumption expenditure, “Other meals (including meals at workplaces, etc.)” were the highest, followed by Japanese meal (22,598 yen) and Sushi (13,530 yen). On the other hand, the expenditure for “Drinking” in 2023 is 73.5% of the 2019 survey figures, showing a recovery from the low in 2021 of 9,034 yen, but still far from pre COVID-19 levels. The trend of shifting away from alcohol amongst the younger generation was noted even prior to the COVID-19 pandemic. Indeed, drinking habits among those in their twenties are declining, which suggests that expenditure on alcoholic beverages will not increase significantly in the future.

〈図表3-外食支出金額の推移〉

<Chart 3 - Trends in the annual amount spent on dining out>

家計調査における外食支出金額の推移	円)					
	2019年	2020年	2021年	2022年	2023年	2023年 2019年比)
一般外食	162,606	115,321	111,226	130,264	156,113	96.0%
日本そば・うどん	5,712	4,352	4,356	5,020	6,063	106.1%
中華そば	6,768	5,279	5,388	5,952	7,763	114.7%
他の麺類外食	2,355	1,564	1,546	1,939	2,204	93.6%
すし(外食)	12,412	10,838	11,110	11,515	13,530	109.0%
和食	21,547	16,701	16,931	19,172	22,598	104.9%
中華食	4,528	3,361	3,506	3,713	4,474	98.8%
洋食	10,700	7,574	7,551	8,909	10,894	101.8%
焼肉	6,415	5,175	5,477	6,166	6,918	107.8%
ハンバーガー	3,754	4,171	4,508	4,626	4,941	131.6%
他の主食的外食	53,898	38,076	36,207	42,984	48,708	90.4%
喫茶代	7,327	5,089	5,612	6,747	8,046	109.8%
飲酒代	27,190	13,141	9,034	13,522	19,974	73.5%

※総務省「家計調査 家計収支編 総世帯」を加工して作成

※和食：懐石料理、精進料理、鍋料理、牛丼、うな丼、かつ丼、カレーライスを含む

※他の主食的外食：お好み焼き、ピザ（宅配含む）、給食センター、会社での食事代を含む

APPENDIX C – INDUSTRY REPORT

Trends in the amount spent on eating out in the “Family Income and Expenditure Survey”

	2019	2020	2021	2022	2023	(yen) 2023 (vs 2019)
Eating out	162,606	115,321	111,226	130,264	156,113	96.0%
“Soba” & “Udon”(Japanese noodles)	5,712	4,352	4,356	5,020	6,063	106.1%
Chinese Soba	6,768	5,279	5,388	5,952	7,763	114.7%
Other noodles	2,355	1,564	1,546	1,939	2,204	93.6%
“Sushi (eating out)”	12,412	10,838	11,110	11,515	13,530	109.0%
Japanese meals	21,547	16,701	16,931	19,172	22,598	104.9%
Chinese meals	4,528	3,361	3,506	3,713	4,474	98.8%
Western meals	10,700	7,574	7,551	8,909	10,894	101.8%
Broiled meat	6,415	5,175	5,477	6,166	6,918	107.8%
Hamburgers	3,754	4,171	4,508	4,626	4,941	131.6%
Other meals	53,898	38,076	36,207	42,984	48,708	90.4%
Other refreshments	7,327	5,089	5,612	6,747	8,046	109.8%
Drinking	27,190	13,141	9,034	13,522	19,974	73.5%

※Compiled from the “Family Income and Expenditure Survey, Family Income and Expenditure Section, Total Households” conducted by the MIC

※Japanese meals: includes kaiseki cuisine, shojin cuisine, hot pot dishes, gyudon, unadon, katsudon, and curry rice.

※Other meals: Includes okonomiyaki, pizza (including delivery), and meals at feeding centers and workplaces

2. 飲食店の事業所数・従業者数の推移

Trends in the number of restaurant establishments and employees

2.1 飲食店の事業所数の推移（2016年）および（2021年）/「経済センサス」

Trends in the number of restaurant establishments compared between (2016) and (2021) / “Economic Census”

- 総務省及び経済産業省「経済センサス 活動調査」（図表4参照）によると、2021年の飲食店の民営事業所数は49万9,176軒であり、2016年調査時点と比較して9万1,671軒減少している。対2016年で84.5%に減少しており、特に、酒場・ビヤホール、バー・キャバレー・ナイトクラブ、お好み焼き・焼きそば・たこ焼き店での減少が大きい。酒場・ビヤホール、バー・キャバレー・ナイトクラブにおいては、コロナ以前から若者を中心とした忘年会敬遠等の需要減少により事業所数は減少しており、コロナ禍で飲み会が大幅減ったことで、酒類を提供する飲食店が多数閉店した。

According to the “Economic Census Activity Survey” (See Chart 4.) by the MIC and the Ministry of Economy, Trade and Industry (“METI”), the number of privately established restaurants in 2021 was 499,176, a decrease of 91,671 compared to 590,847 privately established restaurants in the 2016 survey. The number of (privately established) restaurants in 2021 represented 84.5% of the number of those recorded in the 2016 survey, with significant decreases particularly noted in taverns / beer halls, bars / cabarets / nightclubs, and Okonomiyaki / Yakisoba / Takoyaki restaurants. The decline in the number of taverns/beer halls and bars/cabarets/nightclubs began prior to the COVID-19 pandemic, driven by the reduced demand for year-end parties, especially among younger people. The pandemic further exacerbated the downward trend, as the significant reduction in social drinking gatherings led to the closure of many establishments serving alcoholic beverages.

- 一方、2021年の持ち帰り・配達飲食サービスの民営事業所数は5万4,716軒であり、2016年調査時点と比較して97.6%と、飲食店と比較して減少幅が小さい。特に、配達飲食サー

APPENDIX C – INDUSTRY REPORT

ビスについては、コロナ禍での外出自粛に伴う宅配飲食需要の増加により、21軒の減少にとどまっている。

On the other hand, the number of privately established Take-out/delivery food and beverage services in 2021 was 54,716, representing 97.6% of the number of privately established Take-out/delivery food and beverages as of the 2016 survey. This was a smaller decrease compared to the decrease in the number of restaurants. Specifically, the number of delivery food and beverage services decreased by only 21 establishments due to an increase in demand for home-delivery food and beverage services as a result of the movement restrictions during the COVID-19 pandemic.

- 飲食店のうち、ハンバーガー店は、対 2016 年で 99.3%にとどまり、専門料理店における「その他専門料理店」（対 2016 年 93.2%）や、その他飲食店における「他に分類されないその他飲食店」（同 94.2%）も、他の業態と比較して堅調だった。専門料理店における「その他専門料理店」は、イタリア料理、フランス料理、韓国料理、アジア料理、インド料理・カレー等の飲食店が含まれ、その他飲食店における「他に分類されないその他飲食店」には、スイーツ系（アイスクリーム、ドーナツ等）やフライドチキン店等の飲食店が含まれる。これらの業態が堅調だった要因としては、メニューがテイクアウト・デリバリーに向いており、店舗側もそうしたサービスへの対応が早く、“中食”需要を取り込めたことが考えられる。

Among restaurants, hamburger establishments remained stable at 99.3% in 2021 as compared to the 2016 survey figures. Several other categories of restaurants remained steady, with “Other specialty restaurants” standing at 93.2% in 2021 as compared to the 2016 survey figures, and “Other restaurants not elsewhere classified” standing at 94.2% in 2021 against the 2016 survey figures. “Other Specialty Restaurants” includes Italian, French, Korean, Asian, and Indian food/curry restaurants, while “Other Restaurants Not Elsewhere Classified” includes sweets restaurants (ice cream, donuts, etc.) and fried chicken restaurants, etc. The lower decline in the number of establishments for these restaurant categories can be attributed to their menus being well-suited for take-out and delivery. Additionally, these establishments quickly adapted to provide take-out and delivery services, effectively capturing the demand for ready-made meals.

APPENDIX C – INDUSTRY REPORT

〈図表 4 - 飲食店の民営事業所数推移〉

<Chart 4 - Trends in the number of privately established restaurants>

	2016年	2021年	増減	
			増減	前回調査比
全事業所	5,340,783	5,156,063	-184,720	96.5%
飲食店	590,847	499,176	-91,671	84.5%
管理 補助的経済活動を行う事業所	2,524	2,976	452	117.9%
食堂・レストラン	50,329	42,481	-7,848	84.4%
専門料理店	171,166	155,996	-15,170	91.1%
日本料理店	49,481	44,372	-5,109	89.7%
中華料理店	52,672	47,432	-5,240	90.1%
焼き肉店	18,977	17,536	-1,441	92.4%
その他の専門料理店	50,036	46,656	-3,380	93.2%
そば・うどん店	29,137	24,980	-4,157	85.7%
すし店	22,557	19,122	-3,435	84.8%
酒場・ビアホール	124,976	99,096	-25,880	79.3%
バー・キャバレー・ナイトクラブ	95,674	72,341	-23,333	75.6%
喫茶店	67,198	58,664	-8,534	87.3%
その他の飲食店	27,276	23,518	-3,758	86.2%
ハンバーガー店	5,506	5,470	-36	99.3%
お好み焼 焼きそば たこ焼店	15,647	12,283	-3,364	78.5%
他に分類されないその他の飲食店	6,123	5,765	-358	94.2%
持ち帰り配達飲食サービス	56,050	54,716	-1,334	97.6%
管理 補助的経済活動を行う事業所	432	473	41	109.5%
持ち帰り飲食サービス	12,300	10,946	-1,354	89.0%
配達飲食サービス	43,318	43,297	-21	100.0%

※総務省「経済産業省 平成28年 経済センサス 活動調査」 令和3年 経済センサス 活動調査」

Number of private establishments of restaurants(2016 vs 2021) (house)

	2016	2021	増減	
			増減	Compared to the previous survey
All establishments	5,340,783	5,156,063	-184,720	96.5%
Restaurants	590,847	499,176	-91,671	84.5%
Establishments engaged in administrative and auxiliary economic activities	2,524	2,976	452	117.9%
Cafeterias and Restaurants	50,329	42,481	-7,848	84.4%
Specialty restaurants	171,166	155,996	-15,170	91.1%
Japanese restaurants	49,481	44,372	-5,109	89.7%
Chinese restaurants	52,672	47,432	-5,240	90.1%
Yakiniku restaurants	18,977	17,536	-1,441	92.4%
Other specialty restaurants	50,036	46,656	-3,380	93.2%
Soba/Udon noodle restaurants	29,137	24,980	-4,157	85.7%
Sushi restaurants	22,557	19,122	-3,435	84.8%
Taverns/Beer halls	124,976	99,096	-25,880	79.3%
Bars/Cabarets/Nightclubs	95,674	72,341	-23,333	75.6%
Coffee shops	67,198	58,664	-8,534	87.3%
Other restaurants	27,276	23,518	-3,758	86.2%
Hamburger Restaurants	5,506	5,470	-36	99.3%
Okonomiyaki/Yakisoba/Takoyaki restaurants	15,647	12,283	-3,364	78.5%
Other restaurants not elsewhere classified	6,123	5,765	-358	94.2%
Take-out/delivery food and beverage services	56,050	54,716	-1,334	97.6%
Establishments engaged in administrative and auxiliary economic activities	432	473	41	109.5%
Take-out food and beverage services	12,300	10,946	-1,354	89.0%
Delivery food and beverage services	43,318	43,297	-21	100.0%

*"Economic Census Activity Survey (2016)" and "Economic Census Activity Survey (2021)", MIC and METI

APPENDIX C – INDUSTRY REPORT

2.2 飲食店の経営組織数の推移（2019年～2023年） / 「経済構造実態調査」

Trends in the number of corporate entities operating in the restaurant industry in Japan (2019-2023) / “Economic Structure Survey”

- 総務省及び経済産業省「経済構造実態調査」（図表5参照）によると、2023年の飲食店の経営組織（企業等）数は7万1,720組織となり、前年から511組織減少している（前年比99.3%）。中でもバー・キャバレー・ナイトクラブは前年比98.5%と、減少幅が大きい。一方、持ち帰り・配達飲食サービスにおいては、6,215組織となり、前年から6組織増加（同100.1%）、特に、持ち帰り飲食サービスは10組織増加（同100.5%）と、前年を上回った。

Based on the “Economic Structure Survey” (See Chart 5.) by the MIC and the METI, the number of corporate entities (companies, etc.) operating in the restaurant industry in Japan in 2023 was 71,720, which was a decrease of 511 corporate entities from the previous year (99.3% compared to the previous year). Bars / Cabarets / Nightclubs saw a significant decrease, at 98.5% of the previous year's figure. On the other hand, the number of Take-out / delivery food and beverage services reached 6,215, an increase of 6 entities (100.1%) from the previous year, with Take-out food and beverage services in particular increasing by 10 entities (100.5%) from the previous year.

- 2023年において、飲食店の中で最も経営組織数が多い業態は酒場・ビヤホールで1万2,524組織であり、次いで、日本料理店（9,604組織）、その他の専門料理店（9,504組織）、中華料理店（9,241組織）等も多くなっている。これらの業態においても、前年から組織数が減少しているが、飲食店全体と同程度の減少幅となっている。なお、同調査は2022年に調査対象の見直しを行ったため、それ以前との単純比較はできない。

In 2023, the restaurant category with the largest number of corporate entities was Taverns / Beer halls with 12,524 corporate entities, followed by Japanese restaurants (9,604), Other specialty restaurants (9,504) and Chinese restaurants (9,241). The number of corporate entities in these categories has also decreased from the previous year, but the reduction was similar to the decline in the overall restaurant sector. Please note that the survey coverage was revised in 2022 and it would not be feasible to make a direct comparison with data prior to 2022.

APPENDIX C – INDUSTRY REPORT

〈図表 5 - 飲食店の経営組織数推移〉

<Chart 5 - the number of corporate entities (companies, etc.) operating in the restaurant industry in Japan>

飲食店の経営組織（企業等）数推移（2019年-2023年）

（組織）

	2019年	2020年	2022年	2023年	組織	
					前年増減	前年比
全産業	1,333,501	1,354,154	1,979,604	1,976,061	-3,543	99.8%
飲食店	65,460	66,323	72,231	71,720	-511	99.3%
食堂・レストラン	5,121	5,175	5,013	4,961	-52	99.0%
専門料理店	28,464	28,857	32,231	32,060	-171	99.5%
日本料理店	9,311	9,368	9,648	9,604	-44	99.5%
中華料理店	8,158	8,270	9,288	9,241	-47	99.5%
焼き肉店	3,116	3,178	3,736	3,711	-25	99.3%
その他の専門料理店	7,879	8,041	9,559	9,504	-55	99.4%
そば・うどん店	4,841	4,830	4,674	4,636	-38	99.2%
すし店	4,067	4,070	3,790	3,772	-18	99.5%
酒場・ビアホール	11,458	11,704	12,612	12,524	-88	99.3%
バー・キャバレー・ナイトクラブ	4,284	4,351	5,764	5,676	-88	98.5%
喫茶店	4,906	4,999	5,490	5,457	-33	99.4%
その他の飲食店	2,318	2,336	2,639	2,618	-21	99.2%
ハンバーガー店	610	612	746	738	-8	98.9%
お好み焼・焼きそば・たこ焼店	1,120	1,120	1,178	1,175	-3	99.7%
他に分類されないその他の飲食店	588	604	715	705	-10	98.6%
持ち帰り配達飲食サービス	5,302	5,430	6,209	6,215	6	100.1%
持ち帰り飲食サービス	1,567	1,621	1,881	1,891	10	100.5%
配達飲食サービス	3,735	3,809	4,328	4,324	-4	99.9%

※総務省「経済産業省 経済構造実態調査」

※2022年調査に、調査対象の見直し（一定規模以上の法人企業全てが対象）を実施したため不連続性が生じている

Trends in the number of corporate entities operating restaurants in Japan (2019–2023)

	2019	2020	2022	2023	YoY change	
					YoY change	YoY%
All industries	1,333,501	1,354,154	1,979,604	1,976,061	-3,543	99.8%
Restaurants	65,460	66,323	72,231	71,720	-511	99.3%
Cafeterias and Restaurants	5,121	5,175	5,013	4,961	-52	99.0%
Specialty restaurants	28,464	28,857	32,231	32,060	-171	99.5%
Japanese restaurants	9,311	9,368	9,648	9,604	-44	99.5%
Chinese restaurants	8,158	8,270	9,288	9,241	-47	99.5%
Yakiniku restaurants	3,116	3,178	3,736	3,711	-25	99.3%
Other specialty restaurants	7,879	8,041	9,559	9,504	-55	99.4%
Soba/Udon noodle restaurants	4,841	4,830	4,674	4,636	-38	99.2%
Sushi restaurants	4,067	4,070	3,790	3,772	-18	99.5%
Taverns/Beer halls	11,458	11,704	12,612	12,524	-88	99.3%
Bars/Cabarets/Nightclubs	4,284	4,351	5,764	5,676	-88	98.5%
Coffee shops	4,906	4,999	5,490	5,457	-33	99.4%
Other restaurants	2,318	2,336	2,639	2,618	-21	99.2%
Hamburger Restaurants	610	612	746	738	-8	98.9%
Okonomiyaki/Yakisoba/Takoyaki restaurants	1,120	1,120	1,178	1,175	-3	99.7%
Other restaurants not elsewhere classified	588	604	715	705	-10	98.6%
Take-out/delivery food and beverage services	5,302	5,430	6,209	6,215	6	100.1%
Take-out food and beverage services	1,567	1,621	1,881	1,891	10	100.5%
Delivery food and beverage services	3,735	3,809	4,328	4,324	-4	99.9%

※“Economic Structure Survey”, MIC and METI

※There is a discontinuity in the 2022 survey due to a revision of the survey coverage (all corporate enterprises above a certain size are covered).

2.3 飲食店の従業者数の推移（2016年）および（2021年）/「経済センサス」

Trends in the number of restaurant employees compared between (2016) and (2021) / “Economic Census”

- 総務省及び経済産業省「経済センサス 活動調査」（図表 6 参照）によると、2021年の民営飲食店の従業者数は348万9千人であり、2016年調査時点と比較して63万1千人減少している。前述の事業所数の減少幅（対2016年で9万1,671軒の減少、84.5%）と同程度に減少した。

APPENDIX C – INDUSTRY REPORT

According to “Economic Census Activity Survey” (See Chart 6.) by the MIC and the METI, the number of employees in privately established restaurants in 2021 was 3,489,000, a decrease of 631,000 as compared to the 2016 survey figures. This decrease aligns with the previously mentioned reduction in the number of privately established restaurants, with a decline of 91,671 establishments compared to 2016, representing 84.5% of the 2016 survey figures.

- 一方、2021年の持ち帰り・配達飲食サービスにおける従業員数は、56万3千人と、2016年調査時点と比較して6千人増加した。前述の事業所数の推移（対2016年で1,334軒の減少、97.6%）に対して、従業員数は増加した。配達飲食サービスの従業員数が1万7千人増加したことが押し上げ、2021年の配達飲食サービスは、酒場・ビヤホールに次いで従業員数の多い業態となっている。

On the other hand, the number of employees in Take-out/delivery food and beverage services in 2021 was 563,000, an increase of 6,000 compared to the number of employees in the 2016 survey. In contrast to the decrease in the number of establishments, which witnessed a decrease of 1,334 establishments compared to 2016 and represented 97.6% of the 2016 figure, the number of employees witnessed an increase. This was boosted by the fact that the number of employees in Delivery food and beverage services increased by 17,000, and in 2021, among categories of Restaurant establishments and Take-out/delivery food and beverage services establishments, Delivery food and beverage services was the category with the second largest number of employees following Taverns and beer halls.

- 労働集約型産業である外食産業においては、コロナ前には人材不足、それに伴う人件費の高騰が大きな問題となっており、特に一部チェーン企業での過重勤務が社会問題化したことで、人員確保に苦慮していた。そこへ、新型コロナウイルスによる経営環境の悪化、それに伴う店舗の閉鎖といった、従業員を増やせない要因が加わった。

In the labour-intensive food service industry, the shortage of manpower and the resulting rise in labour costs were major issues before the COVID-19 pandemic. Specifically, the issue of excessive working hours in certain company chains became a social problem, further exacerbating their difficulties in securing people. This was compounded by the deterioration of the business environment due to the COVID-19 pandemic and the resulting store closures, which made it challenging to increase the number of employees.

- 特に、事業所数でも落ち込み幅の大きい、酒場・ビヤホール、バー・キャバレー・ナイトクラブにおいては、対2016年で70%未満にまで減少している。また、食堂・レストランにおいても、同79.9%と、従業員数を減らしている。すかいらーくを始めとした一部のレストランでは、配膳ロボットの導入も進めているほか、コロナ禍で顧客がスマートフォン等から注文するモバイルオーダー等のITの活用も進んだ。少ない従業員でも運営可能な店舗づくりも進められている。

Particularly in Taverns / Beer Halls and Bars / Cabarets / Nightclubs, where the number of establishments had declined significantly, the number of employees declined to less than 70% of 2016 survey figures. In Cafeterias / Restaurants, the number of employees also

APPENDIX C – INDUSTRY REPORT

declined to 79.9% of the 2016 survey figures. Some restaurants, such as SKYLARK, have begun introducing robots to serve food while the utilisation of IT, such as the ability for customers to order from the smartphones, have progressed during the COVID-19 pandemic. Additionally, efforts have been made to establish stores that can operate with fewer employees.

〈図表 6 - 飲食店の民営事業所の従業員数推移〉

<Chart 6 - the number of employees in privately established restaurants>

	2016年			2021年			増減	前回調査比
	従業員数	男	女	従業員数	男	女		
全事業所	56,873	31,430	25,188	57,950	31,837	25,621	1,077	101.9%
飲食店	4,120	1,712	2,386	3,489	1,448	1,946	-631	84.7%
管理 補助的経済活動を行う事業所	28	16	11	33	20	13	6	120.8%
食堂・レストラン	432	138	291	345	99	193	-87	79.9%
専門料理店	1,501	690	801	1,310	606	672	-191	87.3%
日本料理店	486	203	281	409	174	220	-78	84.0%
中華料理店	376	191	183	345	170	164	-31	91.7%
焼き肉店	194	99	94	192	97	94	-2	98.9%
その他の専門料理店	445	197	243	365	165	194	-80	82.0%
そば・うどん店	203	75	127	176	68	108	-26	86.9%
すし店	255	116	138	255	114	140	-1	99.7%
酒場・ビヤホール	708	371	333	492	254	235	-216	69.4%
バー・キャバレー・ナイトクラブ	344	82	261	232	62	169	-112	67.5%
喫茶店	329	95	232	308	86	220	-21	93.5%
その他の飲食店	321	128	192	338	141	196	18	105.5%
ハンバーガー店	166	74	92	202	93	108	36	121.9%
お好み焼 焼きそば たこ焼店	65	28	37	53	23	30	-12	81.5%
他に分類されないその他の飲食店	90	27	63	83	24	58	-7	92.4%
持ち帰り配達飲食サービス	557	180	370	563	185	377	6	101.1%
管理 補助的経済活動を行う事業所	8	3	4	9	5	4	1	111.5%
持ち帰り飲食サービス	83	26	56	71	24	47	-12	85.8%
配達飲食サービス	467	150	310	484	157	325	17	103.6%

※総務省 経済産業省 平成28年 経済センサス 活動調査」令和3年 経済センサス 活動調査」

※従業員数 (男女計)には男女別不詳を含む

Number of Employees in Private Establishments of Restaurants (2016-2021) (Thousand people)

	2016			2021			Change	vs the previous survey
	Number of Employees			Number of Employees				
	Male	Female		Male	Female			
All establishments	56,873	31,430	25,188	57,950	31,837	25,621	1,077	101.9%
Restaurants	4,120	1,712	2,386	3,489	1,448	1,946	-631	84.7%
Establishments engaged in administrative and auxiliary economic activities	28	16	11	33	20	13	6	120.8%
Cafeterias and Restaurants	432	138	291	345	99	193	-87	79.9%
Specialty restaurants	1,501	690	801	1,310	606	672	-191	87.3%
Japanese restaurants	486	203	281	409	174	220	-78	84.0%
Chinese restaurants	376	191	183	345	170	164	-31	91.7%
Yakiniku restaurants	194	99	94	192	97	94	-2	98.9%
Other specialty restaurants	445	197	243	365	165	194	-80	82.0%
Soba/Udon noodle restaurants	203	75	127	176	68	108	-26	86.9%
Sushi restaurants	255	116	138	255	114	140	-1	99.7%
Taverns/Beer halls	708	371	333	492	254	235	-216	69.4%
Bars/Cabarets/Nightclubs	344	82	261	232	62	169	-112	67.5%
Coffee shops	329	95	232	308	86	220	-21	93.5%
Other restaurants	321	128	192	338	141	196	18	105.5%
Hamburger Restaurants	166	74	92	202	93	108	36	121.9%
Okonomiyaki/Yakisoba/Takoyaki restaurants	65	28	37	53	23	30	-12	81.5%
Other restaurants not elsewhere classified	90	27	63	83	24	58	-7	92.4%
Take-out/delivery food and beverage services	557	180	370	563	185	377	6	101.1%
Establishments engaged in administrative and auxiliary economic activities	8	3	4	9	5	4	1	111.5%
Take-out food and beverage services	83	26	56	71	24	47	-12	85.8%
Delivery food and beverage services	467	150	310	484	157	325	17	103.6%

* "Economic Census Activity Survey (2016)" and "Economic Census Activity Survey (2021)", MIC and METI
The number of employees (combined male and female) includes cases where gender is unspecified.

APPENDIX C – INDUSTRY REPORT

2.4 飲食店の従業員規模別の事業所構成（2021年） / 「経済センサス」

Composition of restaurant establishments by employee size (2021) / “Economic Census”

- 総務省及び経済産業省「経済センサス 活動調査」（図表7参照）における2021年の飲食店の従業員規模別の事業所構成を見ると、飲食店全体では61.7%が従業員1～4人規模の事業所であることが分かる。全事業所と比較して傾向に大きな差は無いが、飲食店という産業は極めて小規模の事業所で構成されており、10～19人までの累計で9割を超える。なお、従業員1～4人規模の事業所30万8,208軒のうち個人営業が25万7,794軒（83.6%）を占めており、小規模事業所のほとんどが個人営業である。

Based on the composition of restaurant establishments by employee size in 2021 in the “Economic Census Activity Survey” (See Chart 7.) by the MIC and the METI, 61.7% of Restaurants (Total) are establishments with 1 to 4 employees. While there is no significant difference in trends compared to All Establishments, the restaurant industry is composed of extremely small establishments, with over 90% of establishments having 10 to 19 employees. Out of the 308,208 establishments with 1-4 employees, 257,794 (83.6%) are sole proprietorships. This indicates that most small establishments are sole proprietorships.

- 業態別に見ると、バー・キャバレー・ナイトクラブや喫茶店では、1～4人規模の割合が70%以上と高く、10人未満の事業所がほとんどである。また、配達飲食サービスは1～4人規模の事業所は33.8%であるが、10～19人までの累計では87.7%と、やはり従業員の規模は大きくない。

By business type, over 70% of Bars / Cabarets / Nightclubs and Coffee Shops have 1 to 4 employees (over 70%), and most establishments have less than 10 employees. Additionally, 33.8% of establishments in delivery food and beverage services have 1 to 4 employees, while 87.7% have 10 to 19 employees, which is relatively small.

APPENDIX C – INDUSTRY REPORT

〈図表 7 - 従業員規模別の飲食店の事業所数と構成比〉

<Chart 7 - Number and composition of restaurant establishments by employee size>

従業員規模別の飲食店の事業所数と構成比 (全体) 2021年									
(軒)									
	全事業所		飲食店 全体		食堂・レストラン		専門料理店		
		構成比		構成比		構成比		構成比	
総数	5,156,063	100.0%	499,176	100.0%	42,481	100.0%	155,996	100.0%	
従業員数区分	1~4人	2,898,710	56.2%	308,208	61.7%	23,728	55.9%	76,799	49.2%
	5~9人	999,954	19.4%	92,798	18.6%	8,108	19.1%	37,106	23.8%
	10~19人	646,663	12.5%	55,144	11.0%	4,922	11.6%	24,867	15.9%
	20~29人	237,174	4.6%	25,036	5.0%	4,202	9.9%	10,882	7.0%
	30~49人	167,236	3.2%	10,967	2.2%	1,113	2.6%	4,641	3.0%
	50~99人	105,274	2.0%	5,511	1.1%	201	0.5%	1,276	0.8%
	100~199人	41,335	0.8%	502	0.1%	50	0.1%	128	0.1%
	200~299人	11,206	0.2%	45	0.0%	9	0.0%	13	0.0%
	300人以上	13,199	0.3%	69	0.0%	9	0.0%	20	0.0%
	出向・派遣従業員のみ	35,312	0.7%	896	0.2%	139	0.3%	264	0.2%

	そば・うどん店		すし店		酒場・ビヤホール		バー・キャバレー・ナイトクラブ		
		構成比		構成比		構成比		構成比	
総数	24,980	100.0%	19,122	100.0%	99,096	100.0%	72,341	100.0%	
従業員数区分	1~4人	13,263	53.1%	11,497	60.1%	68,070	68.7%	58,500	80.9%
	5~9人	6,240	25.0%	2,796	14.6%	18,138	18.3%	10,202	14.1%
	10~19人	3,548	14.2%	1,479	7.7%	9,304	9.4%	2,784	3.8%
	20~29人	1,329	5.3%	710	3.7%	2,259	2.3%	478	0.7%
	30~49人	500	2.0%	651	3.4%	927	0.9%	209	0.3%
	50~99人	40	0.2%	1,817	9.5%	214	0.2%	71	0.1%
	100~199人	8	0.0%	158	0.8%	40	0.0%	4	0.0%
	200~299人	-	-	2	0.0%	7	0.0%	4	0.0%
	300人以上	3	0.0%	1	0.0%	13	0.0%	1	0.0%
	出向・派遣従業員のみ	49	0.2%	11	0.1%	124	0.1%	88	0.1%

	喫茶店		その他の飲食店		持ち帰り飲食サービス		配達飲食サービス		
		構成比		構成比		構成比		構成比	
総数	58,664	100.0%	23,518	100.0%	10,946	100.0%	43,297	100.0%	
従業員数区分	1~4人	43,103	73.5%	11,324	48.2%	5,772	52.7%	14,646	33.8%
	5~9人	6,548	11.2%	3,169	13.5%	2,713	24.8%	14,692	33.9%
	10~19人	4,613	7.9%	3,376	14.4%	2,021	18.5%	8,628	19.9%
	20~29人	2,986	5.1%	2,095	8.9%	288	2.6%	2,555	5.9%
	30~49人	1,120	1.9%	1,734	7.4%	94	0.9%	1,747	4.0%
	50~99人	110	0.2%	1,721	7.3%	33	0.3%	655	1.5%
	100~199人	23	0.0%	62	0.3%	5	0.0%	197	0.5%
	200~299人	3	0.0%	3	0.0%	-	-	46	0.1%
	300人以上	1	0.0%	8	0.0%	2	0.0%	43	0.1%
	出向・派遣従業員のみ	157	0.3%	26	0.1%	18	0.2%	88	0.2%

※総務省 経済産業省 令和3年 経済センサス 活動調査」

APPENDIX C – INDUSTRY REPORT

Number and composition of restaurant establishments by employee size (Total) (2021)										(house)	
		All establishments		Restaurants(total)		Cafeterias and Restaurants		Specialty restaurants			
		Composition		Composition		Composition		Composition			
Total		5,156,063	100.0%	499,176	100.0%	42,481	100.0%	155,996	100.0%		
Number of employees	1~4	2,898,710	56.2%	308,208	61.7%	23,728	55.9%	76,799	49.2%		
	5~9	999,954	19.4%	92,798	18.6%	8,108	19.1%	37,106	23.8%		
	10~19	646,663	12.5%	55,144	11.0%	4,922	11.6%	24,867	15.9%		
	20~29	237,174	4.6%	25,036	5.0%	4,202	9.9%	10,882	7.0%		
	30~49	167,236	3.2%	10,967	2.2%	1,113	2.6%	4,641	3.0%		
	50~99	105,274	2.0%	5,511	1.1%	201	0.5%	1,276	0.8%		
	100~199	41,335	0.8%	502	0.1%	50	0.1%	128	0.1%		
	200~299	11,206	0.2%	45	0.0%	9	0.0%	13	0.0%		
	over 300 only	13,199	0.3%	69	0.0%	9	0.0%	20	0.0%		
			35,312	0.7%	896	0.2%	139	0.3%	264	0.2%	

		Soba/Udon noodle restaurants		Sushi restaurants		Tavern/Beer hall		Bars/Cabarets/Nightclubs			
		Composition		Composition		Composition		Composition			
Total		24,980	100.0%	19,122	100.0%	99,096	100.0%	72,341	100.0%		
Number of employees	1~4	13,263	53.1%	11,497	60.1%	68,070	68.7%	58,500	80.9%		
	5~9	6,240	25.0%	2,796	14.6%	18,138	18.3%	10,202	14.1%		
	10~19	3,548	14.2%	1,479	7.7%	9,304	9.4%	2,784	3.8%		
	20~29	1,329	5.3%	710	3.7%	2,259	2.3%	478	0.7%		
	30~49	500	2.0%	651	3.4%	927	0.9%	209	0.3%		
	50~99	40	0.2%	1,817	9.5%	214	0.2%	71	0.1%		
	100~199	8	0.0%	158	0.8%	40	0.0%	4	0.0%		
	200~299	-	-	2	0.0%	7	0.0%	4	0.0%		
	over 300 only	3	0.0%	1	0.0%	13	0.0%	1	0.0%		
			49	0.2%	11	0.1%	124	0.1%	88	0.1%	

		Cofee shops		Other restaurants		Take-out F&B services		Delivery F&B services			
		Composition		Composition		Composition		Composition			
Total		58,664	100.0%	23,518	100.0%	10,946	100.0%	43,297	100.0%		
Number of employees	1~4	43,103	73.5%	11,324	48.2%	5,772	52.7%	14,646	33.8%		
	5~9	6,548	11.2%	3,169	13.5%	2,713	24.8%	14,692	33.9%		
	10~19	4,613	7.9%	3,376	14.4%	2,021	18.5%	8,628	19.9%		
	20~29	2,986	5.1%	2,095	8.9%	288	2.6%	2,555	5.9%		
	30~49	1,120	1.9%	1,734	7.4%	94	0.9%	1,747	4.0%		
	50~99	110	0.2%	1,721	7.3%	33	0.3%	655	1.5%		
	100~199	23	0.0%	62	0.3%	5	0.0%	197	0.5%		
	200~299	3	0.0%	3	0.0%	-	-	46	0.1%		
	over 300 only	1	0.0%	8	0.0%	2	0.0%	43	0.1%		
			157	0.3%	26	0.1%	18	0.2%	88	0.2%	

*"Economic Census Activity Survey (2021)", MIC and METI

2.5 飲食店の事業従事者数の推移（2019年～2023年） / 「サービス産業動向調査」

Trends in the number of persons working at restaurants (2019-2023) / "Survey on Service Industries"

- 総務省統計局「サービス産業動向調査」（図表8参照）によると、2023年の飲食店の事業従事者数は392万5千人であった。2019年（コロナ前）は429万7千人であったが、コロナ禍に飲食店が多数閉店したことに伴い、2020年、2021年と減少し、2022年、2023年は連続で増加している。2023年は前年から21万人増加し、コロナ前（2019年）の概ね9割近くの水準まで戻っている。市場の回復とともに新規出店が増加しており、2024年も事業従事者数の増加が見込まれる。

According to the "Survey on Service Industries" (See Chart 8.) by the Statistics Bureau of the MIC, the number of people working at restaurants in 2023 was 3.925 million. In 2019 (before COVID-19), this number was 4.297 million. However, due to the closure of many restaurants during the COVID-19 pandemic, the number decreased in 2020 and 2021. The number increased consecutively in 2022 and 2023. In 2023, the number increased by 210,000 from the previous year, returning to roughly 90% of the pre COVID-19 (2019) level. As the market recovers, new openings are increasing, and the number of restaurants employees is expected to continue to increase in 2024.

- 2023年の常用雇用者のうち、正社員・正職員は58万9千人、正社員・正職員以外（アルバイトやパートなど）は257万5千人と、正社員・正職員以外の比率の高さが外食産業の

APPENDIX C – INDUSTRY REPORT

雇用形態の特徴である。市場が回復するとともに、飲食店では人手不足が問題となっており、各社は時給の引き上げなどで人材確保を図っている。

Among the regular employees in 2023, there were 589,000 full-time employees and 2.575 million non-full-time employees (such as part-time workers), highlighting the high ratio of non-full-time employees as a characteristic of employment in the food service industry. As the market recovers, a shortage of staff is becoming an issue for restaurants, and companies are trying to secure employees by raising hourly wages.

〈図表 8 - 飲食店事業従事者数推移〉

<Chart 8 - Number of people working at restaurants>

	2019年	2020年	2021年	2022年	2023年
事業従事者数	4,297	4,025	3,678	3,715	3,925
常用雇用者	3,460	3,231	2,958	2,994	3,164
正社員・正職員	653	640	595	573	589
正社員・正職員以外	2,807	2,591	2,362	2,421	2,575
臨時雇用者	148	120	101	105	118
別経営の事業所・企業等出向・派遣	26	20	10	12	23

※総務省統計局「サービス産業動向調査」を加工して作成

※2020年以前は、2021年1月までの標本交替により生じた変動を調整した値

※事業従事者数は、1人の者が複数の事業活動に従事している場合がある 延べ人数

※前掲の「飲食店の民営に事業所の従業員数推移(2016年-2021年)」とは調査対象が異なるため誤差が生じている

	2019	2020	2021	2022	2023
Persons Working at Restaurants	4,297	4,025	3,678	3,715	3,925
Regular employees	3,460	3,231	2,958	2,994	3,164
Full-time employees	653	640	595	573	589
Other than full-time employees	2,807	2,591	2,362	2,421	2,575
Non-regular workers	148	120	101	105	118
Dispatched or subcontracted employees from separately operated establishments	26	20	10	12	23

※Compiled from "Survey on Service Industries" conducted by the MIC

※Numbers before 2020 have been adjusted for fluctuations caused by the sample replacement up to January 2021.

※The number of persons working at a certain location of establishment includes cases where one person is engaged in multiple business activities.

※There may be discrepancies compared to the previously mentioned "Number of Employees in Private Establishments of Restaurants (2016-2021)" due to differences in the survey targets.

APPENDIX C – INDUSTRY REPORT

3. 外食産業の現在の動向

Current trends in the food service industry

3.1 外食産業の全体の動向

Trends in the food service industry as a whole

3.1.1 コロナ前の動向（～2019年）

Trends before COVID-19 (~2019)

- 外食産業はこれまで、ITバブルの崩壊やリーマンショックの影響による不況、東日本大震災など、消費者の節約志向が強まるとともに、消費支出削減の直撃を受けた。不景気時には外での食事を控えたり、弁当や低価格の中食に切り替えたりして、外食に対する支出は切り詰められやすい側面がある。また、スーパーやコンビニエンスストアなどの弁当や総菜、冷凍食品等の品質が高まり、自宅手軽に美味しい食事をとれるようになったことも、外食産業における脅威となっている。そうしたなか、外食産業は、新規メニュー開発やサービス向上、キャンペーン等により利用拡大を図ってきた。

The food service industry has been directly hit hard by consumer spending cuts as consumers have become more frugal during times such as the collapse of the IT bubble, the recession caused by the dissolution of the Lehman Brothers, and the Great East Japan Earthquake. In times of economic downturns, consumers tend to cut back on spending on dining out and instead switching to bento and low-priced ready-to-eat meals. Another threat to the food service industry is the increasing quality of bento, prepared side dishes and frozen foods available at supermarkets and convenience stores, which make it easier for consumers to enjoy tasty meals at home. In response to these challenges, the food service industry has been trying to expand the use of food services by developing new menus, improving services and conducting campaigns.

- 2018年以降は、新規出店を進める一方で、滞在時の快適性を高める店舗の改修、話題を喚起できる新商品や期間限定商品の販売、利便性を高める新サービスの導入など、既存店の売上高を増加させる施策に注力し、業績を上げている企業も出てきた。また、ITやAIの技術も駆使しながら、店舗運営の効率性を高める施策も進められた。

Since 2018, while promoting the opening of new stores, some companies have focused on measures to increase sales at existing stores and have performed well as a result. Those measures include renovating stores to enhance comfort during dining, introducing new and limited-time products to generate buzz, and implementing new services to improve convenience. Additionally, measures to increase the efficiency of store operations were also promoted, by leveraging technologies such as IT and AI.

- デフレ経済下に低価格で市場をけん引してきたファストフードは、一時客数の伸び悩みが見られたものの、再び回復傾向を強め、ファミリーレストランやディナーレストラン等、デフレ時代にファストフード等の攻勢に苦しめられた業態も、「価格が若干割高でも品質の高いメニューを食べたい」というシニア層などに支持され、業績を持ち直した。居酒屋・パブ・ビアレストランは、若者のアルコール離れなどで苦戦が続くとともに、競合他社の相次ぐ追

APPENDIX C – INDUSTRY REPORT

随により、海鮮や焼鳥といった専門性の高い居酒屋でも競合が激化。その他、すし・回転すし・宅配すし、中華レストラン・ラーメン、うどん・そば、カフェなどの専門性の高い業態は、比較的堅調であった。

The fast-food sector, which had led the market with low prices during the deflationary economy, saw a temporary slowdown in the number of customers, but is now showing signs of recovery. Business models such as family restaurants and dinner restaurants which struggled against the expansion of fast food during the deflationary era, have regained their performance. This is due to the support of seniors and other consumers who prefer high-quality menus despite the slightly higher menu prices. Izakaya, pubs and beer restaurants continued to struggle due to young people's shift away from alcohol, while competition had intensified even among highly specialised izakaya that focuses on ingredients such as seafood or yakitori, as rival companies have followed suit in offering specialised izakaya. Other highly specialised food categories such as sushi / conveyor belt sushi / home-delivery sushi, Chinese restaurants / ramen, udon / soba, and cafés have performed relatively well.

3.1.2 コロナ禍の動向（2020年～2022年）

Trends during COVID-19 pandemic (2020-2022)

- ▶ 新型コロナウイルスの影響は、「3密」による感染リスクの高さが周知された2020年3月頃から拡大し、東京都で外出自粛が要請された3月下旬に客数が激減した。さらに緊急事態宣言が発出された同年4月以降には、アルコールの提供を19時まで、営業時間を20時までとする時短営業を余儀なくされ、大規模な臨時休業に踏み切った企業も多い。その後、営業に関する規制の段階的な緩和や、国の施策「Go To Eat」等により一時的な回復はあったものの、繰り返される感染拡大及びそれに伴う営業自粛の再要請により、居酒屋やディナーレストランなどの酒類を提供する店舗を中心に大きな打撃を受けた。

The impact of COVID-19 intensified around March 2020, when awareness about the high risk of infection associated with the “Three Cs” (Closed spaces, Crowded places, and Close-contact settings) grew, and the number of customers plummeted in late March 2020 when the Tokyo Metropolitan Government requested for people to refrain from going out. Furthermore, after the state of emergency that was declared in April 2020, many businesses were forced to shorten their operational hours, with alcohol being served until 7:00 p.m. and business hours only lasting till 8:00 p.m., resulting in extensive temporary closures of business. Thereafter, although there was a temporary recovery due to the gradual relaxation of business regulations and the government's “Go To Eat” policy, the repeated spread of COVID-19 and the accompanied renewed calls for voluntary restraint in business operations resulted in a major blow to establishments, especially those serving alcoholic beverages, such as izakaya and dinner restaurants.

- ▶ 緊急事態宣言やまん延防止等重点措置が解除された2021年10月以降、増減を繰り返しながら客数は緩やかに回復し、特に新型コロナウイルスの感染症法上の位置づけが5類に移行された2023年5月以降は客数及び売上が回復している。一方、円安やウクライナ情勢などを背景に、小麦をはじめとする原材料価格の高騰や光熱費の上昇に見舞われるなど、厳し

APPENDIX C – INDUSTRY REPORT

い経営環境も続いている。また、もともと従業員の定着率が低い飲食業界においては、人手不足に伴う人件費高騰も痛手となっている。

Ever since the state of emergency declaration and priority measures to prevent the spread of the virus were lifted in October 2021, while the number of customers have been fluctuating, it is noted that the number of customers has been gradually recovering. Notably, the number of customers and sales have recovered since May 2023, when COVID-19 was reclassified to Class 5 under the Infectious Disease Control Law. On the other hand, the business environment remains challenging. Prices of raw materials such as wheat are soaring and utility costs are rising due to factors such as the weak yen and the volatile situation in Ukraine. Additionally, the food and beverage industry, which has a low employee retention rate, is also facing rising labour costs due to labour shortages.

- 外食産業を取り巻く環境要因のなかで、原材料価格や人件費などのコストの上昇は最も懸念される問題である。人材不足を補うために賃上げを行う企業もあるが、人件費の上昇は労働集約型産業である外食企業にとって大きな影響を及ぼす。各チェーンでは正社員のベースアップやパート・アルバイトの時給の引き上げのほか、長時間労働の是正、職場環境の改善、多様な働き方への対応など、待遇改善に努めている。人件費の高騰や人材不足を背景に、各チェーンでは厨房の機械化や、効率的に接客できるような店舗レイアウトへの見直し、配膳ロボットの導入、セルフサービス店舗やセルフレジ、キャッシュレス決済の導入等も進められている。

Amongst the environmental factors surrounding the food service industry, rising costs such as raw material prices and labour costs are the most concerning issues. Some companies are increasing wages to address the shortage of labour. Nonetheless, rising labour costs continue to have a significant impact on food service companies, which are labour-intensive in nature. In addition to base salary increases for full-time employees and higher hourly wages for part-time workers, food service franchise companies are striving to improve working conditions. Efforts include reducing long working hours, improving workplace environments, and accommodating diverse work styles. Against a backdrop of soaring labour costs and a shortage of labour, food service franchise companies are also mechanising their kitchens, revamping store layouts to serve customers more efficiently, introducing meal-serving robots, and introducing self-service stores, self-checkout machines, and cashless payment systems.

- コロナ禍では、テイクアウト・デリバリー事業が急拡大した。客数の激減により店内飲食による売上が大きく落ち込む中、店内飲食以外での売上確保の手段として、デリバリーやテイクアウトでの販売が進められた。もともとデリバリーやテイクアウトに対応していた店舗のみならず、従来対応していなかった、ビアレストランや居酒屋、ディナーレストランなどの業態でも対応するようになった。Uber Eats や出前館などのシェアリング宅配サービスが活用された他、すかいらーくホールディングスや松屋フーズホールディングス等では自社による宅配サービスを強化した。ただし、コロナの影響が弱まり外食需要が回復したことで、外食企業各社は、現在は本来の主力事業である店内飲食（イートイン）を重視しており、テイクアウトやデリバリー事業を終了した店舗も見られる。

APPENDIX C – INDUSTRY REPORT

The take-out and delivery industry expanded rapidly during the COVID-19 pandemic. As sales from dine-in services fell sharply due to a significant decline in the number of customers, delivery and take-out sales were promoted as an alternative means of securing sales outside of dine-in services. In addition to restaurants that originally offered delivery and take out services, beer restaurants, izakaya (Japanese style pubs), and dinner restaurants, which did not previously offer such take-out and delivery services began to do so. In addition to utilising external delivery services such as Uber Eats and Demae-can, companies such as Skylark Holdings and Matsuya Foods Holdings have also strengthened their own internal delivery services. However, as the impact of COVID-19 has weakened and demand for dining out has recovered, food service companies are now focusing on their original core business of dine-in services, and some have terminated their takeout and delivery businesses.

- テイクアウト需要の広がりとともに、中食需要に対応する動きも見られた。すかいらーくホールディングスでは、2021年に「バーミヤン」の冷凍餃子の販売を開始して以降、続々と冷凍商品のラインナップを拡充するとともに、Amazon や楽天市場など、通販サイトの販売チャンネルも拡大させている。エー・ピーカンパニーでは、居酒屋「塚田農場」の人気メニューを中心に自社サイトでオンライン販売しているほか、「地鶏炭火焼」の冷凍商品をスーパーマーケット「ライフ」で販売した。

Along with the expansion of takeout demand, there have also been moves to meet the demand for ready-made meals. Since starting to sell “Bamiyan” frozen dumplings in 2021, SUKAIRAKU HOLDINGS has continued to expand its lineup of frozen products and also its sales channels on mail-order sites such as Amazon and Rakuten Ichiba. AP Company sells popular menu items from the izakaya “Tsukada Nojo” online on its own website, and also sells frozen products of “Charcoal-grilled Jidori Chicken” at the supermarket “Life”.

3.1.3 コロナ後の動向（2023年～）

Post COVID-19 trends (2023~)

- 2023年に入り、3月にはマスク着用の緩和、5月には新型コロナウイルスが感染症法上の第5類に分類されるなど、コロナによる行動制限が“緩和”から“解除”へ進み、人流が戻った。売上は回復傾向にあるものの、客単価の上昇に起因する部分が大きく、2023年の時点では、客数はコロナ前（2019年）の水準にまでは回復していないと推定される。ただ、2024年に入っても、単月の客数は前年同月比で継続して伸びており、このまま順調に伸長すれば、コロナ前の水準を超えることが予想される。

Since 2023, there has been a gradual transition from “relaxation” to “lifting” of COVID-19 restrictions on activities, with mask mandates being eased in March 2023 and the COVID-19 being reclassified to Class 5 under the Infectious Diseases Control Law in May 2023. This has led to a return of foot traffic. Sales are recovering, but largely due to an increase in average spending per customer, and it is estimated that as of 2023, customer numbers had not yet recovered to pre-COVID-19 (2019) levels. However, in 2024, monthly customer numbers have continued to grow year-on-year, and if the trend steadily continues, monthly customer numbers are expected to exceed the pre-COVID-19 level.

APPENDIX C – INDUSTRY REPORT

- 業態別では、テイクアウト・デリバリー需要を取り込んだファストフードが好調を維持している。一方、居酒屋等の業態は、店舗数自体が減少しており、宴会需要も回復しつつあるものの、コロナ前の水準からは落ち込んだままとなっている。

In terms of restaurant categories, fast food, which has captured take-out and delivery demand, continues to perform well. On the other hand, restaurant categories such as izakayas have seen a decrease in the number of outlets. While demand for banquets is gradually recovering, it remains below its pre COVID-19 level.

- また、食材をはじめとする様々なものの物価高が、外食産業市場の成長の足枷となっている。セルフサービス店舗やセルフレジ、キャッシュレス決済、モバイルオーダーの導入等、ITを活用した店舗運営の効率化及び人件費削減に取り組む企業も増えているが、材料高による利益圧迫を補うべく、値上げに踏み切る企業も増えている。「はなまるうどん」や「すき家」等のファストフードやファミリーレストラン、居酒屋業態等で値上げが行われたほか、「マクドナルド」では、2023年6月から東名阪エリアの一部店舗において「都心型価格」を導入し、その他の店舗よりも価格設定を高くした。

In addition, rising prices of a variety of items, including food ingredients, have become a hindrance to the growth of the food service industry. An increasing number of companies are using IT to improve the efficiency of restaurant operations and reduce labour costs. For example, some companies have introduced self-service stores, self-checkouts, cashless payments and mobile ordering. It is also noted that there is an increasing number of companies resorting to raising prices to offset the pressure on profits caused by rising material prices. In addition to price increases at fast food restaurants such as Hanamaru Udon and Sukiya, family restaurants, and izakaya restaurants, since June 2023, McDonald's have introduced "urban pricing" and have set higher prices at some stores in the Tokyo, Nagoya and Osaka areas.

- 一方、外国人観光客の増加は、外食産業の追い風となっている。円安の影響もあり、訪日外国人観光客による消費意欲は高まっており、訪日外国人観光客向けの高価格帯メニューを開発する企業も出てきている。訪日客が多い観光施設「豊洲千客万来」では、1万円以上の海鮮丼も販売されているほか、大阪のステーキ店「神戸牛和ノ宮」では、神戸牛が1万5,000円~/120gで提供されており、訪日客に好評となっている。レストラン予約サービスのTableCheckによると、2023年10月の訪日客による予約数は、2019年同月比で約2.3倍に増加しており、訪日客による外食需要がコロナ前よりも高まっていることが示唆される。

On the other hand, the increase in foreign tourists has been a tailwind for the food service industry. The weak yen has also increased the appetite for consumption by foreign visitors to Japan, and some companies are developing higher priced menus for foreign visitors to Japan. At Toyosu Senkyaku Banrai, seafood rice bowls priced at over ¥10,000 are being sold. At Kobe Beef Wanomiya, a steak restaurant in Osaka, Kobe beef is offered at prices ranging from ¥15,000/120g, and have been well received by visitors to Japan. According to TableCheck, a restaurant reservation service, the number of reservations made by visitors to Japan in October 2023 increased by approximately 2.3 times compared to the same month

APPENDIX C – INDUSTRY REPORT

in 2019, suggesting that demand for eating out by visitors to Japan is even higher than pre COVID-19 levels.

3.2 ディナーレストランの動向

Trends in dinner restaurants

3.2.1 コロナ前の動向（～2019年）

Trends before COVID-19 (~2019)

- ディナーレストランの業態は、主に、日本料理、フレンチ、イタリアン、中華料理、鉄板料理、その他に分類される。単価が比較的高いため、日常的な利用よりも記念日や会食、特別な日の食事の場として利用される。例えば、シニアの夫婦や、孫までを含めた3世代などによる利用、特に、記念日需要や孫の成長に合わせたハレの日需要などでディナーレストランの利用がある。

Dinner restaurants are mainly categorised into Japanese, French, Italian, Chinese, Teppan, and other cuisines. Due to the relatively high unit prices, dinner restaurants are patronised more for anniversaries, dinner parties, and special days rather than for daily dining. For example, dinner restaurants are patronised by senior couples and three generations, including grandchildren, especially for anniversaries or for special occasions to celebrate their grandchildren growing up.

- コロナ前については、リーマンショックの影響や、東日本大震災により、WDI、グローバルダイニング、ワイズテーブルコーポレーションといった、マーケットをけん引してきた事業者も業績が失速した。ただ、その後2012年以降は景気の回復傾向が強まるとともに、低価格から品質重視へとニーズが移り、ディナーレストランにも顧客が戻ってくるようになった。

Before the COVID-19 pandemic, due to the dissolution of the Lehman Brothers and the Great East Japan Earthquake, businesses that had been driving the market, such as WDI Corporation, Global Dining and Y's Table Corporation also experienced a performance slowdown. However, since 2012, as the economy began to recover, there was a shift in consumer needs from low prices to an emphasis on quality. As a result, customers began returning to dinner restaurants.

- また、レストランウエディングの人气が高まり、高級レストランで結婚式を挙げたり披露宴を開催したりするウエディング需要もあり、高級フランス料理店を運営するひらまつなどでは業績が好調に推移、ワイズテーブルコーポレーションでも業績の回復基調を強めた。

In addition, weddings in restaurants are gaining popularity and there is a demand for wedding ceremonies and wedding receptions held at high-end restaurants. These also contributed to strong performance for companies like Hiramatsu, which operates high-end French restaurants, and have also contributed to the recovery of Y's Table Corporation's performance.

APPENDIX C – INDUSTRY REPORT

- 加えて、肉食ブームで熟成肉や希少部位など、プレミアム感のある高級肉のメニューの人气が高まったことも、ディナーレストランの市場にとっては追い風となった。WDI では、高級ステーキ店「ウルフギャング・ステーキハウス」が好調であった。

Additionally, the popularity of high-quality premium meats, such as dry-aged meats and rare meat cuts, has increased due to the meat-eating boom, which has also been a tailwind for dinner restaurants. For WDI Corporation, the high-end steakhouse “Wolfgang's Steakhouse” has performed well.

3.2.2 コロナ禍の動向（2020年～2022年）

Trends during COVID-19 pandemic (2020-2022)

- 新型コロナウイルスによる影響は2020年2月から徐々に表れ、客数が減少し始めた。その後、緊急事態宣言により休業を余儀なくされた店舗も多く、同年4月は売上が大きく落ち込んだ。その後の営業再開後も、ディナーレストランは、デリバリーやテイクアウト事業を強化したファストフードやファミリーレストランと比べて、売上高や客数の回復が遅れた。2022年3月にまん延防止等重点措置が解除されたものの、大人数での会食や宴会を控える傾向は続き、厳しい状況が長引いた。

The impact of COVID-19 gradually became evident from February 2020, when the number of customers began to decline. Subsequently, many restaurants were forced to close due to the state of emergency declaration, and sales dropped sharply in April 2020. Even after reopening, dinner restaurants were slow to recover in terms of sales and number of customers as compared to fast food and family restaurants that had strengthened their delivery and take-out businesses. Although the priority measures to prevent the spread of COVID-19 were lifted in March 2022, the trend to refrain from dinner parties and banquets with large groups continued, which further prolonged the difficult situation.

- デリバリーやテイクアウトでは、ファストフードやファミリーレストランに後れを取ったものの、ディナーレストランならではの取組みを始めた企業もある。デリバリーについては、WDIでは、2020年6月に、客席を持たない飲食店“ゴーストレストラン”として「WE COOK」をオープンし、フードデリバリーに特化した事業を開始した。また同社は、2022年8月には、ステーキ専門店「ウルフギャング・ステーキハウス」と香港点心レストラン「添好運」の一部店舗において、プレミアムフードデリバリーサービス「QG DISH（運営会社：ギグワークス・アドバンス株式会社）」によるデリバリーサービスを開始。同サービスは、環境に配慮したEV配送車両を使用して専属アテンダントが丁寧な接客で料理を届ける。なお、「ウルフギャング・ステーキハウス」においては、タクシーによるデリバリーサービスも実施している。Uber Eatsや出前館などの既存のデリバリーサービスからも注文できるが、料理を丁寧に配送するサービスも揃え、質の高い配送を求める層の取り込みも図っている。

Although dinner restaurants have lagged behind fast food and family restaurants in pivoting to delivery and take-out, some dinner restaurant companies have started unique initiatives. In the area of delivery, WDI Corporation launched “WE COOK” in June 2020 as a “ghost restaurant” which does not provide any seatings, and instead, focused exclusively on food delivery. In August 2022, WDI Corporation launched a delivery service using the premium

APPENDIX C – INDUSTRY REPORT

food delivery service “QG DISH (operated by GiG Works Inc.)” at some stores of its steak specialty restaurant “Wolfgang’s Steakhouse”, and Hong Kong dim sum restaurant, “Tim Ho Wan”. This service uses environmentally friendly EV delivery vehicles to deliver food with attentive customer service from dedicated attendants. Wolfgang’s Steakhouse also offers a cab delivery service. Although orders can be made through existing delivery services such as Uber Eats and Demae-can, in an effort to attract customers who seek high-quality delivery, WDI Corporation also offers services that deliver food with care.

- テイクアウトについては、しゃぶしゃぶと日本料理を提供する「木曽路」が、「持ち帰り弁当」や「慶忌弁当」、「しゃぶしゃぶ・すきやき・季節の鍋セット」といったテイクアウト商品を販売。グローバルダイニングでは、レストランの味を自宅で楽しめるテイクアウト商品として「おうち de ラ・ボエムセット」、「おうち de モンスーンセット」、「おうち de アフタヌーンティーセット」等の販売を開始した。その他、ひらまつが、レストランの味をテイクアウトできる「HIRAMATSU To Go」を開始するなど、各社はコロナ禍で、自宅でお店の味を楽しめるような事業展開を進めた。

As for take-out services, KISOJI, which offers shabu-shabu and Japanese cuisine, sells take-out products such as “take-out bento”, “Celebration Memorial Service Bento”, and “shabu-shabu, sukiyaki, and seasonal hot pot sets”. Global Dining started selling take-out products such as “Ouchi de La Boheme Set”, “Ouchi de Monsoon Set”, and “Ouchi de Afternoon Tea Set”, which allow customers to enjoy restaurant-quality food at home. Furthermore, during the COVID-19 pandemic, companies like HIRAMATSU developed initiatives to allow customers to enjoy their restaurant flavours at home. HIRAMATSU, for example, launched “HIRAMATSU To Go,” offering takeout options that “take-out” the restaurant experience to customers' homes.

- デイナーレストランは、ファストフードやファミリーレストランと比較して、新型コロナウイルス感染拡大の影響を大きく受けた。ディナーレストランにおける、売上、利用客数、店舗数、客単価の前年比を見ると、売上と利用客数は、2020年に一気に落ち込んだ（図表9参照）。また、2021年にまでその影響は続き、全ての項目において前年比減となっている。ただ、客単価は、コロナ禍でも大きく落ち込まなかった。その後、新型コロナウイルス感染拡大防止のための規制等が徐々に緩和された2022年に大きく上昇し、売上については前年比131.7%となった。2023年においても、伸び率は下がったものの引き続き前年から伸び、売上前年比は122.7%となっている。

Dinner restaurants were much more affected by the spread of the COVID-19 compared to fast food and family restaurants. Based on year-over-year changes for performance metrics such as sales, number of customers, number of restaurants, and average spend per customer in dinner restaurants, both sales and the number of customers plummeted in 2020 (See Chart 9.). The impact of COVID-19 continued into 2021, with year-on-year declines across all performance metrics. However, average spending per customer did not significantly drop during the COVID-19 pandemic. Subsequently, as regulations to prevent the spread of COVID-19 pandemic were gradually eased in 2022, sales saw a significant

APPENDIX C – INDUSTRY REPORT

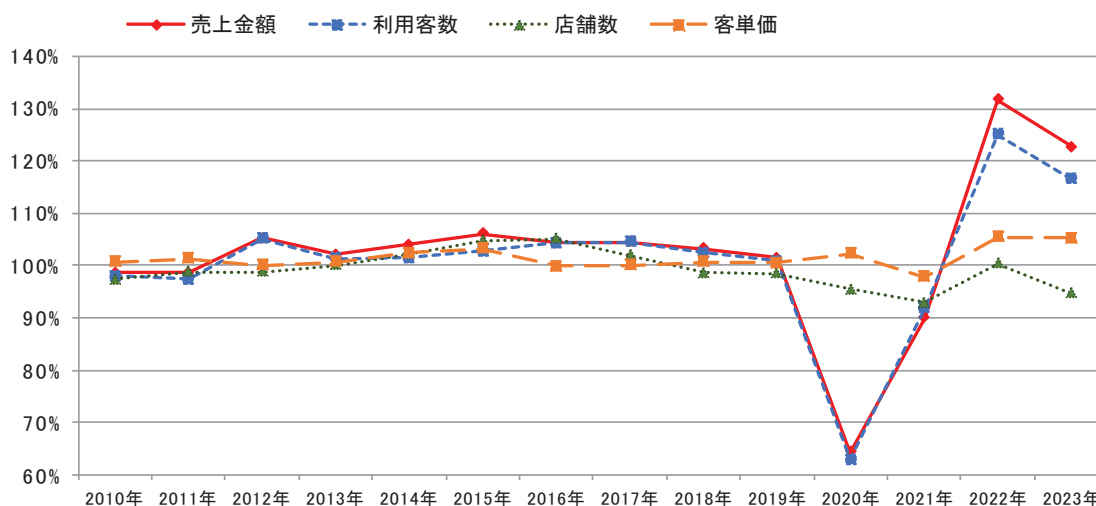
increase and reached 131.7% of the previous year. In 2023, sales continued to grow from the previous year, albeit at a slower growth rate, reaching 122.7% of the previous year.

APPENDIX C – INDUSTRY REPORT

〈図表9-ディナーレストランにおける前年比伸び率推移〉

<Chart 9 - Year-over-year changes for performance metrics in dinner restaurants>

ディナーレストランにおける、売上金額、利用客数、店舗数、客単価の前年比伸び率推移



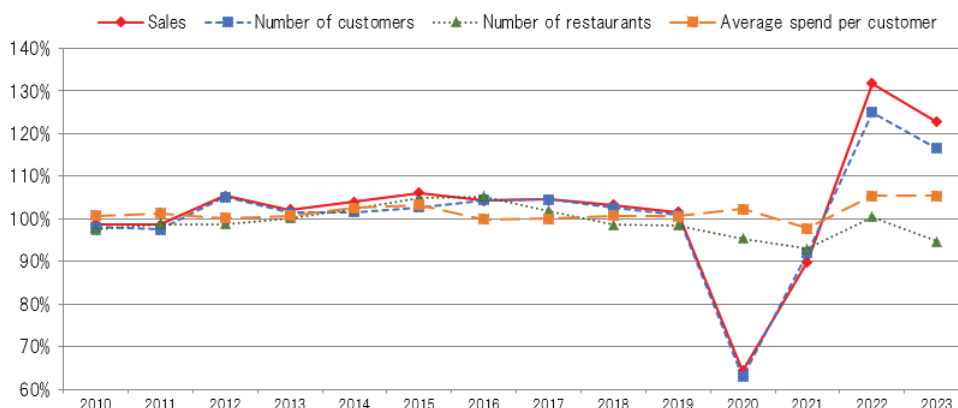
※一般社団法人日本フードサービス協会「外食産業市場動向調査」(協会加盟会員社を対象とした調査)

ディナーレストランにおける、売上金額、利用客数、店舗数、客単価の前年比伸び率推移

	2010年	2011年	2012年	2013年	2014年	2015年	2016年	2017年	2018年	2019年	2020年	2021年	2022年	2023年
売上金額	98.7%	98.6%	105.3%	102.1%	104.0%	106.0%	104.3%	104.5%	103.2%	101.5%	64.3%	89.9%	131.7%	122.7%
利用客数	98.0%	97.4%	105.1%	101.4%	101.5%	102.7%	104.4%	104.5%	102.5%	100.9%	62.9%	91.9%	125.0%	116.5%
店舗数	97.4%	98.8%	98.8%	100.1%	102.2%	104.8%	105.2%	101.9%	98.6%	98.5%	95.4%	93.0%	100.4%	94.7%
客単価	100.7%	101.3%	100.1%	100.7%	102.5%	103.2%	99.9%	100.0%	100.7%	100.5%	102.2%	97.8%	105.4%	105.3%

※一般社団法人日本フードサービス協会「外食産業市場動向調査」(協会加盟会員社を対象とした調査)

Year-over-year growth in sales, number of customers, number of restaurants, and average spend per customer in dinner restaurants



**"Food Service Industry Market Trend Survey" (survey of Association member companies), Japan Foodservice Association

Year-over-year growth in sales, number of customers, number of restaurants, and average spend per customer in dinner restaurants

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sales	98.7%	98.6%	105.3%	102.1%	104.0%	106.0%	104.3%	104.5%	103.2%	101.5%	64.3%	89.9%	131.7%	122.7%
Number of customers	98.0%	97.4%	105.1%	101.4%	101.5%	102.7%	104.4%	104.5%	102.5%	100.9%	62.9%	91.9%	125.0%	116.5%
Number of restaurants	97.4%	98.8%	98.8%	100.1%	102.2%	104.8%	105.2%	101.9%	98.6%	98.5%	95.4%	93.0%	100.4%	94.7%
Average spend per customer	100.7%	101.3%	100.1%	100.7%	102.5%	103.2%	99.9%	100.0%	100.7%	100.5%	102.2%	97.8%	105.4%	105.3%

*"Food Service Industry Market Trend Survey" (survey of Association member companies), Japan Foodservice Association

APPENDIX C – INDUSTRY REPORT

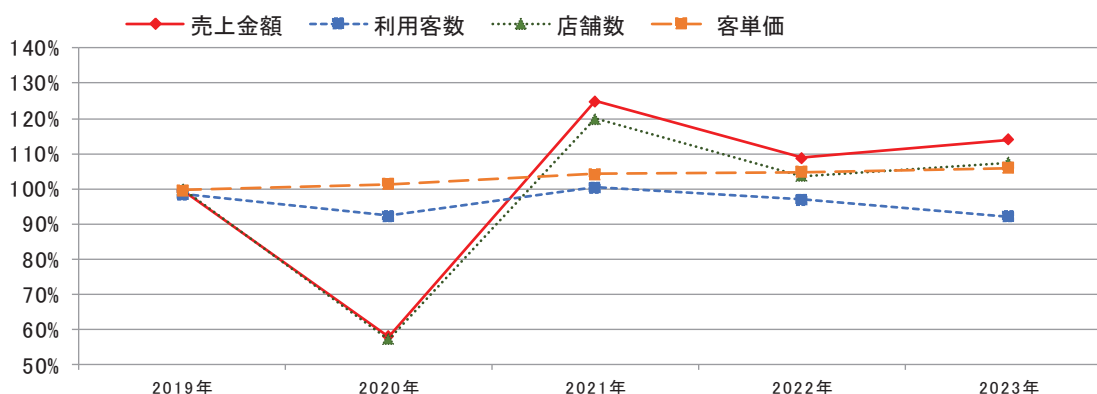
- ▶ ディナーレストランにおいて、クリスマスや忘年会などの需要が期待される12月の売上高をみると、2020年は前年同月比58.1%と4割以上落ち込んだものの、2021年には同124.8%（2019年比78.8%）、2022年には同108.8%（2019年比85.7%）と回復傾向にある（図表10参照）。2023年においても、113.9%と、回復が続いているまた、客単価においてはコロナ禍でも前年を上回り、2020年以降右肩上がりとなっている。

Based on sales figures of dinner restaurants for the month of December, which is expected to see increased demand arising from Christmas and year-end parties, sales in 2020 fell by more than 40% year-on-year to 58.1% in 2020. However, there have been signs of recovery, with the figure reaching 124.8% in 2021 (78.8% compared to 2019) and 108.8% in 2022 (85.7% compared to 2019) (See Chart 10.). In 2023, the recovery continues with the figure reaching 113.9%. Additionally, average spending per customer consistently exceeded the previous year's levels even during the COVID-19 pandemic and has been showing a steady upward trend since 2020.

〈図表10-ディナーレストランにおける前年比伸び率推移(12月)〉

<Chart 10 - Year-over-year changes for performance metrics in dinner restaurants (each December)>

ディナーレストランにおける、売上金額、利用客数、店舗数、客単価の前年比伸び率推移 各12月)



※一般社団法人日本フードサービス協会「外食産業市場動向調査」(協会加盟会員社を対象とした調査)

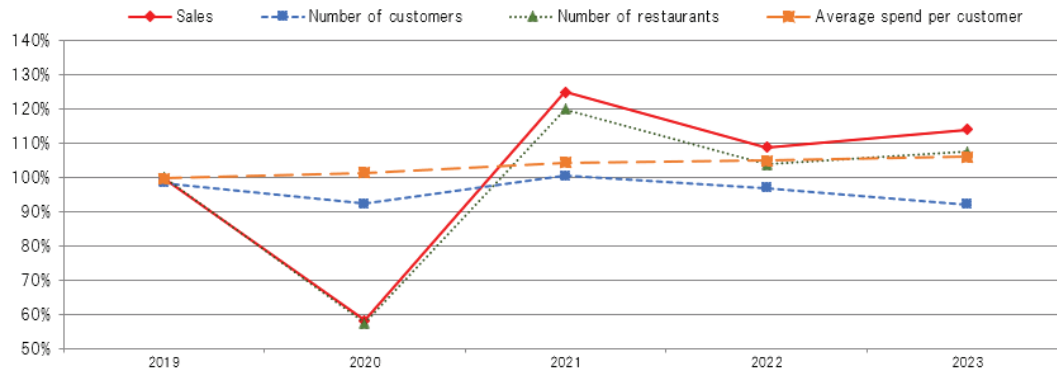
ディナーレストランにおける、売上金額、利用客数、店舗数、客単価の前年比伸び率推移 各12月)

	2019年	2020年	2021年	2022年	2023年
売上金額	99.6%	58.1%	124.8%	108.8%	113.9%
利用客数	98.4%	92.3%	100.4%	96.9%	92.1%
店舗数	100.0%	57.4%	119.9%	103.7%	107.4%
客単価	99.6%	101.3%	104.2%	104.8%	106.0%

※一般社団法人日本フードサービス協会「外食産業市場動向調査」(協会加盟会員社を対象とした調査)

APPENDIX C – INDUSTRY REPORT

YoY growth in sales, number of customers, number of restaurants, and average spend per customer in dinner restaurants (each December)



※"Food Service Industry Market Trend Survey" (survey on Association member companies), Japan Foodservice Association

YoY growth in sales, number of customers, number of restaurants, and average spend per customer in dinner restaurants (each December)

	2019	2020	2021	2022	2023
Sales	99.6%	58.1%	124.8%	108.8%	113.9%
Number of customers	98.4%	92.3%	100.4%	96.9%	92.1%
Number of restaurants	100.0%	57.4%	119.9%	103.7%	107.4%
Average spend per customer	99.6%	101.3%	104.2%	104.8%	106.0%

※"Food Service Industry Market Trend Survey" (survey on Association member companies), Japan Foodservice Association

3.2.3 コロナ後の動向（2023年～）

Post COVID-19 trends (2023~)

- 2023年5月に新型コロナウイルス感染症の感染症法上の位置付けが変更されたこと等により経済活動の正常化が進むとともに、訪日外国人の増加に伴う需要も増加している。一方、人手不足や食材費等の価格高騰といった問題もあり、難しい経営環境が続いている。こうしたなか、各社は訪日客需要の取込みや高付加価値化に取り組んでいる。WDIは2024年度に「ホスピタリティ深堀」を進めるほか、ワイズテーブルコーポレーションでは客単価の高い業態開発など、付加価値を高め客単価を上げる取組みを進めている。

In May 2023, the category for the COVID-19 pandemic was reclassified under the Infectious Diseases Control Law, which facilitated the normalisation of economic activities. This, coupled with an increase in foreign visitors to Japan, has led to a rise in demand. On the other hand, the business environment remains difficult due to problems such as labour shortages and the soaring costs of food ingredients. Under these circumstances, companies are working to capture demand from visitors to Japan and create high added value. In addition to WDI Corporation's "Deepening hospitality" in FY2024, Y's Table Corporation is also working on initiatives to increase added value and raise average spending per customer, for example by developing business formats that generate higher average spending per customer.

- チェーン以外でも、高付加価値化の取組みが進んでいる。2023年に東京の一等地にオープンした大規模複合施設「虎ノ門ヒルズ ステーションタワー」や、「麻布台ヒルズ」は、それぞれ外資系ラグジュアリーホテルが併設するとともに、国内外のトップシェフが監修するレストランやバー、カフェなどが出店する、“食”を重視した施設となっている。アジア人として初めてフランス料理でミシュラン 3 つ星を獲得した日本人シェフ等、話題のシェフが

APPENDIX C – INDUSTRY REPORT

監修する飲食店が多く出店し、これらの店では、劇場型のオープンキッチンや大テーブルをゲスト全員で囲む「ターブルドット」スタイルなど、革新的な店舗づくりが行われている。また、サステナビリティを重視したメニューを提供する店も少なくない。近年は、地元の食文化や、プラントベース食材、ファーム・トゥ・テーブル、といった、サステナビリティに関心が高いシェフも増えており、野菜を中心としたコース料理等、新たなメニュー開発にも取り組まれている。

Efforts to increase added value are also progressing beyond chain establishments. In 2023, large-scale multi-use complexes such as “Toranomom Hills Station Tower” and “Azabudai Hills” opened in prime locations in Tokyo. In addition to foreign luxury hotels, these complexes are designed with an emphasis on dining, featuring restaurants supervised by top domestic and international chefs, alongside bars, and cafes. Many of the restaurants are supervised by renowned chefs, such as the Japanese chef who is the first Asian to earn three Michelin stars in French cuisine. These restaurants feature innovative restaurant designs, such as theatre-style open kitchens and “Table d’hôte” style dining. Additionally, many of these restaurants also offer menus with a focus on sustainability. In recent years, an increasing number of chefs have become more interested in sustainability, such as local food culture, plant-based ingredients and farm-to-table, and are also working on developing new menus, such as vegetable-based course meals.

- 前掲の「ディナーレストランにおける、売上金額、利用客数、店舗数、客単価の前年比伸び率推移」(図表9)の図表を見ると、2023年の売上、利用客数、客単価においては前年比を上回った。売上は、前年の伸び幅よりは小さいものの、前年比122.7%と回復が進み、利用客数や客単価も同様である。市場回復の要因の1つである訪日外国人旅行者は、今後も増加が見込まれることから、訪日客需要を獲得することで、更なる売上及び客数の増加が期待される。一方で、2023年の店舗数は前年を下回った。背景には、コロナ禍にあった国の支援策がなくなるとともに、光熱費等の価格高騰等による経営圧迫があり、事業継続を断念する事業者が増加したことがある。

Based on the previously mentioned chart “Year-over-year growth in sales, number of customers, number of restaurants, and average spend per customer in dinner restaurants”, the sales, number of customers, and average spend per customer in 2023 all exceeded those of the previous year. Although the increase in sales was smaller compared to the previous year's growth rate, it still showed a recovery with a year-on-year rate of 122.7%. The number of customers and average spend per customer also followed a similar trend. The market recovery is also supported by the increasing number of foreign visitors to Japan, which is expected to continue to increase. By capturing demand from foreign visitors, sales and number of customers is expected to increase further. On the other hand, the number of dinner restaurants in 2023 was lower than in the previous year. This decline is attributed to the end of government support measures during the COVID-19 pandemic, along with the rising costs of utilities and other expenses, which has placed pressure on businesses and led to an increase in the number of establishments ceasing operations.

APPENDIX C – INDUSTRY REPORT

- また、「ディナーレストランにおける、売上金額、利用客数、店舗数、客単価の前年比伸び率推移（各 12 月）」を見ると、2023 年の売上、店舗数、客単価においては前年比を上回った一方、利用客数は前年比 92.1%と減少した。客数が減少しても、客単価及び店舗数が増加していることから、売上が押し上げられた。

Based on the chart “Year-over-year growth in sales, number of customers, number of restaurants, and average spend per customer in dinner restaurants (each December)”, the sales, number of dinner restaurants, and average spend per customer in December 2023 exceeded the previous year's figures. However, the number of customers decreased to 92.1% of the previous year's level. Even though the number of customers decreased, sales were boosted by increases in average spend per customer and the number of restaurants.

3.3 訪日外国人の増加による飲食店への影響

The impact of increasing foreign visitors on restaurants in Japan

- 2023 年の訪日外国人旅行者数は前年比 6.5 倍増の 2,506 万人だった（図表 11 参照）。過去最高を記録した 2019 年の 3,188 万人に対して約 8 割の水準となった。

The number of foreign visitors to Japan in 2023 was 25.06 million, 6.5 times of the previous year (See Chart 11.). This is about 80% of the record high of 31.88 million visitors in 2019.

- 2022 年 10 月に入国者数の上限が撤廃され、個人の外国人旅行客の入国も解禁されるなど、新型コロナウイルスの水際対策が大幅に緩和された。2023 年 4 月には、水際対策を撤廃し、入国者に対しての陰性証明やワクチン接種証明書の提示を求めないようになった。その後訪日外国人旅行者数は右肩上がり急回復を遂げ、単月では、2023 年 10 月に初めて 2019 年同月比 100%を超えた。

In October 2022, border measures against the COVID-19 were significantly eased, with the lifting of the upper limit on the number of people entering Japan and the entry ban on individual foreign tourists. In April 2023, border measures were abolished and people entering the country were no longer required to present negative test results or vaccination certificates. Subsequently, the number of foreign tourists visiting Japan witnessed a rapid recovery, showing a steady upward trend. For the first time, in October 2023, the monthly number of foreign tourists surpassed 100% of the same month in 2019.

- 2024 年上半期（1 月～6 月）の訪日外国人旅行者数（推計値）は 1,777 万 7,200 人と、上半期としては過去最高を更新した。2019 年同期を 100 万人以上上回る水準であり、このままのペースが進めば、2024 年通年でも過去最高を記録することが見込まれる。

The number of foreign tourists who visited Japan in the first half of 2024 (January to June) was estimated to be 17,777,200, a new record high for the first half of the year. This figure surpasses the that of the same period in 2019 by over 1 million people, and if this pace continues, the number of foreign tourists visiting Japan in 2024 is expected to reach a record high.

- コロナ前の 2019 年までは、訪日外国人旅行者数は 7 年連続で過去最高を更新し、3,000 万人を突破していた。2011 年は東日本大震災の影響により大きく落ち込んだが、2012 年以降

APPENDIX C – INDUSTRY REPORT

は急速に回復。2013年には初めて1,000万人の大台を超えた。個人観光査証(ビザ)の発給要件緩和や消費税免税制度拡充のほか、アジア地域の経済成長に伴う海外旅行需要の拡大、羽田空港の国際線増便やLCCの日本発着路線の拡大、訪日クルーズ船の寄港数の増加などが、外国人の訪日旅行拡大の要因で、官民が一体となって各種の訪日プロモーションを強化させてきたことも、大きな成果となって表れた。

Prior to the COVID-19 pandemic, until 2019, the number of foreign visitors to Japan had reached a record high for seven consecutive years, surpassing 30 million. 2011 saw a significant drop due to the impact of the Great East Japan Earthquake, but the number rapidly recovered from 2012 onwards. In 2013, it exceeded the milestone of 10 million for the first time. In addition to the easing of visa requirements for individual tourists and the expansion of the consumption tax exemption system, the expansion of foreign travel to Japan was driven by rising demand for overseas travel due to economic growth in the Asia region, increased international flights at Haneda Airport, the expansion of low-cost carrier (LCC) routes to and from Japan, and the rise in the number of cruise ship calls to Japan. The concerted efforts of both the public and private sectors to strengthen various promotions for visiting Japan have also yielded significant results.

- 政府は観光立国の実現を目指し、2023年には新たな観光立国推進基本計画を策定し、「持続可能な観光」、「消費額拡大」、「地方誘客促進」の3つのキーワードに特に留意し、観光政策を推進することとしている。2025年度までの達成目標としていた、訪日外国人旅行消費額5兆円、1人当たりの旅行消費額単価20万円は2023年に既に達成し、今後更なる増加が見込まれている訪日外国人旅行者による消費拡大が目指されている。

To achieve the goal of a tourism-oriented nation, the Japanese government established a new basic plan to promote a tourism-oriented nation in 2023. The tourism policies will be promoted with an emphasis on the three themes of “sustainable tourism”, “expanding consumption”, and “promoting tourist attraction to regional areas”. The targets of 5 trillion yen in travel spending by foreign visitors to Japan and 200,000 yen in travel spending per person, which were originally set for 2025, were already achieved in 2023. The current aim is to further increase consumption by inbound foreign tourists, which is expected to further increase in the future.

APPENDIX C – INDUSTRY REPORT

〈図表 1 1 - 訪日外国人の推移〉

〈Chart 11 - The number of foreign visitors to Japan〉

目的別 訪日外国人の推移

(人)

年	合計	観光客		商用客		その他客	
			構成比		構成比		構成比
2010	8,611,175	6,361,974	73.9%	1,394,586	16.2%	854,615	9.9%
2011	6,218,752	4,057,235	65.2%	1,243,484	20.0%	918,033	14.8%
2012	8,358,105	6,041,645	72.3%	1,442,946	17.3%	873,514	10.5%
2013	10,363,904	7,962,517	76.8%	1,464,850	14.1%	936,537	9.0%
2014	13,413,467	10,880,604	81.1%	1,537,114	11.5%	995,749	7.4%
2015	19,737,409	16,969,126	86.0%	1,641,300	8.3%	1,126,983	5.7%
2016	24,039,700	21,049,676	87.6%	1,701,902	7.1%	1,288,122	5.4%
2017	28,691,073	25,441,593	88.7%	1,782,677	6.2%	1,466,803	5.1%
2018	31,191,856	27,766,112	89.0%	1,795,213	5.8%	1,630,531	5.2%
2019	31,882,049	28,257,141	88.6%	1,757,403	5.5%	1,867,505	5.9%
2020	4,115,828	3,312,230	80.5%	216,026	5.2%	587,572	14.3%
2021	245,862	66,387	27.0%	18,344	7.5%	161,131	65.5%
2022	3,832,110	2,487,835	64.9%	422,361	11.0%	921,914	24.1%
2023	25,066,350	22,379,962	89.3%	1,067,684	4.3%	1,618,704	6.5%

※日本政府観光局(JNTO)「目的別 訪日外客数」

※2023年は暫定値

Trends in foreign visitors to Japan by purpose of visit

(people)

Year	Total	Tourists		Business Visitors		Other Visitors	
			Composition		Composition		Composition
2010	8,611,175	6,361,974	73.9%	1,394,586	16.2%	854,615	9.9%
2011	6,218,752	4,057,235	65.2%	1,243,484	20.0%	918,033	14.8%
2012	8,358,105	6,041,645	72.3%	1,442,946	17.3%	873,514	10.5%
2013	10,363,904	7,962,517	76.8%	1,464,850	14.1%	936,537	9.0%
2014	13,413,467	10,880,604	81.1%	1,537,114	11.5%	995,749	7.4%
2015	19,737,409	16,969,126	86.0%	1,641,300	8.3%	1,126,983	5.7%
2016	24,039,700	21,049,676	87.6%	1,701,902	7.1%	1,288,122	5.4%
2017	28,691,073	25,441,593	88.7%	1,782,677	6.2%	1,466,803	5.1%
2018	31,191,856	27,766,112	89.0%	1,795,213	5.8%	1,630,531	5.2%
2019	31,882,049	28,257,141	88.6%	1,757,403	5.5%	1,867,505	5.9%
2020	4,115,828	3,312,230	80.5%	216,026	5.2%	587,572	14.3%
2021	245,862	66,387	27.0%	18,344	7.5%	161,131	65.5%
2022	3,832,110	2,487,835	64.9%	422,361	11.0%	921,914	24.1%
2023	25,066,350	22,379,962	89.3%	1,067,684	4.3%	1,618,704	6.5%

*"Number of Foreign Visitors to Japan by Purpose of Visit", Japan National Tourism Organization (JNTO)

*Figures for 2023 are provisional.

- 2023年の訪日外国人1人当りの旅行消費額では、飲食への出費が全体の22.6%を占め、宿泊、買い物に次ぐ比率を占める(図表12参照)。2018年と比較して、買い物との構成比の差は縮まっている。飲食は買い物と違って滞在期間中の購入回数が限られている(1日3食+α回)ことを鑑みると、1回あたりの飲食単価が上昇していることが示唆される。

In 2023, spending on food and beverage accounted for 22.6% of the total travel expenditure per foreign visitor to Japan, accounting for the third largest share after accommodation and

APPENDIX C – INDUSTRY REPORT

shopping (See Chart 12.). Compared to 2018, the gap in composition ratio with shopping has narrowed. Considering that, unlike shopping, food and beverages purchases are limited in frequency during a stay (3 meals per day + α times), the increased ratio of expenditure on food and beverage to total expenditure is largely driven by the increase in the cost per meal.

- 近年の訪日外国人旅行者の増加と訪日外国人の食への期待の高さを踏まえ、政府は「日本の食・食文化の普及」と「食を目的とした訪日客の増加」を目指し、魅力ある商品やメニューの開発、サービス改善、環境づくり等により、食文化をテーマとした観光地としての磨き上げを進めている。

In light of the recent increase in the number of foreign visitors to Japan and their high expectations of Japanese cuisine, the government is working to establish Japan as a food culture-themed tourist destination by developing attractive products and menus, improving services, and creating a better environment, with the aim of “promoting Japanese food and food culture” and “increasing the number of food-oriented visitors to Japan”.

- なお、文化庁の「食文化あふれる国・日本」プロジェクトの調査結果によると、食文化をテーマとした観光を通じてインバウンド需要を獲得するためポイントとして、以下を挙げている。

According to the results of a survey conducted by “Japan, a Country Rich in Food Culture” Project of the Agency for Cultural Affairs, the following points are listed as key points to capture the inbound demand through food culture-themed tourism.

- ① 地域個性のある食材や料理の提供
Providing ingredients and dishes with regional characteristics.
- ② 地域の食文化が保護・継承でき、文化的価値の高さを感じる適切な価格設定
Setting appropriate prices that allows local food culture to be protected and passed on and provides a sense of high cultural value.
- ③ 特別感の醸成
Creating a sense of specialness.
- ④ 地域の住民等との交流の機会の提供
Providing opportunities for interaction with local residents, etc.
- ⑤ 文化的・歴史的背景を踏まえたプログラムの設計
Designing programs based on cultural and historical backgrounds.

APPENDIX C – INDUSTRY REPORT

〈図表 1 2-訪日外国人 1 人当たりの費用別旅行支出額と構成比〉

<Chart 12 - The breakdown of travel expenditure per foreign visitor to Japan and composition ratio>

訪日外国人1人当たりの費用別旅行支出額と構成比

(円)

	総額	宿泊	飲食	交通費	娯楽等 サービス	買い物	その他
2018年	153,029	45,787	33,748	16,160	6,011	51,256	67
構成比	100.0%	29.9%	22.1%	10.6%	3.9%	33.5%	0.0%
2019年	158,531	47,336	34,740	16,669	6,383	53,331	73
構成比	100.0%	29.9%	21.9%	10.5%	4.0%	33.6%	0.0%
2022年	234,524	80,139	53,034	24,008	15,590	61,605	147
構成比	100.0%	34.2%	22.6%	10.2%	6.6%	26.3%	0.1%
2023年	212,193	73,452	47,988	24,180	10,749	55,739	85
構成比	100.0%	34.6%	22.6%	11.4%	5.1%	26.3%	0.0%

※観光庁「訪日外国人消費動向調査」

※2023年は速報値

The breakdown of travel spending per foreign visitor to Japan and composition ratio.

(yen)

	Total	Accommodation	Food & Beverage	Transportation	Entertainment, etc. Services	Shopping	Other
2018	153,029	45,787	33,748	16,160	6,011	51,256	67
Composition	100.0%	29.9%	22.1%	10.6%	3.9%	33.5%	0.0%
2019	158,531	47,336	34,740	16,669	6,383	53,331	73
Composition	100.0%	29.9%	21.9%	10.5%	4.0%	33.6%	0.0%
2022	234,524	80,139	53,034	24,008	15,590	61,605	147
Composition	100.0%	34.2%	22.6%	10.2%	6.6%	26.3%	0.1%
2023	212,193	73,452	47,988	24,180	10,749	55,739	85
Composition	100.0%	34.6%	22.6%	11.4%	5.1%	26.3%	0.0%

* "Survey on Trends in Consumption of Foreign Visitors to Japan", Japan Tourism Agency

*Preliminary figures for 2023

- 次頁には（株）日本政策投資銀行・（公財）日本交通公社による「訪日外国人旅行者の意向調査」における、「日本旅行を希望する者での日本旅行で体験したいこと」（図表 1 3 参照）及び「日本旅行の理由」（図表 1 4 参照）を記載している。

The following page shows the “Desired Experiences for People Who Want to Travel to Japan” (See Chart 13.) and “reasons for traveling to Japan” (See Chart 14.) as outlined in the “Survey on Intentions of Foreign Visitors to Japan” conducted by the Development Bank of Japan, Inc. and the Japan Travel Bureau Foundation.

- 「日本旅行希望者の日本旅行で体験したいこと」においては、飲食に関連する項目である「伝統的・日本料理」を希望した比率が全体の 44%、「現地の人が普段利用しているカジュアルな食事」を希望した比率が全体の 30%であった。また、「日本旅行の理由」においては、「日本食に関心があったから」が最も高く 58%であった。訪日外国人旅行者の旅行目的として飲食のポジションは相対的に高いものと判断できる。

In respect of the question “Desired Experiences for People Who Want to Travel to Japan”, 44% of all respondents responded with “traditional Japanese cuisine”, and 30% responded with “Casual local cuisine commonly enjoyed by locals”, which are items related to food and beverage. In respect of the question “Reasons for traveling to Japan”, the top response, at 58%, was “Because I was interested in Japanese food”. It can be concluded that food and beverages play a significant role as a travel motivation for foreign tourists visiting Japan.

APPENDIX C – INDUSTRY REPORT

- ▶ なお、近年の訪日外国人旅行客の増加に伴う宿泊需要の拡大を背景に、各地でホテルのリニューアルが相次いでいる。外国人富裕層の獲得を目指すホテルも多く、レストラン空間を改装してグレードアップするケースもみられる。外資系ホテルも全国各地で出店を加速しており、これらのホテルのレストランには、寿司や会席料理、鉄板焼きや天ぷら専門店などの日本料理も充実している。このように、ホテル事業者においても訪日外国人客の取り込みを狙った動きが活発である。

In recent years, with the increase in demand for accommodation due to the increase in inbound foreign tourists, hotels in various regions are undergoing renovations to upgrade their restaurant spaces to attract wealthy foreigners. Foreign-owned hotels are also accelerating their expansion in various parts of Japan, and these hotels often feature a wide range of Japanese cuisine, including sushi, kaiseki, teppanyaki, and tempura specialty restaurants. Hotel operators are also making active efforts to attract foreign visitors to Japan.

APPENDIX C – INDUSTRY REPORT

〈図表 13 - 日本旅行希望者の日本旅行で体験したいこと〉

<Chart 13 - Desired Experiences for People Who Want to Travel to Japan>

日本旅行希望者の日本旅行で体験したいこと (2022年)

	全体	アジア全体	欧米豪全体
サンプル数	3,291	2,686	605
自然や風景の見物	55%	57%	50%
桜の鑑賞	52%	53%	47%
有名な史跡や歴史的な建築物の見物	44%	44%	42%
伝統的日本料理	44%	44%	40%
温泉への入浴	43%	46%	29%
雪景色鑑賞	39%	42%	27%
世界遺産の見物	36%	36%	40%
日本庭園の見物	35%	33%	45%
紅葉の鑑賞	35%	37%	24%
日本文化の体験 茶道、華道、着物試着など	32%	33%	30%
繁華街の街歩き	31%	32%	30%
イベント祭りの見物	31%	31%	29%
現地の人が普段利用しているカジュアルな食	30%	31%	24%
遊園地やテーマパーク	30%	33%	16%
食品や飲料のショッピング	27%	29%	17%
近代的/先進的な建築物の見物	26%	26%	28%
自然や資源を損なうことの内容配慮されている観光地 観光ツアー	25%	24%	28%
伝統工芸品の工房見学 体験	22%	22%	23%
洋服やファッション雑貨のショッピング	22%	23%	13%
スイーツ	21%	22%	16%

※ (株)日本政策投資銀行・(公財)日本交通公社 「アジア・欧米豪訪日外国人旅行者の意向調査 2022年度版」

※ アジア: 韓国、中国、台湾、香港、タイ、シンガポール、マレーシア、インドネシア

欧米豪: アメリカ、オーストラリア、イギリス、フランス

Desired Experiences for People Who Want to Travel to Japan (2022)

	Total	Asia as a whole	Europe, U.S. and Australia as a whole
Number of samples	3,291	2,686	605
Viewing nature and scenery	55%	57%	50%
Admiring cherry blossoms	52%	53%	47%
Admiring famous historical sites and historic architecture	44%	44%	42%
Traditional Japanese cuisine	44%	44%	40%
Bathing in hot springs	43%	46%	29%
Viewing snowy landscapes	39%	42%	27%
Viewing world heritage sites	36%	36%	40%
Viewing Japanese gardens	35%	33%	45%
Viewing autumn foliage	35%	37%	24%
Experiencing Japanese culture (tea ceremony, flower arrangement, trying on a kimono, etc.)	32%	33%	30%
Walking around downtown	31%	32%	30%
Watching events and festivals	31%	31%	29%
Casual local cuisine commonly enjoyed by locals	30%	31%	24%
Amusement parks and theme parks	30%	33%	16%
Shopping for food and beverages	27%	29%	17%
Viewing modern/advanced architecture	26%	26%	28%
Tourist attractions and sightseeing tours that do not damage nature or natural resources	25%	24%	28%
Visiting and experiencing traditional craft workshops	22%	22%	23%
Shopping for clothes and fashion goods	22%	23%	13%
Sweets	21%	22%	16%

* "Survey on Intentions of Foreign Visitors to Japan from Asia, Europe, America, and Australia (2022)", Development Bank of Japan, Inc., Japan Travel Bureau Foundation

* Asia: South Korea, China, Taiwan, Hong Kong, Thailand, Singapore, Malaysia, Indonesia

Europe, America and Australia: U.S.A., Australia, U.K., France

APPENDIX C – INDUSTRY REPORT

〈図表 14 - 日本旅行の理由〉

<Chart 14 - Reasons for traveling to Japan>

日本旅行の理由 2022年10月以降に日本旅行した人)

	全体
サンプル数	528
日本食に関心があったから	58%
日本でのショッピングに関心があったから	49%
日本の自然や風景に関心があったから	49%
日本の温泉に関心があったから	41%
日本の文化・歴史に関心があったから	34%
日本のファッション、ゲーム、アニメ等に関心があったから	29%
円安で日本での滞在費や買い物代が安価に済みそうだったから	28%
日本の世界遺産に関心があったから	24%
治安が良かったから	21%
以前訪問した日本の地域や都市が気に入ったから	20%
日本でのアウトドアアクティビティに関心があったから	19%
まだ行ったことのない日本の地域や都市を訪問してみたかったから	17%
直行便があったから	17%
渡航時間が短かったから	16%
日本の水際対策が大幅に緩和され、旅行しやすくなったから	16%

※(株)日本政策投資銀行・(公財)日本交通公社「アジア 欧米豪訪日外国人旅行者の意向調査 2023年度版」

Reasons for traveling to Japan (persons who traveled to Japan after October 2022)

	Overall
Number of samples	528
Because I was interested in Japanese food	58%
Because I was interested in shopping in Japan	49%
Because I was interested in Japanese nature and scenery	49%
Because I was interested in Japanese hot springs	41%
Because I was interested in Japanese culture and history	34%
Because I was interested in Japanese fashion, games, animation, etc.	29%
Because the yen was weak, it seemed like the cost of staying and shopping in Japan would be cheaper.	28%
Because I was interested in Japanese world heritage sites	24%
Because I was interested in Japan because of its safety	21%
Because I liked a region or city in Japan that I had visited before	20%
Because I was interested in outdoor activities in Japan	19%
Because I wanted to visit a region or city in Japan that I had never been to before	17%
Because there were direct flights	17%
Because the travel time was short	16%
Because Japan's border control measures have been greatly eased, making it easier to travel.	16%

*"Survey on Intentions of Foreign Visitors to Japan from Asia, Europe, America, and Australia (2023)", Development Bank of Japan, Inc., Japan Travel Bureau Foundation

APPENDIX C – INDUSTRY REPORT

3.4 日系外食企業のアジア地区等への海外展開の動向

Trends in overseas expansion of Japanese food service companies to Asian regions, etc.

- 人口減少に伴う市場の縮小傾向、慢性的な人手不足、原材料費の上昇による構造的なコスト高などから、国内における飲食店の新規出店ペースは鈍化している。そこで、コロナ前までは新たな成長機会を求めて、海外に活路を見出そうとする企業が多かった。経済成長を続けるアジア諸国で外食産業の市場規模が急拡大していることに加え、外国人観光客が急増し、日本で店舗を利用した外国人観光客が帰国後に現地の店を訪れるリピート消費が見込めることも要因である。この中には、一旦海外事業を撤退した企業が、再度進出を試みるケースや、海外への出展を急加速させたケースもあった。

The pace of new restaurant openings in Japan has slowed due to factors such as the shrinking market caused by a declining population, chronic labour shortages, and structural cost increases due to rising raw material costs. Therefore, until before COVID-19, many companies were seeking new growth opportunities and trying to expand overseas. In addition to the rapidly growing market size of the food service industry in Asian countries that continue to experience economic growth, another factor is the rapid increase in the number of foreign tourists, and the expectation of repeated consumption by foreign tourists who patronise restaurants in Japan and visit Japanese restaurants after returning to their home countries. This trend has led some companies, which had previously withdrawn from overseas operations, to attempt re-entering the overseas market, while others are accelerating their international expansion.

- 農林水産省によると、2023年の海外における日本食レストランは18万7,390店であり、2021年の約15万9千店から約2割増加した（図表15参照）。特にアジアは12万2,030店と多く、2021年から約2万1千店増加した。その背景には、新型コロナウイルスの収束に伴う外出等の規制解除や、日本食人気の高まり、チェーン展開する企業の進出拡大等が挙げられる。また、コロナ前から、経済成長で所得の増加した中間所得層の間で食に対する高級感や健康への志向が高まっており、海外でも日本食を好む人が増えている。

According to the Ministry of Agriculture, Forestry and Fisheries, there were 187,390 Japanese restaurants overseas in 2023, up about 20% from 159,000 in 2021 (See Chart 15.). In particular, Asia accounted for 122,030 restaurants, an increase of approximately 21,000 restaurants from 2021. The reasons behind the increase include the lifting of restrictions on outside dining as COVID-19 subsided, the growing popularity of Japanese food, and the expansion of chain companies. Furthermore, since before COVID-19, there has been a growing preference for luxury and health in food among the middle-income class, whose incomes have increased due to economic growth. As a result, the number of people overseas who prefer Japanese food is also increasing.

- 欧州やアジアでは、日本食人気の高まりや日本の外食企業の海外進出により増加している一方、中南米では、「ワンピース」や「鬼滅の刃」をはじめとした日本アニメの人気も追い風となっている。中南米については、日本貿易振興機構によると、チリでは首都圏を中心に近年ラーメン店が増加するなど徐々に日本食が広まってきており、コロンビアにおいては、

APPENDIX C – INDUSTRY REPORT

「日本食」は既にブームを乗り越え、食事の選択肢の1つとして確立している。また、現地の食の好みに合わせて発展しており、コロンビアでは巻き寿司を揚げた「寿司ブリトー」が現地で人気となり、都市部のみならず地方部でも見られるようになっている。

In Europe and Asia, the growing popularity of Japanese food and the overseas expansion of Japanese food service companies have led to an increase in Japanese restaurants. In Latin America, the popularity of Japanese animation, including One Piece and Demon Slayer (Kimetsu no Yaiba), is also providing a tailwind. As for Latin America, according to the Japan External Trade Organization (JETRO), Japanese food has gradually spread in Chile, with the number of ramen shops increasing in recent years, particularly in the metropolitan area. In Colombia, “Japanese food” has passed the boom stage and has since established itself as a regular dining option. Additionally, Japanese food has also developed in line with local preferences, with the “sushi burrito”, a fried sushi roll, becoming popular locally in Colombia, and can be found not only in urban areas but also in rural areas.

- アジアの中では、人口が最も多く、所得水準が挙がっている中国本土への進出希望が多かったが、事業を推進するうえでのリスクから、周辺の東アジアや東南アジアに出展するケースも増えている。台湾、香港、韓国、タイ、インドネシア、シンガポール、マレーシアなど、かねてから日本食の飲食店が多かった国への進出が目立つ。最近では、フィリピンやベトナム、カンボジア、インドなど、成長性が高いにも関わらず、日本食チェーン店の進出がそれほど進んでいない地域への出店も増えている。また、ラーメンや牛丼などでは、アメリカや欧州等、マーケットの大きな欧米への進出を進める企業も見られる。

Among Asian countries, many companies have shown a desire to expand into mainland China, attracted by its large population and rising income levels. However, due to the risks associated with doing business in China, an increasing number of companies are instead focusing on neighbouring East and Southeast Asian countries for their expansion efforts. It is noticeable that they are expanding into countries where there have long been many Japanese restaurants, such as Taiwan, Hong Kong, South Korea, Thailand, Indonesia, Singapore, and Malaysia. Recently, there has been an increase in the number of stores opening in regions such as the Philippines, Vietnam, Cambodia, and India, where there is limited penetration of Japanese food chain restaurants despite their high growth potential. In addition, for ramen and gyudon (beef bowl), some companies are expanding into large markets such as the United States and Europe.

APPENDIX C – INDUSTRY REPORT

〈図表 15-アジア地区における日本食レストラン〉

<Chart 15-Japanese Restaurants in Asia>

アジア地区における日本食レストラン 2023年) (軒)

国名	店舗数	国名	店舗数
中国	78,760	マカオ	310
韓国	18,210	カンボジア	280
台湾	7,440	ミャンマー	80
タイ	5,330	ネパール	60
インドネシア	4,000	モンゴル	50
マレーシア	1,890	ラオス	50
ベトナム	1,620	スリランカ	40
香港	1,400	ブルネイ	40
シンガポール	1,210	モルディブ	40
フィリピン	760	バングラデシュ	30
インド	410	パキスタン	20
		アジア地区計	122,030
		海外計	187,390

※農林水産省「海外における日本食レストラン数」外務省調べに基づき集計)

※一の位を四捨五入

Japanese Restaurants in Asia (2023) (house)

Country	Number	Country	Number
China	78,760	Macau	310
South Korea	18,210	Cambodia	280
Taiwan	7,440	Myanmar	80
Thailand	5,330	Nepal	60
Indonesia	4,000	Monglia	50
Malaysia	1,890	Laos	50
Vietnam	1,620	Sri Lanka	40
Hong Kong	1,400	Brunei	40
Singapore	1,210	Maldives	40
Philippines	760	Bangladesh	30
India	410	Pakistan	20
		Asia Total	122,030
		Overseas Total	187,390

*"Number of Japanese restaurants overseas", Ministry of Agriculture, Forestry and Fisheries (compiled based on research by Ministry of Foreign Affairs)

*Rounded to the nearest whole number.

- 海外での店舗拡大を進める企業の動向 (図表 16 参照) をみると、ファミリーレストランでは、サイゼリヤが、日本でも好評を博してきた低価格路線で、景気が減速している中国でも、値ごろ感を売りに需要を取り込んでいる。同社は、2022年7月～2023年6月の1年間に上海で17店舗、広州で19店舗、北京で4店舗出店し、2023年8月期末時点で中国国内に373店舗展開している。中華圏では、家族や友人と共に食事をする利用者が多く、従来中国では低価格帯のイタリアンレストランがなかったところ、同社はピザを中心に低価格商品を提供し、集客に成功している。

APPENDIX C – INDUSTRY REPORT

Amid the trends of companies expanding their overseas presence (See Chart 16.), in the family restaurant sector, Saizeriya, has been well-received in Japan for its low prices. Its success has extended to China, where despite the economy slowdown, demand is increasing due to its affordability. The company opened 17 new restaurants in Shanghai, 19 in Guangzhou, and 4 in Beijing during the one-year period from July 2022 to June 2023, resulting in a total of 373 restaurants in China as of the end of the fiscal year ending August 31, 2023. In Greater China, many customers dine with family and friends, and while there were no low-priced Italian restaurants in China previously, the company has since been successful in attracting customers by offering low-priced products, mainly pizza.

- 回転すしチェーンでは、従来から Genki Global Dining Concepts が展開する「元気寿司」やアールディーシーが展開する「がっせん寿司」などが先行していたが、近年ではくら寿司が展開する「くら寿司」や FOOD & LIFE COMPANIES (旧：スシローグローバルホールディングス) の「スシロー」なども海外展開に注力するようになっている。「くら寿司」は、2024 年 4 月末時点でアメリカに 59 店舗、アジアに 58 店舗展開しており、2030 年までに海外 400 店舗を目指す。「スシロー」は、2024 年 6 月期末時点で海外に 137 店舗展開しており、2026 年度までに 400 店舗へと出店拡大を進め、海外事業での売り上げ構成比率を 40% まで高めたいとしている。香港、台湾、中国といった従来出店を進めてきた国・地域に加え、ハラールメニューで展開するインドネシアや、新たなビックマーケットであるアメリカへの出店を足掛かりに、欧州やハラール圏への拡大を進める計画である。

Among Kaiten-zushi (conveyor-belt sushi) chains, “Genki Sushi” of Genki Global Dining Concepts Corporation and “Gatten Sushi” of RDC have been the leading the way, but in recent years, “Kura Sushi” of Kura Sushi, Inc. and “Sushiro” of Food & Life Companies (formerly Sushiro Global Holdings) have also focused on overseas expansion. As at the end of April 2024, Kura Sushi had 59 restaurants in the United States and 58 in Asia, and aims to have 400 restaurants overseas by 2030. As at the end of June 2024, Sushiro had 137 stores overseas, and the company aims to open 400 stores by FY2026, increasing the ratio of overseas sales to total sales to 40%. In addition to the countries and regions where it has opened stores in the past, such as Hong Kong, Taiwan, and China, the company not only plans to expand into Europe and the United States, but also Muslim majority countries by offering halal menus.

- 寿司以外の和食では、牛丼、天ぷら、うどんなどが出店を拡大している。牛丼では、「吉野家」が 2024 年 7 月末時点で、北京に 282 店舗、遼寧に 104 店舗など中国を中心に、インドネシアに 155 店舗、アメリカに 100 店舗出店しており、海外店舗数は 1,000 近い。ゼンショーグループの「すき家」は、2024 年 3 月期時点で海外に 670 店舗を出店している。天ぷらでは、ロイヤルフードサービスが展開する「てんや」が 2023 年 12 月期末時点で海外に 32 店舗を出店している。うどんでは、トリドールホールディングスの「丸亀製麺」が 9 の国・地域に 264 店舗を展開しており、ハワイワイキキ店は同店で世界トップの売上を誇るなど、全体的に好調である。そのほか、「やよい軒」では 2023 年 10 月時点で 249 店舗、「大戸屋」ではタイや台湾を中心に 2023 年 3 月末時点で 114 店舗を展開している。大戸屋

APPENDIX C – INDUSTRY REPORT

では、日本で提供する”日本の食卓ごはん”をそのままに、あえてローカライズせず日本の商品と同じ味・品質を海外で提供している。

Restaurants in the Japanese food category other than sushi, such as beef bowl, tempura, and udon, are expanding their presence. In the beef bowl category, Yoshinoya has opened nearly 1,000 stores overseas as of the end of July 2024, mainly in China, including 282 stores in Beijing and 104 stores in Liaoning, 155 stores in Indonesia, as well as 100 stores in the United States. In addition, the company plans to open its first European store in Scotland, United Kingdom, in the spring of 2024, and plans to expand its store network in Europe in the future. Zensho Group's Sukiya has opened 670 stores overseas as of March 2024. In the tempura category, Tenya, operated by Royal Food Service, has opened 32 stores overseas as at the end of December 2023. In the udon category, Toridoll Holdings' MARUGAME UDON has 264 stores in nine (9) countries and regions, and its Hawaii Waikiki branch boasts the world's top sales in this category, reflecting overall strong performance. In addition, YAYOI KEN operates 249 stores as of October 2023, and Ootoya operates 114 stores as at the end of March 2023, mainly in Thailand and Taiwan. Ootoya offers the same taste and quality of Japanese products overseas without deliberately localising the menu, while maintaining the same “Japanese table food” that is served in Japan.

- また、ラーメンチェーンも早くから海外に進出しており、「味千ラーメン」の重光産業や「8番ラーメン」のハチパンなどが先行していたが、力の源ホールディングスの「一風堂」やアブ・アウトの「ラーメン山頭火」なども海外店舗を増やしている。日本のラーメン店は米国などでも人気があり、欧米諸国への出店も増えている。店舗数では熊本に本店がある「味千ラーメン」が最多で、2023年8月時点で海外に636店舗出店している。力の源ホールディングスでは、「一風堂」などのラーメン店を、2024年3月末時点で、タイ、中国、香港、台湾、アメリカ、オーストラリア等に141店舗を展開しており、国内の店舗数に迫る勢いで海外出店を強化している。

In addition, ramen chains had expanded overseas early, with companies such as Shigemitsu Industry (“Ajisen Ramen”) and Hachiban (“Hachiban Ramen”) leading the way, but “Ippudo” by Chikaranomoto Holdings and Ramen Santouka by ab-out co., Ltd are also increasing their overseas stores count. Japanese ramen restaurants are also popular in the United States and other countries, and an increasing number of stores are opening in Western countries. In terms of the number of stores, “Ajisen Ramen”, whose main store is in Kumamoto, has the largest number of stores, with 636 stores opened overseas as of August 2023. As at the end of March 2024, Chikaranomoto Holdings operates 141 “Ippudo” and other ramen restaurants in Thailand, China, Hong Kong, Taiwan, the United States, Australia and other countries. The company is strengthening its overseas expansion efforts with the number of overseas stores approaching the number of domestic locations in Japan.

- その他大手企業では、すかいらーくホールディングス（「スカイラーク」「藍屋」他）やイトアンドホールディングス（「大阪王将」他）、コロワイド（「牛角」「しゃぶしゃぶ温野菜」他）、ワタミ（「和民」他）、壺番屋（「カレーハウス CoCo 壺番屋」）なども、海外展開を積極化させている。たこ焼き店「築地銀だこ」を中心に展開するホットランドは、2023年12

APPENDIX C – INDUSTRY REPORT

月末時点で海外 88 店舗、2027 年には 200 店舗まで拡大させたい考えである。また、「コメダ珈琲店」を展開するコメダホールディングスは、三菱商事と業務提携し、台湾や中国を中心に 2024 年 4 月時点で 37 店舗展開している。このほか、焼鳥店「鳥貴族」を展開するエターナルホスピタリティグループ（旧・鳥貴族ホールディングス）は、台湾と香港、アメリカへ出店し、事業のグローバル化を進めるとしており、2024 年 8 月時点で、アメリカに 2 店舗の焼き鳥店を展開している。

Other major companies such as SKYLARK HOLDINGS (“Skylark”, “Aiya”, etc.), EAT & HOLDINGS (“Osaka Ohsho”, etc.), COLOWIDE (“Gyu-Kaku”, “Shabushabu Onyasai”, etc.), Watami (“Watami”, etc.) and Ichibanya (“Curry House CoCo Ichibanya”) are also actively expanding overseas. Hotland, which mainly operates the takoyaki restaurant “Tsukiji Gin Dako”, aims to expand 88 stores overseas by the end of December 2023 and 200 by 2027. Komeda Holdings, which operates “Komeda’s Coffee”, has formed a business alliance with Mitsubishi Corporation and operates 37 stores as of April 2024, mainly in Taiwan and China. In addition, Eternal Hospitality Group Co., Ltd. (formerly Torikizoku Holdings) plans to globalise its business by expanding into Taiwan, Hong Kong, and the United States. As of August 2024, the company operates two (2) yakitori restaurants in the United States.

- さらに、近年では大手チェーンにとどまらず、地方のローカルチェーンや中小事業者等、業態や企業規模を問わず、あらゆる外食店が海外進出を目指すようになってきている。名古屋で味噌煮込みうどん店を営む「大久手山本屋」は、2023 年に香港に 2 店舗出店し、人気店となっている。味や価格設定のほか、製麺室をガラス張りにして外から麺の手打ち作業を見られるようにしたことも人気の要因の一つである。また、現地企業との契約上の問題などのリスクが以前に比べて小さくなっており、不動産物件の情報把握や人材確保などで現地企業と組んだり、リスク度合いによっては FC 展開に特化する場合もある。広島を拠点にお好み焼き店「ちんちくりん」を国内外で 15 店舗展開するケーツーエスは、アメリカでの FC 展開を開始し、2024 年からアメリカでの開業を進めている。これら事例の様に、更なる成長を指向して、国内事業者の海外展開は今後も加速するものと考えられる。

Furthermore, in recent years, major chains, regional local chains, small and medium-sized businesses, and food service establishments of all types and corporate sizes are seeking to expand overseas. “Okute Yamamotoya”, which operates a miso stewed udon restaurant in Nagoya, opened two (2) stores in Hong Kong in 2023 and has become very popular. In addition to the taste and pricing, one of the reasons for its popularity is that the customers are able to look into the noodle-making room and are able to see the noodles being made by hand. In addition, the risks such as contractual issues with local companies are much smaller than in the past, and there are cases where companies work with local companies to obtain information on real estate properties and secure human resources or specialise in franchise development depending on the level of risk. K2S, which is based in Hiroshima and operates 15 okonomiyaki restaurants “Chinchikurin” in Japan and overseas, has begun expanding its franchise in the United States and is in the process of opening stores in the United States starting in 2024. As shown in these cases, overseas expansion by domestic operators is expected to accelerate in the future, with the aim of achieving further growth.

APPENDIX C – INDUSTRY REPORT

〈図表 16-海外展開する主な日系外食企業〉

<Chart 16-Major Japanese food service companies expanding overseas>

海外展開する主な日系外食企業

企業名	主なブランド名	分野	主な出店国
Genki Global Dining Concepts (旧 元気寿司)	元気寿司、魚べい	回転寿司	香港、中国、インドネシア
FOOD & LIFE COMPANIES (旧 スシローグローバルホールディングス)	スシロー	回転寿司	香港、台湾、中国
くら寿司	くら寿司	回転寿司	アメリカ、台湾
重光産業	味千ラーメン	ラーメン	中国
力の源ホールディングス	一風堂	ラーメン	タイ、中国、香港、台湾、アメリカ
アブ・アウト	らーめん山頭火	ラーメン	アメリカ、フィリピン
ハチバン	8番らーめん	ラーメン	タイ
吉野家ホールディングス	吉野家	牛丼	中国、インドネシア、アメリカ
ゼンショーホールディングス	すき家	牛丼	中国、ブラジル、タイ、アメリカ
プレナス	やよい軒	定食	タイ
大戸屋ホールディングス	大戸屋	定食	タイ、台湾
トドールホールディングス	丸亀製麺	うどん	台湾、フィリピン、インドネシア、アメリカ
ホットランド	築地銀だこ	たこ焼き	香港、タイ、インドネシア
ワタミ	和民	居酒屋	香港、フィリピン
エターナルホスピタリティグループ (旧 鳥貴族ホールディングス)	鳥貴族	居酒屋	アメリカ
モスバーガー	モスバーガー	バーガー	台湾、香港、シンガポール
リンガーハット	長崎ちゃんぽん	ちゃんぽん	タイ、カンボジア
サイゼリヤ	サイゼリヤ	イタリアン	中国
壱番屋	カレーハウスCoCo壱番屋	カレー	タイ、中国、韓国、台湾、フィリピン
コメダホールディングス	コメダ珈琲店	喫茶店	台湾、中国
ダスキン	ミスタードーナツ	ドーナツ	タイ、フィリピン、インドネシア

※直営、FC等を含む

Major Japanese food service companies expanding overseas

Company name	Main brand name	Type	Main country
Genki Global Dining Concepts Corporation (Formerly SUSHI CO., LTD.)	GENKI SUSHI, Uobei	Kaiten-zushi	Hong Kong, China, Indonesia
FOOD & LIFE COMPANIES LTD. (Formerly Sushiro Global Holdings Ltd.)	Sushiro	Kaiten-zushi	Hong Kong, Taiwan, China
Kura Sushi, Inc.	Kura Sushi	Kaiten-zushi	United States, Taiwan
SHIGEMITSU INDUSTRY CO.,LTD.	AjiSen Ramen	Ramen	China
Chikaranomoto Holdings Co., Ltd.	Ippudo	Ramen	Thailand, China, Hong Kong, Taiwan, USA
ab-out Co Ltd	Ramen Santouka	Ramen	USA, Philippines
HACHI-BAN CO.,LTD.	Hachiban Ramen	Ramen	Thailand
Yoshinoya Holdings Co., Ltd.	Yoshinoya	Beef bowl	China, Indonesia, USA
ZENSHO HOLDINGS CO., LTD.	Sukiya	Beef bowl	China, Brazil, Thailand, USA
PLENUS Co.,Ltd.	YAYOI KEN	Set meal	Thailand
OTOYA Holdings Co., Ltd.	Ootoya	Set meal	Thailand, Taiwan
Toridoll Holdings Corp.	MARUGAME UDON	Udon	Taiwan, Philippines, Indonesia, USA
HOTLAND Co.,Ltd.	Tsukiji Gin Doko	Takoyaki	Hong Kong, Thailand, Indonesia
Watami Co., Ltd.	Watami	Izakaya	Hong Kong, Philippines
Eternal Hospitality Group Co., Ltd. (Formerly Torikizoku Holdings)	Torikizoku	Izakaya	USA
MOS FOOD SERVICES, INC.	MOS BURGER	Burger	Taiwan, Hong Kong, Singapore
RINGER HUT CO.,LTD	Nagasaki Champon	Champon	Thailand, Cambodia
Saizeriya Co., Ltd.	Saizeriya	Italian	China
Ichibanya Co., Ltd.	CURRY HOUSE CoCo ICHIBANYA	Curry	Thailand, China, Korea, Taiwan, Philippines
Komeda Holdings Co., Ltd.	Komeda's Coffee	Coffee shop	Taiwan, China
Duskin Co., Ltd.	Mister Donut	Donut	Thailand, Philippines, Indonesia

*Including direct operated, franchise, etc.

This page has been intentionally left blank.

APPENDIX D – SUMMARY OF SELECTED REGULATIONS OF OUR CONSTITUTION

The discussion below provides information about certain provisions of our Constitution and the laws of Singapore. This description is only a summary and is qualified by reference to Singapore law and our Constitution.

The instrument that constitutes and defines our Company is the Constitution of our Company.

REGISTRATION NUMBER

Our Company is registered in Singapore with the Accounting and Corporate Regulatory Authority of Singapore, and our company registration number is 201938544H.

SUMMARY OF SELECTED PROVISIONS OF OUR CONSTITUTION

The following summarises selected provisions of our Constitution relating to:

1. Directors

- (a) Director's power to vote on a proposal, arrangement or contract in which he or she is interested:**

Regulation 101

Subject to the listing rules of the Designated Stock Exchange, a Director shall not vote in respect of any contract or proposed contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

- (b) Director's power to vote on remuneration (including pension or other benefits) for himself or herself or for any other Director, and whether the quorum of a meeting of the Board to vote on Director's remuneration may include the Director whose remuneration is the subject of the vote:**

Regulation 78

The fees of the Directors, which shall from time to time be determined by an Ordinary Resolution of the Company, shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the General Meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees is payable shall be entitled only to rank in such division for a proportion of fees related to the period during which he has held office. The fees of the Directors (in the case of a non-executive Director) shall be a fixed sum, and not by a commission or on a percentage of profits or turnover.

APPENDIX D – SUMMARY OF SELECTED REGULATIONS OF OUR CONSTITUTION

Regulation 79

- (A) *The ordinary remuneration of an executive Director may not include a commission on or a percentage of turnover.*
- (B) *Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine; Provided always that such extra remuneration (in case of an executive Director) shall not be by way of commission on or a percentage of turnover and (in the case of a non-executive Director) shall be a fixed sum, and not by a commission on or a percentage of profits or turnover.*

Regulation 81

The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

Regulation 82

- (A) *Other than the office of Auditor, a Director may hold any other office or place of profit under the Company and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement or transaction with the Company either as vendor, purchaser or otherwise nor shall such contract, arrangement or transaction or any contract, arrangement or transaction entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract, arrangement or transaction by reason only of such Director holding that office or of the fiduciary relation thereby established but every Director and Chief Executive Officer (or person(s) holding an equivalent position) shall observe the provisions of the Act relating to the disclosure of the interests of the Directors and Chief Executive Officers (or person(s) holding an equivalent position) in transactions or proposed transactions with the Company or of any office or property held by a Director or a Chief Executive Officer (or person(s) holding an equivalent position) which might create duties or interests in conflict with his duties or interests as a Director or a Chief Executive Officer (or an equivalent position), as the case may be.*

APPENDIX D – SUMMARY OF SELECTED REGULATIONS OF OUR CONSTITUTION

- (B) *A Director may be or become a director of or hold any office or place of profit (other than as Auditor) or be otherwise interested in any company in which the Company may be interested as vendor, purchaser, shareholder or otherwise and unless otherwise agreed shall not be accountable for any fees, remuneration or other benefits received by him as a director or officer of or by virtue of his interest in such other company.*
- (C) *The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of fees to the directors of such company) and any such Director may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company.*

Regulation 88

The remuneration of a Managing Director or Chief Executive Officer or President of the Company (or a person holding an equivalent position) shall from time to time be fixed by the Directors and may, subject to this Constitution, be by way of salary or commission or participation in profits or by any or all these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover.

Regulation 97

- (A) *An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any fees and/or remuneration except only such part (if any) of the fees and/or remuneration otherwise payable to his principal as such principal may by notice in writing to the Company from time to time direct; Provided always that any fees payable to him shall be deducted from his principal's fees and/or remuneration.*

- (c) Borrowing powers exercisable by the Directors and how such borrowing powers may be varied:**

Regulation 109

Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The borrowing powers exercisable by our Directors under Regulation 108 of our Constitution may be varied by special resolution passed at a general meeting of shareholders of our Company.

APPENDIX D – SUMMARY OF SELECTED REGULATIONS OF OUR CONSTITUTION

(d) Retirement or non-retirement of a Director under an age limit requirement:

There are no specific provisions in our Constitution relating to the retirement or non-retirement of a Director under an age limit requirement.

(e) Shareholding qualification of a Director:

Regulation 77

A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a Member of the Company shall nevertheless be entitled to receive notice of and to attend and speak at General Meetings.

2. Share capital

(a) Rights, preferences and restrictions attaching to each class of shares:

We currently have one (1) class of shares, namely ordinary Shares.

Right to notice

Regulation 49

Any Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by 21 days' notice in writing at the least and an Annual General Meeting or any other Extraordinary General Meeting, by 14 days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the General Meeting is to be held and shall be given in manner hereinafter mentioned to all Members other than those who are not under the provisions of the Act and this Constitution entitled to receive such notices from the Company; Provided always that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

- (a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and*
- (b) in the case of an Extraordinary General Meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than 95.0% of the total voting rights of all the Members having a right to vote at thereat;*

APPENDIX D – SUMMARY OF SELECTED REGULATIONS OF OUR CONSTITUTION

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least 14 days' notice in writing (excluding the date of notice and the date of meeting) of any General Meeting shall be given to shareholders by advertisement in the daily press and in writing to the Designated Stock Exchange; Provided always that in the case of any Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution, at least 21 days' notice in writing (excluding the date of notice and the date of meeting) of such Annual General Meeting and Extraordinary General Meeting shall be given to shareholders by advertisement in the daily press and in writing to the Designated Stock Exchange.

Dividends, distributions and restrictions on dividends

Regulation 124

The Company may by Ordinary Resolution declare Dividends but no such dividends shall exceed the amount recommended by the Directors.

Regulation 125

If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed Dividends on any class of shares carrying fixed Dividends expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim Dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

Regulation 126

Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:

- (a) all Dividends in respect of shares must be paid in proportion to the number of shares held by a Member, but where shares are partly paid, all Dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and*
- (b) all Dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the Dividend is paid.*

For the purposes of this Regulation 126, an amount paid or credited as paid on a share in advance of a call is to be ignored.

APPENDIX D – SUMMARY OF SELECTED REGULATIONS OF OUR CONSTITUTION

Regulation 127

- (A) *No Dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. The payment by the Directors of any unclaimed Dividends or other monies payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All Dividends remaining unclaimed after one year from the date they are first payable may be invested or otherwise made use of by the Directors for the benefit of the Company, and any Dividend or any such monies unclaimed after 6 years from the date they are first payable shall be forfeited and shall revert to the Company; Provided always that the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the Dividend so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such Dividend or monies to the Company, the relevant Depositor shall not have any right or claim in respect of such Dividend or monies against the Company if a period of 6 years has elapsed from the date of the declaration of such Dividend or the date on which such other monies are first payable.*
- (B) *A payment by the Company to the Depository of any Dividend or other monies payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.*

Regulation 128

No Dividend or other monies payable on or in respect of a share shall bear interest as against the Company.

Regulation 129

- (A) *The Directors may retain any Dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.*
- (B) *The Directors may retain the Dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.*
- (C) *A transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.*

Regulation 132

Any Dividend or other monies payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of the Member or person entitled thereto (or, if 2 or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of

APPENDIX D – SUMMARY OF SELECTED REGULATIONS OF OUR CONSTITUTION

the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such Member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Regulation 132 and the provisions of Regulation 134, the payment by the Company to the Depository of any Dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.

Regulation 134

Any resolution declaring a Dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the Dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such Dividend of transferors and transferees of any such shares.

Regulation 148

If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of a Special Resolution, divide among the Members in specie or in kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members of different classes of Members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

Restrictions

Regulation 5

The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.

APPENDIX D – SUMMARY OF SELECTED REGULATIONS OF OUR CONSTITUTION

Voting rights

Regulation 53

The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as Chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any General Meeting neither be present within 15 minutes after the time appointed for holding the General Meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the Members present shall choose one of their number) to be Chairman of the General Meeting. In the event that no Director is present or if all the Directors present decline to take the chair, the chairman of the General Meeting shall be decided in the following manner:

- (a) If there is only one candidate being put forward by the Members as the chairman of the General Meeting, such candidate shall preside as the chairman of the General Meeting.*
- (b) If there is more than one candidate being put forward by the Members as the chairman of the General Meeting, the Members shall decide on the chairman of the General Meeting by way of poll.*

If required by the listing rules of the Designated Stock Exchange, all General Meetings shall be held in Singapore, unless prohibited by relevant laws and regulations of the jurisdiction of the Company's incorporation, or unless such requirement is waived by the Designated Stock Exchange.

Regulation 56

The Chairman of any General Meeting at which a quorum is present may with the consent of the General Meeting (and shall if so directed by the General Meeting) adjourn the General Meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned General Meeting except business left unfinished at the General Meeting from which the adjournment took place. The Members shall decide on the adjournment of any General Meeting by way of poll. Where a General Meeting is adjourned sine die, the time and place for the adjourned General Meeting shall be fixed by the Directors. When a General Meeting is adjourned for 30 days or more or sine die, not less than 7 days' notice of the adjourned General Meeting shall be given in like manner as in the case of the original General Meeting.

Regulation 59

- (A) If required by the listing rules of the Designated Stock Exchange, a resolution put to the vote at any General Meeting shall be decided by a poll (unless such requirement is waived by the Designated Stock Exchange).*

APPENDIX D – SUMMARY OF SELECTED REGULATIONS OF OUR CONSTITUTION

- (B) *Subject to Regulation 59(A), at any General Meeting, a resolution put to the vote of the General Meeting shall be decided on a show of hands by the Members present in person or by proxy and entitled to vote at the General Meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by:*
- (a) *the Chairman of the General Meeting; or*
 - (b) *not less than 2 Members present in person or by proxy and entitled to vote at the General Meeting; or*
 - (c) *any Member or Members present in person or by proxy, or where such a Member has appointed 2 or more proxies any one of such proxies, or any number or combination of such Members or proxies, holding or representing as the case may be not less than 5% of the total voting rights of all the Members having the right to vote at the General Meeting; or*
 - (d) *any Member or Members present in person or by proxy, or where such a Member has appointed 2 or more proxies any one of such proxies, or any number or combination of such Members or proxies, holding shares conferring a right to vote at the General Meeting, on which an aggregate sum has been paid-up equal to not less than 5% of the total sum paid-up on all the shares conferring that right.*

A demand for a poll made pursuant to this Regulation 59(B) may be withdrawn only with the approval of the General Meeting.

- (C) *If any votes be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same General Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude.*

Regulation 63

- (A) *Subject and without prejudice to any special rights, privileges or restrictions as to voting attached by or in accordance with this Constitution to any class of shares, and to Regulation 5, each Member entitled to vote may vote in person or by proxy.*
- (B) *On a show of hands, every Member who is present in person or by proxy shall have one vote; Provided always that:*
- (a) *in the case of a Member who is not a relevant intermediary and who is represented by 2 proxies, only one of the 2 proxies as determined by that Member or, failing such determination, by the Chairman of the General Meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and*
 - (b) *in the case of a Member who is a relevant intermediary and who is represented by 2 or more proxies, each proxy shall be entitled to vote on a show of hands.*

APPENDIX D – SUMMARY OF SELECTED REGULATIONS OF OUR CONSTITUTION

(C) *For the purposes of determining the number of votes which a Member, being a Depositor, or his proxy or proxies may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company. A Member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a Member, or attend, vote or act at any General Meeting.*

(D) *On a poll, every Member who is present in person or by proxy shall have one vote for every share which he holds or represents.*

Regulation 68

On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

Regulation 74

Subject to the Statutes and this Constitution, the Directors 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 Members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

(b) Any change in capital:

Regulation 4

(A) *Subject to the Statutes and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in a General Meeting, but subject thereto and the terms of such approval and to Regulation 6, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and whether or not subject to the payment of any part of the amount (if any) thereof in cash or otherwise as the Directors may think fit, and any shares may, be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors in accordance with the Act; Provided always that no options shall be granted over unissued shares except in accordance with the Act and the listing rules of the Designated Stock Exchange.*

APPENDIX D – SUMMARY OF SELECTED REGULATIONS OF OUR CONSTITUTION

- (B) *The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered in the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.*
- (C) *Except so far as otherwise provided by the conditions of issue or by this Constitution, all new shares shall be issued subject to the provisions of the Statutes and of this Constitution with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.*
- (D) *Except as herein provided, no person shall exercise any rights or privileges of a Member until his name is entered in the Register of Members or (as the case may be) the Depository Register as a Member and shall have paid all calls and other monies due for the time being on every share held by him.*

Regulation 6

- (A) *Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the listing rules of the Designated Stock Exchange, all new shares shall before issue be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. In offering such new shares in the first instance to all the then holders of any class of shares, the offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of the aforesaid time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares or by reason of any other difficulty in apportioning the same) cannot, in the opinion of the Directors, be conveniently offered under this Regulation 6(A).*
- (B) *Notwithstanding Regulation 6(A) above, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:*
- (a) (i) *issue shares whether by way of rights, bonus or otherwise; and/or*
- (ii) *make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and*
- (b) *(notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force;*

APPENDIX D – SUMMARY OF SELECTED REGULATIONS OF OUR CONSTITUTION

Provided always that:

- (1) *the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Designated Stock Exchange;*
 - (2) *in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Designated Stock Exchange for the time being in force (unless such compliance is waived by the Designated Stock Exchange) and this Constitution; and*
 - (3) *(unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).*
- (C) *The Company may, notwithstanding Regulations 6(A) and 6(B) above, authorise the Directors not to offer new shares to Members to whom by reason of foreign securities laws, such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members on such terms and conditions as the Company may direct.*
- (D) *No shares may be issued to transfer a controlling interest without prior approval of the Company in a General Meeting.*

Regulation 11

- (A) *The Company may by Ordinary Resolution:*
- (a) *consolidate and divide all or any of its shares;*
 - (b) *sub-divide its shares, or any of them (subject nevertheless to the provisions of the Statutes and this Constitution); Provided always that in such sub-division the proportion between the amount paid and the amount (if any) unpaid on each sub-divided share shall be same as it was in the case of the share from which the sub-divided share is derived;*
 - (c) *subject to the provisions of the Act and this Constitution, convert its share capital or any class of shares from one currency to another currency; and/or*
 - (d) *cancel the number of shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled.*

APPENDIX D – SUMMARY OF SELECTED REGULATIONS OF OUR CONSTITUTION

- (B) *The Company may by Special Resolution, subject to and in accordance with the Act, the listing rules of the Designated Stock Exchange and this Constitution, convert one class of shares into another class of shares.*

Regulation 12

- (A) *The Company may reduce its share capital or any other undistributable reserve in any manner permitted, and with, and subject to, any incident authorised, and consent or confirmation required, by law.*
- (B) *The Company may, subject to and in accordance with the Act and the listing rules of the Designated Stock Exchange, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share purchased or acquired by the Company as aforesaid shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with the Act and the listing rules of the Designated Stock Exchange. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to the Act and this Constitution, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.*
- (c) Any change in the respective rights of the various classes of shares including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law:**

Regulation 10

- (A) *Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the total number of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so varied, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of this Constitution relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be 2 or more persons at least one-third of the total number of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him; Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of*

APPENDIX D – SUMMARY OF SELECTED REGULATIONS OF OUR CONSTITUTION

three-quarters of the total number of the issued shares of the class concerned within 2 months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.

- (B) *The provisions in Regulation 10(A) shall mutatis mutandis apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the special rights attached to preference shares or any class thereof.*
- (C) *The special rights attached to any class of shares having preferential or other rights shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.*
- (d) Any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement then operates:**

Regulation 127

- (A) *No Dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. The payment by the Directors of any unclaimed Dividends or other monies payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All Dividends remaining unclaimed after one year from the date they are first payable may be invested or otherwise made use of by the Directors for the benefit of the Company, and any Dividend or any such monies unclaimed after 6 years from the date they are first payable shall be forfeited and shall revert to the Company;*

Provided always that the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the Dividend so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such Dividend or monies to the Company, the relevant Depositor shall not have any right or claim in respect of such Dividend or monies against the Company if a period of 6 years has elapsed from the date of the declaration of such Dividend or the date on which such other monies are first payable.

- (B) *A payment by the Company to the Depository of any Dividend or other monies payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.*

APPENDIX D – SUMMARY OF SELECTED REGULATIONS OF OUR CONSTITUTION

3. Share rights and restrictions

(a) Limitation on the right to own shares:

Save as set out above, there are no limitations imposed by Singapore law or by our Constitution on the rights of our shareholders who are residents of Singapore, to hold shares or vote.

(b) Limitations on foreign or non-resident shareholders to hold or exercising voting rights on the shares:

There are no limitations imposed by Singapore law or by our Constitution on the rights of our shareholders who are regarded as non-residents of Singapore, to hold shares or vote.

This page has been intentionally left blank.

APPENDIX E – PRE-IPO OPTIONS

Employee Share Option Scheme Rules

1. NAME OF THE SCHEME

The employee share option scheme shall be called the “Food Innovators Employee Share Option Scheme”.

2. DEFINITIONS

In the Food Innovators Employee Share Option Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Act”	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time.
“Associate”	(a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his Immediate Family; (ii) the trustee of any trust of which he or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30.0% or more; and (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more.
“Aggregate Subscription Cost”	The total amount payable for the Shares to be subscribed for on the exercise of the Option.
“Auditors”	The auditors of the Company for the time being.
“Board”	The board of Directors for the time being of the Company.
“CDP”	The Central Depository (Pte) Limited.
“Committee”	The committee comprising Directors, duly authorised and appointed by the Board pursuant to Rule 16 of the Scheme to administer the Scheme.
“Consideration”	Has the meaning ascribed to it in Rule 8 of the Scheme.

APPENDIX E – PRE-IPO OPTIONS

“Company”	Food Innovators Holdings Limited (Company Registration No. 201938544H).
“Constitution”	The constitution of the Company, as may be amended or modified from time to time.
“control”	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company.
“Controlling Shareholder”	A person who: (a) holds directly or indirectly 15.0% or more of the total voting rights in the Company (unless the SGX-ST determines otherwise); or (b) a person who in fact exercises control over the Company, as defined under the Listing Rules.
“CPF”	Central Provident Fund.
“Date of Grant”	In relation to an Option, the date on which the Option is granted to a Participant pursuant to Rule 7 of the Scheme.
“Director”	A person holding office as a director for the time being of the Company.
“FY”	Financial year ended, or as the case may be, ending 28 February.
“Grantee”	A person to whom an offer of an Option is made. The Company and its subsidiaries collectively.
“Group Company”	A company within the Group.
“Group Employee”	Has the meaning ascribed to it in Rule 4 of the Scheme.
“Group Executive Director”	Has the meaning ascribed to it in Rule 4 of the Scheme.
“Immediate Family”	A person’s spouse, child, adopted child, step-child, sibling and parent, or such other definition as the SGX-ST may from time to time require.
“Independent Directors”	The Independent Director of the Company from time to time.
“Letter of Offer”	Has the meaning ascribed to it in Rule 7 of the Scheme.
“Listing Rules”	The listing rules of the SGX-ST, as amended, modified or supplemented from time to time.
“Market Day”	A day on which the SGX-ST is open for trading in securities.
“New Shares”	The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Option(s).

APPENDIX E – PRE-IPO OPTIONS

“Offer Date”	The date on which an offer to grant an Option is made pursuant to the Scheme.
“Option”	The right to subscribe for Shares granted or to be granted to an Employee pursuant to the Scheme and for the time being subsisting.
“Option Holder”	The holder of an Option.
“Option Period”	The period commencing from the first anniversary of the Date of Grant and expiring on 31 March 2028 (or such other date as may be determined by the Board or required by the Rules).
“Participant”	A person who is eligible and who is selected by the Committee to participate in the Scheme in accordance with Rule 4 of the Scheme.
“Record Date”	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions.
“Rules”	Rules of the Scheme and any reference to a particular Rule shall be construed accordingly.
“Securities Account”	The securities account maintained by a Depositor with CDP.
“Scheme”	The Food Innovators Employee Share Option Scheme, as the same may be modified or altered from time to time.
“SFA”	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time.
“SGX-ST”	Singapore Exchange Securities Trading Limited.
“Share(s)”	Ordinary shares in the capital of the Company.
“Shareholders”	The registered holders for the time being of the Shares.
“Subscription Price”	The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 9, as adjusted in accordance with Rule 10.
“Substantial Shareholders”	A person who has an interest or interests in voting shares in the Company representing not less than 5.0% of all the voting shares.
“\$” or “S\$”	Singapore dollars.

APPENDIX E – PRE-IPO OPTIONS

- 2.1 The term “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the meanings ascribed to them respectively by Section 81SF of the SFA. The terms “**associated company**”, “**subsidiary**”, “**treasury shares**” and “**subsidiary holdings**” shall have the same meanings ascribed to them respectively in the Listing Rules and the Act, as the case may be. Words importing the singular number shall, where applicable, include the plural number and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.
- 2.2 References to persons shall, where applicable, include corporations.
- 2.3 Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Listing Rules, the Act, the SFA or any statutory modification thereof and used in the Scheme shall, where applicable, have the same meaning assigned to it under the Listing Rules, the Act, the SFA or any statutory modification thereof, as the case may be, unless the context requires otherwise.
- 2.4 Any reference in the Scheme to a time of day or date shall be a reference to Singapore time and dates, unless otherwise stated.
- 2.5 The headings in the Scheme are inserted for convenience only and shall be ignored in construing the Scheme.
- 2.6 In the event of any discrepancy or inconsistency between the English version of this Agreement and its Japanese translation, the English version shall always prevail.

3. OBJECTIVES OF THE SCHEME

- (a) The Scheme will provide an opportunity for employees and directors of the Group who have contributed significantly to the growth and performance of the Company and who satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company. The Scheme is primarily a share option scheme. It recognises the fact that the services of such employees and directors are important to the success and continued well-being of the Group. Implementation of the Scheme will enable the Company to give recognition to the contributions made by such persons. At the same time, it will give such Participants an opportunity to have a real and personal direct interest in the Company and will also help to achieve the following positive objectives: to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instill loyalty to, and reinforce a stronger identification by Participants with the long-term prosperity of, the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for Shareholders; and
- (e) to align the interests of Participants with the interests of Shareholders.

APPENDIX E – PRE-IPO OPTIONS

4. ELIGIBILITY

4.1 Subject to the absolute discretion of the Committee, the following persons shall be eligible to participate in the Scheme:–

(a) any confirmed employee of the Group (including a Director of the Company and/or a director of the Company's subsidiaries, as the case may be, who performs an executive function ("**Group Executive Director**")) selected by the Committee to participate in the Scheme in accordance with the Rules of the Scheme ("**Group Employee**"); and

(b) Directors of the Company,

provided that, as at the Offer Date, such persons have attained the age of 21 years, are not undischarged bankrupts and have not entered into any compositions with their respective creditors, and in the case of Group Employees, must have been in the employment of the Group for at least 12 months, or such shorter period as the Committee may determine. Subject to the absolute discretion of the Committee, the Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the Scheme, provided that the participation of the Controlling Shareholder and/or his Associate and each grant of an Option to any of them may only be effected with the specific prior approval of independent Shareholders in general meeting by a separate resolution setting out the specific number and terms of such grants. The Company will at such time provide the rationale and justification for any proposal to grant the Controlling Shareholders and/or their Associates any Options.

4.2 For the purposes of sub-paragraph 4.1(a) above, the secondment of an employee to another company shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of the Group.

4.3 Save as prescribed by the Listing Rules, there shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other Group Companies or by any associated company or otherwise.

4.4 Subject to the Listing Rules, the Act and any other requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted from time to time (if applicable), the eligibility criteria for participation in the Scheme may be amended or modified from time to time at the absolute discretion of the Committee.

5. MAXIMUM ENTITLEMENT

Subject to Rule 4 and Rule 10, the number of Shares in respect of which Options may be offered to a Grantee for subscription under the Scheme shall be determined at the discretion of the Committee which shall take into account, where applicable, criteria such as rank, past performance, length of service and contribution to the success and development of the Group, potential for future development of the Grantee and the prevailing market and economic conditions.

APPENDIX E – PRE-IPO OPTIONS

6. SIZE OF THE SCHEME

6.1 The aggregate number of Shares (comprising New Shares issued and issuable in respect of the Option(s) granted under the Scheme and/or treasury shares delivered in respect of the Option(s)) over which the Committee may grant Options on any date, when added to:

- (a) the aggregate number of Shares issued or issuable in respect of any other share schemes of the Company; and
- (b) the number of treasury shares delivered in respect of the options granted under all other share-based incentive schemes of the Company (if any),

shall not exceed 15.0 per cent of the issued Shares (excluding treasury shares and subsidiary holdings) of the Company on the date preceding the Date of Grant.

6.2 The aggregate number of Shares over which the Committee may grant Options to the Controlling Shareholders and their Associates under the Scheme shall not exceed 25.0 per cent of the Shares available under the Scheme, provided always that the number of Shares available to each Controlling Shareholder or each of his Associates shall not exceed 10.0 per cent of the Shares available under the Scheme.

7. DATE OF GRANT

7.1 The date of grant of the Option(s) is the date as set out in the letter of offer issued to the Participants (“**Letter of Offer**”).

7.2 An offer to grant the Option to a Grantee shall be made by way of a Letter of Offer issued to the Participants in or substantially in the form set out in Appendix 1, subject to such amendments or modifications as the Committee may determine from time to time.

8. ACCEPTANCE OF OFFER

8.1 An Option offered to a Grantee pursuant to Rule 7 must be accepted no later than 1 June 2024 (a) by completing, signing and returning to the Company the Acceptance Form in or substantially in the form set out in Appendix 2, subject to such modification as the Committee may from time to time determine and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with these Rules.

8.2 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 1,000 Shares. The Committee shall, within 15 Market Days of receipt of the Acceptance Form and the Consideration, acknowledge receipt of the same.

8.3 If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the Offer on 1 June 2024, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.

8.4 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or the notice given pursuant to Rule 12 which does not strictly comply with the terms of the Scheme.

APPENDIX E – PRE-IPO OPTIONS

- 8.5 Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Grantee's duly appointed personal representative as provided in Rule 11.5 in the event of the death of such Grantee.
- 8.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 8.7 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance:
- (a) after the last day of the Option Period applying to the Option; or
 - (b) if the Participant is convicted of an offence for which he is sentenced to imprisonment or any heavier punishment; or
 - (c) if the Participant breaches any provisions of these Rules; or
 - (d) in the event of any misconduct on the part of the Participant as determined by the Board in its sole and absolute discretion or any violation of any law or regulation or breach of any regulation or internal rules of the Group, such breach being regarded as serious by the Board in its absolute discretion; or
 - (e) if the Participant becomes subject to a ruling of commencement of guardianship, curatorship or assistance in Japan; or
 - (f) upon the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of such Option.
- 8.8 If an Option Holder exercises or disposes of the Shares acquired pursuant to the exercise of an Option in violation of any provisions of these Rules, the Company may request the Option Holder to refund the difference between the Subscription Price and the market price of the relevant shares at the time of exercise or disposal, or any profit obtained from the disposal of the shares, and the Option Holder shall refund such difference or profit without delay.
- 9. SUBSCRIPTION PRICE**
- 9.1 Subject to any adjustments at the Committee and Board may in their absolute discretion make, the Subscription Price for each Share in respect of which an Option is exercisable is S\$0.22.

APPENDIX E – PRE-IPO OPTIONS

10. ALTERATION OF CAPITAL

10.1 If a variation in the issued share capital of the Company (whether by way of a bonus issue or rights issue, cancellation, capital reduction, subdivision, consolidation of shares, distribution or conversion or otherwise howsoever) should take place, then the Committee may determine whether:

- (a) the Subscription Price in respect of the Shares comprised in the Options to the extent unexercised and the rights attached thereto; and/or
- (b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (c) the class and/or number of Shares in respect of which additional Option(s) may be granted to Option Holders,

may, be adjusted in such manner as the Committee may determine to be appropriate including but not limited to retrospective adjustments where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a bonus issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

10.2 Notwithstanding the provisions of Rule 10.1 above, the adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

10.3 For the avoidance of doubt, (i) the issue of securities as consideration for an acquisition of any assets by the Company; (ii) a private placement of securities; (iii) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Listing Rules, undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force; (iv) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business; and (v) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company, will not be regarded as a circumstance requiring adjustment under the provisions of Rule 10 of the Scheme.

10.4 The restriction on the number of Shares to be offered to any Grantee under Rule 5 above, shall not apply to the number of additional Shares or Options over additional Shares issued by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.

10.5 Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Subscription Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.

APPENDIX E – PRE-IPO OPTIONS

11. OPTION PERIOD

11.1 Subject to Rule 11.2 below, unless otherwise determined in the sole discretion of the Committee, Options granted shall be exercised in the following manner:–

(a) Options granted to a Participant

The Option shall be exercisable at any time by the Option Holder in accordance with Rule 11.2 below and shall expire on 31 March 2028 (or such earlier date as may be determined by the Board, failing which the unexercised Option shall immediately lapse and become null and void and the Option Holder shall have no claim against the Company.

11.2 Options may only be exercised after the first anniversary of the Date of Grant of such Options. In the event any Options are granted at a discount, such Options may only be exercised after the second anniversary of the Date of Grant of such Options.

11.3 An Option shall, to the extent unexercised, immediately lapse and become null and void and an Option Holder shall have no claim against the Company:

- (a) subject to Rules 11.4, 11.5, 11.6, 11.7 and 11.8, upon the Option Holder ceasing to be in the employment of the Company or any of the companies within the Group for any reason whatsoever; or
- (b) upon the bankruptcy of the Option Holder or the happening of any other event which result in his being deprived of the legal or beneficial ownership of such Option; or
- (c) in the event of events resulting in termination for cause including but not limited to any gross negligence, wilful misconduct, insubordination or incompetence on the part of the Grantee, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11.3(a), a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

11.4 If an Option Holder ceases to be employed by a Group Company by reason of his:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) redundancy;
- (c) retirement at or after the legal retirement age;
- (d) retirement before that the legal retirement age with the consent of the Committee; or
- (e) for any other reason approved in writing by the Committee,

he may, at the absolute discretion of the Committee exercise any unexercised Option(s) within the relevant Option Period and upon the expiry of such period, the Option(s) remaining unexercised shall immediately lapse and become null and void.

APPENDIX E – PRE-IPO OPTIONS

If an Option Holder ceases to be employed by a Group Company by reason of the Group Company, by which he is principally employed, ceasing to be a company within the Group, the undertaking or part of the undertaking of such Group Company, being transferred otherwise than to another Group Company, or for any other reason, provided the Committee gives its consent in writing, he may, at the absolute discretion of the Committee, exercise any unexercised Option(s) within the relevant Option Period and upon the expiry of such period, the Option(s) remaining unexercised shall immediately lapse and become null and void.

If an Option Holder dies and at the date of his death holds any unexercised Option(s), such Option may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representatives of the Option Holder within the relevant Option Period and upon the expiry of such period, the Option(s) shall immediately lapse and become null and void.

- 11.5 If an Option Holder, who is also a Director, ceases to be a Director for any reason (other than by reason of his resignation), he may, at the absolute discretion of the Committee, exercise any unexercised Option(s) held by him within the relevant Option Period and upon the expiry of such period, the Option(s) shall immediately lapse and become null and void.
- 11.6 For the avoidance of doubt, upon an Option Holder ceasing to be employed by a Group Company by reason of his resignation from such Group Company, any Option(s) held by him remaining unexercised as at the date of his notice of resignation shall immediately lapse and become null and void.
- 11.7 The Committee may, by notification, provide for further restrictions on the period during which Options may be exercised whether by providing a schedule for the vesting of Shares comprised in the relevant Options or otherwise.

12. EXERCISE OF OPTION(S), ALLOTMENT AND LISTING OF SHARES

- 12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Appendix 3 (*Exercise Notice*), subject to such amendments as the Committee may from time to time determine. Every notice must be accompanied by payment in cash for the Aggregate Subscription Costs in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier's order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the Aggregate Subscription Price in respect of the Shares which have been exercised under the Option.
- 12.2 Subject to:
- (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
 - (b) compliance with the Rules of the Scheme, the Constitution of the Company,

APPENDIX E – PRE-IPO OPTIONS

the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within 10 Market Days after the date of the exercise of the Option in accordance with Rule 12.1, issue and allot and/or transfer the Shares in respect of which such Option has been exercised by the Participant and deliver the relevant share certificates to CDP for the credit of the Securities Account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

- 12.3 The Company shall, if necessary, as soon as practicable after the exercise of an Option, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.
- 12.4 Shares which are all allotted on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in the name of CDP to the credit of the Securities Account of the Participant maintained with CDP or the Participant's securities sub-account with a CDP Depository Agent.
- 12.5 Shares issued and allotted or treasury shares which are transferred upon the exercise of an Option shall be subject to all provisions of the Constitution of the Company and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights (including voting rights), allotments or other distributions, the Record Date for which falls prior to the date of issue or transfer (as the case may be) of the said Shares.
- 12.6 Except as set out in Rule 12.2 and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.
- 12.7 The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

13. MODIFICATIONS TO THE SCHEME

- 13.1 Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:
- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters of all the Shares which would fall to be allotted or transferred upon exercise in full of all outstanding Options;
 - (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of the Company's Shareholders in general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the SGX-ST or (if required) any other stock exchange on which the Shares are quoted and listed, and such other regulatory authorities as may be necessary.

APPENDIX E – PRE-IPO OPTIONS

For the purposes of Rule 13.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

- 13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 13.3 Written notice of any modification or alteration made in accordance with this Rule 13 shall be given to all Participants.

14. DURATION OF THE SCHEME

- 14.1 The duration of the Scheme will commence on the date which the Scheme is adopted by Shareholders at a general meeting or passing a resolution by written means in accordance with the Companies Act and expires on 31 March 2028.
- 14.2 The Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- 14.3 The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

15. TAKE-OVER AND WINDING UP OF THE COMPANY

- 15.1 In the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and 11.2) holding Options as yet unexercised shall, notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise such Options in full or in part in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:
- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
 - (b) the date of the expiry of the Option Period relating thereto,

whereupon any Option then remaining unexercised shall immediately lapse and become null and void.

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void. Provided that

APPENDIX E – PRE-IPO OPTIONS

the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11.3, remain exercisable until the expiry of the Option Period.

- 15.2 If, under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and 11.2) shall notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option shall lapse and become null and void, Provided always that the date of exercise of any Option shall be before the second anniversary of the relevant date of vesting, or such earlier date as may be determined by the Committee.
- 15.3 If an order or an effective resolution is passed for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, at the date of such order or resolution shall lapse and become null and void.
- 15.4 In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this Rule 15.4) and thereupon, each Grantee (or his or her legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the Aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid.
- 15.5 If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.
- 15.6 To the extent that an Option is not exercised within the periods referred to in this Rule 15, it shall lapse and become null and void.

APPENDIX E – PRE-IPO OPTIONS

16. ADMINISTRATION OF THE SCHEME

- 16.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board. In respect of Options to be granted to Controlling Shareholders and their Associates and the terms and conditions attached to such Options, all members of the Board who are not Controlling Shareholders or Associates of Controlling Shareholders (and not just members of the Committee) will be involved in deliberations.
- 16.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.
- 16.3 Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Scheme).
- 16.4 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Option(s) to be granted to him.

17. NOTICES

- 17.1 Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.
- 17.2 Any notice or documents given by the Company to a Participant shall be sent to the Participant by hand or sent to him at his home address stated in the records of the Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

18. TERMS OF EMPLOYMENT UNAFFECTED

- 18.1 The Scheme or any Option shall not form part of any contract of employment between the Company or any Group Company and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Scheme or any right which he may have to participate in it or any Option which he may hold and the Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.
- 18.2 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against any Group Company directly or indirectly or give rise to any cause of action at law or in equity against any Group Company.

19. TAXES

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Scheme shall be borne by that Participant.

APPENDIX E – PRE-IPO OPTIONS

20. COSTS AND EXPENSES OF THE SCHEME

- 20.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment and/or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's Securities Account with CDP, or the Participant's securities sub-account with a Depository Agent or CPF investment account with a CPF agent bank and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.
- 20.2 Save for such costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

21. CONDITION OF OPTION

Every Option shall be subject to the condition that no Shares shall be issued and/or transferred pursuant to the exercise of an Option if such issue and/or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country.

22. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained and subject to the Act, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the Scheme, including but not limited to the Company's delay in allotting and issuing and/or transferring the Shares or in applying for or procuring the listing of the Shares on the SGX-ST.

23. DISCLOSURES

- 23.1 In accordance with the Listing Rules, the Company shall, on any grant of Option(s) make an announcement providing details of the grant, including the date of grant, subscription price of Option(s) granted, number of Option(s) granted, market price of its securities on the date of grant, number of Option(s) granted to directors and controlling shareholders (and their associates), if any, and validity period of the Option(s).
- 23.2 The Company shall make the following disclosure in its annual report:
- (a) The names of the members of the Committee administering the Option Scheme;
 - (b) The information required in the table below for the following Participants (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular FY):
 - (i) Participants who are Directors of the Company; and
 - (ii) Participants who are Controlling Shareholders of the issuer and their Associates; and

APPENDIX E – PRE-IPO OPTIONS

- (iii) Participants, other than those in (i) and (ii) who receive five per cent. or more of the total number of Options available under the Scheme.

Name of Participant	Options granted during FY under review (including terms)	Aggregate Options granted since commencement of the Scheme to end of FY under review	Aggregate Options exercised since commencement of the Scheme to end of FY under review	Aggregate Options outstanding as at end FY under review
---------------------	--	--	--	---

- (c) Such other information as may be required by the Catalist Rules or the Companies act.

If any of the disclosures above in the foregoing of this Rule 23 is not applicable, an appropriate negative statement will be included in the annual report.

- (d) Where applicable, the number and proportion of Options granted at a discount in the FY under review in respect of every 10.0% discount range, up to the maximum quantum of discount granted.

24. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Scheme must abstain from voting on any Shareholders' resolution relating to the Scheme.

25. SHAREHOLDERS' APPROVAL

The participation of each Controlling Shareholder and each of his Associates must be specifically approved by independent Shareholders in separate resolutions for each such person. Each grant of Options (including the actual number and the terms of the Options to be granted) to a Controlling Shareholder or his Associates must be specifically approved by independent Shareholders in separate resolutions for each such grant of Options.

26. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

27. GOVERNING LAW

The Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Options in accordance with the Scheme, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

APPENDIX E – PRE-IPO OPTIONS

APPENDIX 1

LETTER OF OFFER

Serial No: _____

PRIVATE AND CONFIDENTIAL

Date: _____

To: **[Name]**
[Designation]
[Address]

1. We have the pleasure of informing you that, pursuant to the Food Innovators Employee Share Option Scheme (“**Scheme**”), you have been nominated to participate in the Scheme by the Committee (the “**Committee**”) appointed by the Board of Directors of Food Innovators Holdings Limited (the “**Company**”) to administer the Scheme. Terms as defined in the Scheme shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$_____, an offer is hereby made to grant you an option (the “**Option**”), to subscribe for and be allotted _____ Shares at the price of S\$_____ for each Share.
3. The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee.
4. The Option shall be subject to the terms of the Scheme, a copy of which is available for inspection at the business address of the Company.
5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form not later than 5.00 p.m. (Singapore time) on _____, failing which this offer will lapse.
6. This letter shall be interpreted and executed in English, and the Japanese translation attached to this letter is for reference purposes only and the Japanese translation shall have no force or effect whatsoever.

Yours faithfully,

For and on behalf of
Food Innovators Holdings Limited

Name:

Designation:

APPENDIX E – PRE-IPO OPTIONS

APPENDIX 2

ACCEPTANCE FORM

Serial No: _____

PRIVATE AND CONFIDENTIAL

Date: _____

**To: The Committee,
Food Innovators Employee Share Option Scheme
Food Innovators Holdings Limited
6 Eu Tong Street, #09-17, The Central, Singapore 059817**

Closing Date for Acceptance of Offer : _____
Number of Shares Offered : _____
Subscription Price for each Share : S\$ _____
Total Amount Payable : S\$ _____

I have read your Letter of Offer dated _____ and agree to be bound by the terms of the Letter of Offer and the Scheme referred to therein. Terms defined in your Letter of Offer shall have the same meaning when used in this Acceptance Form.

I hereby accept the Option to subscribe for _____ Shares at S\$_____ for each Share. I enclose cash for S\$_____ in payment for the purchase of the Option/I authorise my employer to deduct the sum of S\$_____ from my salary in payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of Shares in the Company or Options to subscribe for such Shares.

I agree to keep all information pertaining to the grant of the Option to me confidential.

I further acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitutes the entire agreement between us relating to the offer.

I also understand that I shall be responsible for all the fees of CDP relating to or in connection with the issue and allotment of any Shares in CDP's name, the deposit of share certificate(s) with CDP, my securities account with CDP or my securities sub-account with a CDP Depository Agent (as the case may be) (collectively, the "**CDP charges**").

I confirm that as of the date hereof, I satisfy the requirements to participate in the Scheme as set out in the Rules of the Scheme.

In the event of any discrepancy or inconsistency between the English version of this Agreement and its Japanese translation, the English version shall always prevail.

APPENDIX E – PRE-IPO OPTIONS

PLEASE PRINT IN BLOCK LETTERS

Name in Full : _____
Designation : _____
Address : _____
Nationality : _____
***NRIC/Passport No.** : _____
Signature : _____
Date : _____

** Delete as appropriate*

Notes:

- Option must be accepted in full or in multiples of 1,000 Shares.
- This Acceptance Form must be addressed to The Committee, Food Innovators Employee Share Option Scheme in a sealed envelope marked "Private and Confidential".
- The Option Holder shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

APPENDIX E – PRE-IPO OPTIONS

APPENDIX 3

EXERCISE NOTICE

PRIVATE AND CONFIDENTIAL

**To: The Committee,
Food Innovators Employee Share Option Scheme**

**Food Innovators Holdings Limited
6 Eu Tong Street, #09-17, The Central, Singapore 059817**

Total number of ordinary shares ("**Shares**")
at S\$_____ per Share under an :
Option granted on _____ ("**Date of
Grant**") _____

Number of Shares previously allotted and :
issued thereunder _____

Outstanding balance of Shares which may :
be allotted and issued thereunder _____

Number of Shares now to be subscribed :
(in multiples of 1,000) _____

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares in Food Innovators Holdings Limited (the "**Company**") at S\$_____ for each Share.

2. I hereby request the Company to allot and issue to me the number of Shares specified in paragraph 1 in the name of The Central Depository (Pte) Limited ("**CDP**") to the credit of my *Securities Account with CDP/*Securities Sub-Account with a CDP Depository Agent specified below and to deliver the share certificate(s) relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP (the "**CDP charges**") and any stamp duties in respect thereof:-

*(a) Direct Securities Account Number : _____

*(b) Securities Sub-Account Number : _____

Name of CDP Depository Agent CDP : _____

3. I enclose a *cheque/cashier's order/bank draft/postal order no. _____ for S\$_____ in payment for the subscription of the total number of the said Shares and the CDP charges of S\$_____.

4. I agree to subscribe for the Shares subject to the terms of the Letter of Offer, the Food Innovators Employee Share Option Scheme (as the same may be amended or modified pursuant to the terms thereof from time to time) and the Constitution of the Company.

APPENDIX E – PRE-IPO OPTIONS

5. I declare that I am subscribing for the Shares for myself and not as a nominee for any other person.
6. In the event of any discrepancy or inconsistency between the English version of this Agreement and its Japanese translation, the English version shall always prevail.

PLEASE PRINT IN BLOCK LETTERS

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

***NRIC/Passport No.** : _____

Signature : _____

Date : _____

** Delete as appropriate*

Notes:

1. An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof.
2. This Exercise Notice must be forwarded to The Committee, Food Innovators Employee Share Option Scheme in a sealed envelope marked "Private and Confidential".

This page has been intentionally left blank.

APPENDIX F – TAXATION

The following is a discussion of certain tax matters arising under the current tax laws in Singapore, Japan and Malaysia and is not intended to be and does not constitute legal or tax advice. The summary below is based on the assumption that our Company is a tax resident in Singapore for Singapore income tax purposes. The summary below is based on laws, regulations, interpretations, rulings and decisions in effect as at the Latest Practicable Date. These laws, regulations, interpretations, rulings and decisions, however, may change at any time, and any change could be retrospective to the date of issuance of our Shares. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts of Singapore could later disagree with the explanations or conclusions set out herein.

The summary below is not intended to constitute a comprehensive or exhaustive description of the taxes mentioned herein nor of all the taxes that may be applicable or relevant to the subscription for, ownership and disposal of our Share.

Prospective investors should consult their own tax advisors and/or legal advisors regarding taxation in Singapore and other consequences of subscribing for, owning and disposing of our Shares. It is emphasised that neither our Company, our Directors nor any other persons involved in this Placement accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of our Shares.

SINGAPORE TAXATION

Income Tax

Individual Income Tax

An individual is regarded as a tax resident in Singapore in a year of assessment (“YA”) if, in the preceding calendar year, he was physically present in Singapore or was exercising employment in Singapore (other than as a director of a company) for 183 days or more, except for temporary absences.

An individual taxpayer (both tax resident and non-tax resident of Singapore) is subject to Singapore individual income tax on income accruing in or derived from Singapore, subject to certain exceptions. Regardless of the individual’s Singapore tax residency status, foreign-sourced income received or deemed received in Singapore by an individual taxpayer is generally exempt from income tax in Singapore, except when such income is received through a partnership in Singapore by the individual.

Between calendar year 2016 to calendar year 2022 (i.e. YA 2017 to YA 2023), a Singapore tax resident individual is subject to tax at the progressive rates, ranging from 0% to 22%, after deductions of qualifying personal reliefs where applicable. With effect from calendar year 2023 (i.e. YA 2024), a Singapore tax resident individual is subject to tax at the progressive rates, ranging from 0% to 24%. A non-Singapore tax resident individual employment income is generally taxed at a flat rate of 15% or at the progressive resident tax rates, depending on whichever is the higher tax amount. All other income derived or accruing in Singapore (e.g. director’s fee, consultation fees, rental income and all other income) will be taxed at a flat rate of 22% (up to calendar year 2022 or YA 2023), and 24% (from calendar year 2023 or YA 2024 onwards).

APPENDIX F – TAXATION

Corporate Income Tax

A company is regarded as tax resident in Singapore if the control and management of the company's business is exercised in Singapore. Control and management is defined as the making of decisions on strategic matters, such as those concerning the company's policy and strategy. Generally, the location of the company's board of directors' meetings where strategic decisions are made determines where the control and management is exercised. However, under certain scenarios, holding board meetings in Singapore may not be sufficient and other factors will be considered to determine if the control and management of the business is indeed exercised in Singapore.

A Singapore tax resident corporate taxpayer is subject to Singapore Income tax on:

- (a) income accruing in or derived from Singapore; and
- (b) income derived from outside Singapore (i.e. foreign-sourced income) which is received or deemed received in Singapore, unless otherwise exempted.

Corporate taxpayers are generally subject to Singapore income tax on all Singapore-sourced income, and on foreign-sourced income received or deemed received in Singapore (unless specifically exempted).

Tax exemption will be granted to a Singapore tax resident corporate taxpayer on its foreign-sourced dividends, foreign branch profits and foreign-sourced service income ("**specified foreign income**") received or deemed to be received in Singapore, subject to meeting the qualifying conditions.

A non-Singapore tax resident corporate taxpayer, who is carrying on a trade or business in Singapore, is liable to Singapore income tax on income accruing in or derived from Singapore, and foreign-sourced income received or deemed received in Singapore.

Rates of Tax

The prevailing corporate income tax rate in Singapore is 17% with partial tax exemption for normal chargeable income of up to S\$200,000 from the Year of Assessment ("YA") 2020 as follows:

- 75% exemption in respect of up to the first S\$10,000; and
- 50% exemption in respect of up to the next S\$190,000.

Any chargeable income that exceeds S\$200,000 will no longer enjoy the partial tax exemption.

Newly incorporated Singapore tax resident companies, subject to meeting certain conditions, are eligible for the following exemptions on normal chargeable income applicable for the first three consecutive years of assessment (where any of the first three years of assessment fall in or after YA 2020):

- 75% exemption in respect of up to the first S\$100,000; and
- 50% exemption in respect of up to the next S\$100,000.

APPENDIX F – TAXATION

Singapore tax-resident individuals are generally subject to tax based on a progressive scale. The top marginal rate of tax is currently 24%.

Non-Singapore resident individuals are generally subject to tax at a rate equivalent to the prevailing corporate income tax rate. Their Singapore employment income is however taxed at a flat rate of 15% or at resident tax rates, whichever yields a higher amount of tax.

Dividend Distributions

As our Company will be tax resident in Singapore, dividends paid by our Company would be considered as sourced from Singapore. Dividends received in respect of the Shares by either Singapore tax resident or non-Singapore tax resident taxpayers are not subject to Singapore withholding tax, even if paid to non-Singapore resident shareholders.

Currently, (subject to certain transitional rules), Singapore has adopted the “One-Tier” Corporate Tax System (“**One-Tier System**”). Under this One-Tier System, the tax collected from corporate profits is the final tax and our Company can pay tax exempt (one-tier) dividends which are tax exempt in the hands of the shareholder, regardless of the tax residence status or the legal form of the shareholder.

No withholding tax is imposed on dividend payments made, whether to resident or non-resident shareholders.

All shareholders/investors are advised to consult their own tax advisers in respect of the tax laws of their respective countries of residence which are applicable on such dividends received by them and the applicability of any double taxation agreement that their country of residence may have with Singapore.

Capital Gains Tax

Singapore currently does not impose a tax on capital gains. Any gains from the disposal of our Shares which are considered to be capital in nature will not be taxable in Singapore. However, gains from the disposal of investments may be construed to be of an income nature and hence subject to Singapore income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. However, there are no specific laws or regulations which deal with the characterisation of capital gains, and hence, gains may be construed to be of an income nature and therefore be subject to tax if they arise from activities which the Inland Revenue Authority of Singapore regards as the carrying on of a trade or business in Singapore. Any profits from the disposal of the Shares are not taxable in Singapore unless the seller is regarded as having derived gains of an income nature in Singapore, in which case, the disposal profits would be taxable as trading income.

Singapore provides for certainty on non-taxability of gains derived by a corporate taxpayer from the disposal of ordinary shares (certain exceptions apply) during the period from 1 June 2012 to 31 December 2027 (both dates inclusive) where the divesting company has held at least 20% of the ordinary shares in the investee company for a continuous period of at least 24 months immediately prior to the disposal.

APPENDIX F – TAXATION

All Shareholders and investors are advised to consult their own tax advisers regarding the Singapore income tax consequences of their subscription for, purchase, holding and disposal of our Shares.

In addition, corporate Shareholders who have adopted, or who are required to adopt, the Singapore Financial Reporting Standards (International) (“**SFRS (I)**”) 9 (Financial Instruments) may be required to recognise gains or losses in accordance with the provisions of SFRS (I) 9 regardless of whether there is any disposal of our Shares. If so, the gain or loss on the Shares, if held on revenue account, may be taxed or allowed as a deduction for Singapore income tax purposes notwithstanding such gain or loss being unrealised. Gains or losses (whether realised or unrealised) arising from our Shares held on capital account will not be taxed or allowed as a deduction. Shareholders who may be subject to such tax treatment should consult their own accounting and tax advisers regarding the Singapore income tax consequences that may arise from the adoption of SFRS (I) 9 in respect of their subscription for, purchase, holding and disposal of our Shares.

Stamp Duty

There is no stamp duty payable on the subscription for, allotment or holding of our Shares.

Stamp duty is payable on the instrument of transfer of our Shares at the rate of at 0.2% on the consideration for, or market value of our Shares, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require instruments of transfer to be executed) or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

Pursuant to recent amendments to the Stamp Duties Act 1929, stamp duty is payable on certain electronic instruments that effect a transfer of interest in shares, where such instruments are regarded or deemed to be executed in Singapore, or executed outside Singapore and received in Singapore. In this regard, an electronic instrument that is executed outside Singapore is received in Singapore if (a) it is retrieved or accessed by a person in Singapore; (b) an electronic copy of it is stored on a device (including a computer) and brought into Singapore; or (c) an electronic copy of it is stored on a computer in Singapore.

As such, stamp duty is not applicable to electronic transfers of our shares through the scripless trading system operated by CDP.

Estate Duty

The Singapore estate duty was abolished with effect from 15 February 2008.

APPENDIX F – TAXATION

Goods and Services Tax (“GST”)

The sale of our Shares by a GST-registered investor to another person belonging in Singapore is an exempt supply that is not subject to GST.

Any input GST (e.g. GST on brokerage) incurred by the GST-registered investor in making such an exempt supply is generally not recoverable from the Comptroller of GST and becomes an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or certain GST concessions. Where our Shares are sold by a GST-registered investor to a person belonging outside Singapore, and the supply directly benefits:

- a person who belongs in a country other than Singapore and who is outside Singapore at the time of the sale; or
- a GST-registered person who belongs in Singapore,

the sale of the Shares qualifies for zero-rating (i.e. subject to GST at 0%). As a general rule, any input GST incurred by a GST-registered investor in the making of this zero-rated supply in the course of or furtherance of a business carried on by him, may be recovered from the Comptroller of GST as input tax credit, subject to the normal input tax recovery rules.

Services such as brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor’s purchase, sale or holding of our Shares will be subject to GST at the current rate of 8.0%. The GST rate is scheduled to be increased to 9% on 1 January 2024. Similar services rendered to an investor belonging outside Singapore is generally subject to GST at zero-rate, provided that the investor is outside Singapore when the services are performed and the services provided do not benefit any Singapore persons.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with purchase and sale of our Shares.

JAPAN TAXATION

Corporate Income Tax

The Company is not subject to Japanese corporate tax unless the Company obtains Japan sourced income. In principle, if the Company does not have a permanent establishment (e.g., branch) in Japan, the Company will not be subject to Japanese corporate tax on income derived from its businesses. Japanese companies (including Japanese subsidiaries of the Company) are generally subject to Japanese corporate income tax. In general, the effective corporate income tax rate (including local taxes) is approximately 30.6%.

Dividend Distributions and Withholding Tax

If the Company receives dividends from its Japanese subsidiaries, such dividends will, in general, be subject to Japanese withholding taxes at the rate of 20.4% (15.3% in the case of listed subsidiaries), but the withholding tax rate may be reduced by the tax treaty between Japan and Singapore.

APPENDIX F – TAXATION

Individuals who are Japanese residents are not required to file a final tax return on dividends paid by the Company if Japanese taxes have been withheld at source and may exclude the amount of such dividends from the amount of income which is subject to a final tax return regardless of the amount of dividends.

Individuals who are Japanese residents may select separate self-assessment taxation. A tax rate on final tax return applicable when an individual selects separate self-assessment taxation is 20.3% (income tax: 15.3% and local tax: 5.0%). In calculating the dividend income under separate self-assessment taxation, capital losses arising from transactions in listed shares and certain bonds may be deductible. Gains and losses resulting from sale of Shares will be subject to the same taxation treatment as that for gains and losses resulting from sale of shares of listed stocks, etc. of a domestic corporation.

Consumption Tax

Japanese companies (including Japanese subsidiaries of the Company) are subject to consumption tax. Japanese consumption tax is a value-added tax imposed on nearly all domestic transactions (e.g., sale and lease of goods and provision of services) and importation transactions. In general, consumption tax is payable by the seller (in the case of domestic transactions) and the importer (in the case of importation transactions), currently at a rate of 10.0%.

MALAYSIA TAXATION

Corporate income tax

A company is regarded as resident in Malaysia for tax purposes if the control and management of its business is exercised in Malaysia.

The standard corporate income tax rate is 24.0%, whilst the rate for resident small and medium sized companies (i.e. companies incorporated in Malaysia with paid-up capital of RM2.5 million or less and that are not part of a group containing a company exceeding this capitalisation threshold) is 15% on the first RM150,000, earning from RM150,001 to RM600,000 taxed at 17% and earnings above RM600,000 being taxed 24%.

Pursuant to Section 127(3A) of the Income Tax Act 1967 (“ITA”), the minister charged with the responsibility for finance may, in any particular case exempt any person from all or any of the provision of the ITA, either generally or in respect of any income of a particular kind or class of income of a particular kind.

Dividend distributions

The single-tier system of taxation for companies completely replaced Malaysia’s full imputation system on 1 January 2008. Under the single-tier system, tax collected from corporate profits is a final tax and the after-tax profits of a company resident in Malaysia can be distributed to its shareholders as tax exempt (one-tier) dividends. Such dividends are tax exempt in the hands of shareholders.

No withholding tax is imposed on dividend payments made, whether to resident or non-resident shareholders.

APPENDIX F – TAXATION

Gains on disposal of shares in a Malaysian company

Gains from disposal of shares are regarded as capital gains and normally not subject to income tax except for shares held in real property companies (“**RPC**”) or if the gains arising from the disposal of the ordinary shares are construed to be of an income nature will be subject to tax. Hence, any profits derived from the disposal of ordinary shares are not taxable in Malaysia unless the seller is regarded as having derived gains of an income nature, in which case the gains on disposal of the ordinary shares will be taxable or if the shares are RPC shares. Likewise, if the gains are regarded by the Inland Revenue Board of Malaysia as having arisen from the carrying on of a trade or business in Malaysia, such gains may be taxed as trading income.

Tax on profits from disposal of capital assets under the Income Tax Act 1967

Capital Assets Situated in Malaysia

As of 1 January 2024, pursuant to the amendments introduced by Finance (No. 2) Act 2023, a company, limited liability partnership (LLP), trust body or co-operative society is liable to pay tax (“**CGT**”) on the gains or profits from the disposal of capital assets situated in Malaysia. This is reflected by the revised Schedule 6 and addition of Chapter 9 to the Income Tax Act 1967.

However, these new amendments are subject to (amongst others) the Income Tax (Exemption) (No. 7) Order 2023, which exempts a company, LLP, trust body or co-operative society from the payment of CGT for any gains or profits received from the disposal of unlisted shares of a company incorporated in Malaysia made on or after 1 January 2024 to 29 February 2024. This exemption applies unless the profits or gains from the disposal of unlisted shares of a company incorporated in Malaysia are considered as business income.

Foreign Capital Assets

The gains from the disposal of foreign capital assets situated outside Malaysia are considered as taxable income subject to the prevailing tax rate. This is evident from Paragraph 6.1 of the Guidelines for the Tax Treatment on Gains from the Disposal of Foreign Capital Assets Received from Outside Malaysia (“**Guidelines**”).

Pursuant to Paragraph 6.2 of the Guidelines, gains from the disposal of foreign capital assets received in Malaysia for disposal of foreign capital assets occurring on or after 1 January 2024 are subject to pay CGT. However, pursuant to Paragraph 8 of the Guidelines, gains from the disposal of foreign capital assets received in Malaysia are eligible for tax exemption from 1 January 2024 to 31 December 2026 if the economic substance requirements are complied with.

Tax may also be charged on a disposal of shares of a controlled company incorporated outside Malaysia that owns real property situated in Malaysia or shares of another controlled company situated in Malaysia.

Tax Rate

The tax rate for the disposal of capital assets situated in Malaysia and acquired before 1 January 2024 is either 10.0% of chargeable income; or 2.0% of gross disposal price. For the disposal of capital assets situated in Malaysia and acquired on or after 1 January 2024, the applicable tax rate is 10.0% of chargeable income.

APPENDIX F – TAXATION

Stamp duty

Transfer of shares in a Malaysian company is subject to stamp duty on the instrument of transfer of shares executed in Malaysia at the rate of 0.3% of the value of shares transferred. Stamp duty is payable by the transferee within 30 days from the date of the instrument of transfer.

Based on the guidelines issued by the Stamp Duty Unit of the Inland Revenue Board of Malaysia on 21 April 2001, the value of the shares (i.e. shares not quoted on Bursa Malaysia) transferred for stamp duty purposes is determined as follows:

- (a) In cases where sale of shares requires the approval of the Securities Commission, the price/value per share as approved by the Securities Commission may be accepted.
- (b) In cases of companies incurring losses, the par value or net tangible assets or sale consideration whichever the highest is to be used.
- (c) In other cases, a comparison is to be made between net tangible assets, price earning multiple/price earnings ratio and sale consideration whichever is the highest to be used.

Sales and Services Tax (“SST”)

SST is made up of two (2) separate taxes i.e. sales tax and services tax. Sales tax is charged by registered manufacturers of taxable goods and on the importation of taxable goods into Malaysia at 10.0%, unless specially reduced to 5.0% or exempted by sales tax orders.

Service tax is imposed on a specific list of taxable services at the rate of 8.0% effective from 1 March 2024. Four services are exempted from the 8.0% service tax, and will remain taxed at 6.0%. The four services are:

- (1) Food and beverages
- (2) Parking services
- (3) Logistics; and
- (4) Telecommunication services

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

You are invited to apply and subscribe for the Invitation Shares at the Invitation Price for each Invitation Share, subject to the following terms and conditions set out below and in the relevant printed application forms to be used for the purpose of this Invitation and which forms part of this Offer Document (the “**Application Forms**”) or, as the case may be, the Electronic Applications (as defined below):

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 INVITATION SHARES OR INTEGRAL MULTIPLES THEREOF SUBJECT TO A MINIMUM OF 1,000 INVITATION SHARES. YOUR APPLICATION FOR ANY OTHER NUMBER OF INVITATION SHARES WILL BE REJECTED.**
2. Your application for Public Offer Shares may be made by way of printed **WHITE** Public Offer Shares Application Forms or by way of Electronic Applications through the ATMs of the Participating Banks (“**ATM Electronic Applications**”) or through Internet Banking (“**IB**”) websites of the relevant Participating Banks (“**Internet Electronic Applications**”), or through the mobile banking (“**mBanking**”) interface of the relevant Participating Banks (“**mBanking Applications**”), which together with ATM Electronic Applications and Internet Electronic Applications, shall be referred to as “**Electronic Applications**”). The Participating Banks are United Overseas Bank Limited (“**UOB**”), DBS Group Ltd. (including POSB) (“**DBS**”) and Oversea-Chinese Banking Corporation Limited (“**OCBC**”).

Your application for the Placement Shares may only be made by way of printed **BLUE** Placement Shares Application Forms.

YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE INVITATION SHARES.

3. **You (not being an approved nominee company) are allowed to submit only one (1) application in your own name for the Public Offer Shares or the Placement Shares. If you submit an application for Public Offer Shares by way of a Public Offer Shares Application Form, you MAY NOT submit another application for Public Offer Shares by way of an Electronic Application and vice versa. Any separate application by you for the Invitation Shares shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.**
4. **If you submit an application for Public Offer Shares by way of an ATM Electronic Application, you MAY NOT submit another application for Public Offer Shares by way of an Internet Electronic Application or a mBanking Application, and vice versa. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.**

If you, being other than an approved nominee company, have submitted an application for Public Offer Shares in your own name, you should not submit any other application for Public Offer Shares, whether by way of a Public Offer Shares Application Form or by way of an Electronic Application, for any other person. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.

If you have made an application for Placement Shares, you should not make any application for Public Offer Shares either by way of a Public Offer Shares Application Form or by way of an Electronic Application and vice versa. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.

5. **Conversely, if you have made an application for Public Offer Shares either by way of a Public Offer Shares Application Form or through an Electronic Application, you may not make any application for Placement Shares. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.**

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

Joint and multiple applications for Invitation Shares shall be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent. If you submit or procure submissions of multiple share applications for the Invitation Shares, you may be deemed to have committed an offence under the Penal Code 1871 of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications may be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.

By submitting an application for the Invitation Shares, you declare that you do not possess more than one (1) individual direct securities account with CDP.

6. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole proprietorships, partnerships or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Bank) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased name at the time of application.
7. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 8 below.
8. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.
9. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if you apply by way of an Application Form), or you will not be able to complete your Electronic Application (if you apply by way of an Electronic Application Form). If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 10 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number provided in your Application Form or in the case of an Electronic Application, contained in records of the Participating Bank at the time of your Electronic Application, differ from those particulars in your Securities Account as maintained with CDP. If you have more than one (1) individual direct Securities Account with CDP, your application shall be rejected.
10. **If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondences from CDP will be sent to your address last registered with CDP.**
11. **Our Company, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or which does not comply with the terms and conditions of this Offer Document or which**

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

does not comply with the instructions for Electronic Applications or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance or remittances which are not honoured upon their first presentation.

12. Each of our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms, or the instructions for Electronic Applications, or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.
13. Our Company, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, reserves the right to reject or accept, in whole or in part, or to scale down any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company, will be entertained. This right applies to applications made by way of Application Forms and by way of Electronic Applications. In deciding the basis of allotment, which shall be at our discretion, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, due consideration will be given to the desirability of allotting the Invitation Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.
14. Share certificates will be registered in the name of CDP or its nominee and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, and subject to the submission of valid application and payment for the Invitation Shares, a statement of account stating that your Securities Account has been credited with the number of Invitation Shares allotted to you if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee, any instrument of transfer and/or other documents required for the issue or transfer of the Invitation Shares allotted to you. This authorisation applies to applications made by way of Application Forms and by way of Electronic Applications.
15. In the event that we lodge a supplementary or replacement Offer Document (“**Relevant Document**”) pursuant to the SFA or any applicable legislation in force from time to time prior to the close of the Invitation, and the Invitation Shares have not been issued, we will (as required by law), and subject to the SFA, at our sole and absolute discretion either:
 - (i) within seven (7) days of the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to withdraw your application; or
 - (ii) deem your application as withdrawn and cancelled and refund your application monies (without interest or any share of revenue or other benefit arising therefrom) to you within seven (7) days from the lodgement of the Relevant Document.

Where you have notified us within 14 days from the date of lodgement of the Relevant Document of your wish to exercise your option under paragraph 15(i) above to withdraw your application, we shall pay to you all monies paid by you on account of your application for the Invitation Shares without interest or any share of revenue or other benefit arising therefrom and at your own risk, within seven (7) days from the receipt of such notification, and you will not have any claim against our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent.

In the event that at any time at the time of the lodgement of the Relevant Document, the Invitation Shares have already been issued but trading has not commenced, we will (as required by law), and subject to the SFA, either:

- (a) within seven (7) days from the lodgement of the Relevant Document give you a copy of

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

the Relevant Document and provide you with an option to return the Invitation Shares; or

- (b) deem the issue as void and refund your payment for the Invitation Shares (without interest or any share of revenue or other benefit arising therefrom) within seven (7) days from the lodgement of the Relevant Document.

Any applicant who wishes to exercise his option under paragraph 15(a) above to return the Invitation Shares issued to him shall, within 14 days from the date of lodgement of the Relevant Document, notify our Company of this and return all documents, if any, purporting to be evidence of title of those Invitation Shares, whereupon we shall, subject to the SFA, within seven (7) days from the receipt of such notification and documents, pay to him all monies paid by him for the Invitation Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the Invitation Shares issued to him shall be void.

Additional terms and instructions applicable upon the lodgement of the Relevant Document, including instructions on how you can exercise the option to withdraw your application or return the Invitation Shares allotted to you, may be found in such Relevant Document.

- 16. In the event of an under-subscription for the Public Offer Shares as at the close of the Application List, that number of Public Offer Shares not subscribed for shall be made available to satisfy excess applications for the Placement Shares to the extent that there is an over-subscription for Placement Shares as at the close of the Application List.

In the event of an under-subscription for Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for shall be made available to satisfy excess applications for Public Offer Shares to the extent that there is an over-subscription for Public Offer Shares as at the close of the Application List.

In the event of an over-subscription for Public Offer Shares as at the close of the Application List and Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for the Public Offer Shares will be determined by ballot or otherwise as determined by our Company, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the SGX-ST (if required).

In all the above instances, the basis of allotment of the Invitation Shares as may be decided by our Directors in ensuring a reasonable spread of shareholders of our Company, shall be made public as soon as practicable through an announcement on the SGX-ST's website at <http://www.sgx.com> and through an advertisement in a local English newspaper.

You hereby consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent residency status, CDP Securities Account number and shares application amount from your account with the relevant Participating Bank to the Share Registrar and Share Transfer Agent, SCCS, SGX-ST, CDP, our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.

- 17. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Invitation Shares allotted to you pursuant to your application, to us, and the Sponsor, Issue Manager, Underwriter and Placement Agent, and any other parties so authorised by the foregoing persons. None of our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent, and any other parties so authorised by the foregoing persons, the Participating Banks or CDP shall not be liable for any delays, failures, or inaccuracies in the recording, storage, transmission or delivery of data relating to your Electronic Applications.
- 18. Any reference to "you" or the "applicant" in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Public Offer Shares by way of a **WHITE** Public Offer Shares Application Form or by way of an Electronic Application, and a person applying for the Placement Shares through the Placement Agent by way of a **BLUE** Placement Shares Application Form.

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

19. By completing and delivering an Application Form or by making and completing an Electronic Application by (in the case of an ATM Electronic Application) pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM (as the case may be) or by (in the case of an Internet Electronic Application) clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other relevant button on the IB website screen of the relevant Participating Banks or the mBanking interface of the relevant Participating Banks, in accordance with the provisions of this Offer Document, you:
- (i) irrevocably offer, agree and undertake to subscribe for the number of Invitation Shares specified in your application (or such smaller number for which the application is accepted) at the Invitation Price for each Invitation Share and agree that you will accept such Invitation Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Offer Document and the Constitution of our Company;
 - (ii) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Offer Document and those set out in the IB website screen or ATMs of the relevant Participating Banks or the mBanking interface of the relevant Participating Banks, the terms and conditions set out in this Offer Document shall prevail;
 - (iii) agree that the aggregate Invitation Price for the Invitation Shares applied for is due and payable to our Company upon application with;
 - (iv) consent to the collection, use and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, Securities Account number, share application amount, share application details and other personal data (“**Personal Data**”) by the Share Registrar, CDP, Securities Clearing and Computer Services (Pte.) Ltd (“**SCCS**”), SGX-ST, our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or other authorised operators (the “**Relevant Persons**”) for the purpose of facilitating your application for the Invitation Shares;
 - (v) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Persons, such disclosure is in compliance with the applicable laws (collectively, the “**Personal Data Privacy Terms**”);
 - (vi) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company and Sponsor, Issue Manager, Underwriter and Placement Agent in determining whether to accept your application and/or whether to allot any Invitation Shares to you;
 - (vii) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company and Sponsor, Issue Manager, Underwriter and Placement Agent will infringe any such laws as a result of the acceptance of your application;
 - (viii) agree and confirm that for the purposes of Catalist Rule 422(3), you are not connected to the Sponsor, Issue Manager, Underwriter and Placement Agent;
 - (ix) agree that the Relevant Persons may do anything or disclose any Personal Data or matters without notice to you if the Sponsor, Issue Manager, Underwriter and Placement Agent considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body; and
 - (x) agree that you will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant Persons shall be entitled to enforce this indemnity.

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

20. Our acceptance of applications will be conditional upon, *inter alia*, our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent, being satisfied that:
- (i) permission has been granted by the SGX-ST to deal in, and for the listing and quotation of, all our existing Shares, the Invitation Shares, PPCF Shares and the Pre-IPO Option Shares on Catalist;
 - (ii) the Sponsorship, Management and Underwriting Agreement and the Placement Agreement referred to in the sub-section entitled “General and Statutory Information – Management, Underwriting and Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled; and
 - (iii) the Authority, SGX-ST acting as agent on behalf of the Authority (to the extent applicable) or any other competent authority, has not issued a stop order (“**Stop Order**”) which directs that no further shares to which this Offer Document relates be allotted or issued.
21. In the event that a Stop Order in respect of the Invitation Shares is served by the Authority, SGX-ST, acting as agent on behalf of the Authority (to the extent applicable), or any other competent authority and applications to subscribe for the Placement Shares have been made prior to the Stop Order, and:
- (i) in the case where the Invitation Shares have not been issued, we will (as required by law), and subject to the SFA, deem all applications withdrawn and cancelled and our Company shall refund (at your own risk) all monies paid on account of your application for the Invitation Shares (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days from the date of the Stop Order; or
 - (ii) in the case where the Invitation Shares have already been issued but trading has not commenced, the issue of the Invitation Shares shall (as required by law) be deemed to be void, and:
 - (a) if no documents purporting to evidence title have been issued to you, our Company shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within seven (7) days from the date of the Stop Order; or
 - (b) if documents purporting to evidence title had been issued to you, our Company shall, within seven (7) days from the date of the Stop Order, inform you to return such documents to us within 14 days from that date, and our Company will refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within seven (7) days from the date of receipt of those documents or the date of the Stop Order, whichever is later.

This shall not apply where only an interim Stop Order has been served.

22. In the event that an interim Stop Order in respect of the Invitation Shares is served by the Authority, SGX-ST, acting as agent on behalf of the Authority (to the extent applicable), or any other competent authority, no Invitation Shares shall be issued during the time when the interim Stop Order is in force.
23. The Authority, SGX-ST, acting as agent on behalf of the Authority (to the extent applicable), or any other competent authority is not able to serve a Stop Order in respect of the Invitation Shares if the Invitation Shares have been issued and listed for quotation on a securities exchange and trading in the Invitation Shares has commenced.
24. In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same through a SGXNET announcement to be posted on the internet at the SGX-ST website (<http://www.sgx.com>) and through a paid

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

advertisement in a generally circulating daily press.

25. We will not hold any application in reserve.
26. We will not allot Shares on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority.
27. All payments in respect of any application for the Invitation Shares and any refund, shall be made in S\$.
28. Additional terms and conditions for applications by way of an Application Form are set out in the section entitled “Additional Terms and Conditions for Applications using Application Forms” below.
29. Additional terms and conditions for applications by way of Electronic Applications are set out in “Additional Terms and Conditions for Electronic Applications” below.
30. CDP shall not be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to Electronic Applications.
31. No person in any jurisdiction outside Singapore receiving this Offer Document or its accompanying documents (including the Application Form) may treat the same as an offer or invitation to subscribe for any invitation shares unless such offer or invitation could lawfully be made without compliance with any regulatory requirements in those jurisdictions.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

You shall make an application by way of an Application Form on and subject to the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out in the “**APPENDIX G – Terms and Conditions and Procedures for Application And Acceptance**” of this Offer Document as well as the Constitution of our Company.

1. Your application for the Invitation Shares must be made using the **WHITE** Public Offer Shares Application Forms and **WHITE** official envelopes “A” and “B” for Public Offer Shares, and the Placement Shares must be made using the **BLUE** Application Form for Placement Shares accompanying and forming part of this Offer Document. **ONLY ONE APPLICATION** should be enclosed in each envelope.

We draw your attention to the detailed instructions contained in the Application Form and this Offer Document for the completion of the Application Form which must be carefully followed. **Our Company, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Form and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn up or improper form of remittances or remittances which are not honoured upon their first presentation.**

2. Your Application Form must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Form, except those under the heading “**FOR OFFICIAL USE ONLY**”, must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. You must make your application, in the case of individuals, in your full names as they appear in your identity card (if applicants have such identification documents) or in your passport and, in the case of corporations, in your full names as registered with a competent authority. If you are

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Constitution or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your Constitution or equivalent constitutive documents must be lodged with the Share Registrar and Share Transfer Office. Our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent reserve the right to require you to produce documentary proof of identification for verification purposes.

5. (a) You must complete Sections A and B and sign on page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You, whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted, will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50.0 per cent. of the issued share capital of or interests in such corporations.

If you are an approved nominee company, you are required to declare whether the beneficial owner of the Invitation Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0 per cent. of the issued share capital of or interests in such corporation.

7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of the Invitation Shares applied for, in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**FOOD INNOVATORS HOLDINGS SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", with your name, CDP Securities Account Number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. We reserve the right to reject any application which is accompanied by combined Banker's Draft or Cashier's Order for different CDP Securities Accounts. No acknowledgement or receipt will be issued by our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent for applications and application monies received.
8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account.

In the event that the Invitation is cancelled by us following the termination of the Sponsorship, Management and Underwriting Agreement and/or the Placement Agreement, the application monies received will be refunded (without interest or any share of revenue or any other benefit arising therefrom) to you by ordinary post at your own risk within five (5) Market Days of the

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

termination of the Invitation. In the event that the Invitation is cancelled by us following the issuance of the Stop Order by the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days from the date of the Stop Order.

9. Capitalised terms used in the Application Form and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
10. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of the Participating Banks, our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or any party involved in the Invitation, and if, in any event our Company, and/or the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Banks do not receive your Application Form, you shall have no claim whatsoever against our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the Participating Banks, any party involved in the Invitation for the Invitation Shares applied for or for any compensation, loss or damage.
11. By completing and delivering the Application Form, you agree that:
 - (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at 12.00 noon on 14 October 2024 or such other time or date as our Directors may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion, decide:
 - (i) your application is irrevocable; and
 - (ii) your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
 - (b) neither our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent nor any other party involved in the Invitation will be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;
 - (c) all applications, acceptances and contracts resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (d) in respect of the Invitation Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
 - (e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
 - (f) in making your application, reliance is placed solely on the information contained in this Offer Document and none of our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent nor any other person involved in the Invitation shall have any liability for any information not so contained;
 - (g) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document;
 - (h) for the purposes of facilitating your application, you consent to the collection, use, processing and disclosure, by or on behalf of the Company, of your Personal Data to the Relevant

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

Parties in accordance with the Personal Data Privacy Terms; and

- (i) you irrevocably agree and undertake to subscribe for the number of the Invitation Shares applied for as stated in the Application Form or any smaller number of such Invitation Shares that may be allotted to you in respect of your application. In the event that our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent decide to allot any smaller number of the Invitation Shares or not to allot any Invitation Shares to you, you agree to accept such decision as final.
12. By completing and delivering the Application Form, you declare that you do not possess more than one (1) individual direct Securities Account with CDP.

Applications for Public Offer Shares

- (a) Your application for Public Offer Shares **MUST** be made using the **WHITE** Public Offer Shares Application Form and **WHITE** official envelopes “A” and “B”. **ONLY ONE APPLICATION** should be enclosed in each envelope.
- (b) You must:
 - (i) enclose the **WHITE** Public Offer Shares Application Form, duly completed and signed, together with the correct remittance in accordance with the terms and conditions of this Offer Document in the **WHITE** envelope “A” provided;
 - (ii) in the appropriate spaces on **WHITE** envelope “A”:
 - (aa) write your name and address;
 - (bb) state the number of Public Offer Shares applied for;
 - (cc) tick the relevant box to indicate the form of payment; and
 - (dd) affix adequate Singapore postage;
 - (iii) **SEAL WHITE** envelope “A”;
 - (iv) write, in the special box provided on the larger **WHITE** envelope “B” addressed to **FOOD INNOVATORS HOLDINGS LIMITED C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 1 HARBOURFRONT AVENUE, #14-07 KEPPEL BAY TOWER, SINGAPORE 098632**, the number of Public Offer Shares for which the application is made; and
 - (v) insert **WHITE** envelope “A” into **WHITE** envelope “B”, seal **WHITE** envelope “B”, affix adequate Singapore postage on **WHITE** envelope “B” (if despatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND** at your own risk to **FOOD INNOVATORS HOLDINGS LIMITED C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 1 HARBOURFRONT AVENUE, #14-07 KEPPEL BAY TOWER, SINGAPORE 098632**, so as to arrive by 12.00 noon on 14 October 2024 or such other date and time as our Company may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, decide. Local Urgent Mail or Registered Post must **NOT** be used. No acknowledgement of receipt will be issued for any application or remittance received.
- (c) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

Applications for Placement Shares

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

1. Your application for Placement Shares **MUST** be made using the **BLUE** Placement Shares Application Form. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. The completed and signed **BLUE** Placement Shares Application Form and your remittance (in accordance with the terms and conditions of this Offer Document) for the full amount payable in respect of the number of Placement Shares you have applied for, with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if dispatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND** at your own risk to **FOOD INNOVATORS HOLDINGS LIMITED C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 1 HARBOURFRONT AVENUE, #14-07 KEPPEL BAY TOWER, SINGAPORE 098632** to arrive by 12.00 noon on 14 October 2024 or such other time as our Company may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion, decide. Local Urgent Mail or Registered Post must **NOT** be used. No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or which are accompanied by improperly drawn up or improper form of remittances or which are not honoured upon their first presentation are liable to be rejected.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens (in the case of ATM Electronic Applications), the IB website screens (in the case of Internet Electronic Applications) and the mBanking interface (in the case of mBanking Electronic Applications) of the relevant Participating Banks. For illustration purposes, the procedures for Electronic Applications through the ATMs, the IB website and the mBanking interface of OCBC are set out respectively in the “Steps for ATM Electronic Application for the Public Offer Shares through ATMs of OCBC”, “Steps for Electronic Applications through the IB website of OCBC” and “Steps for Internet Electronic Application for Public Offer Shares through the mobile banking app of OCBC” (collectively, the “**Steps**”) sections appearing below.

The Steps set out the actions that you must take at an ATM or IB website or mBanking interface of OCBC to complete an Electronic Application. Please read carefully the terms of this Offer Document, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to “you” or the “applicant” in this section “Additional terms and Conditions for Electronic Applications” and the Steps shall refer to you making an application for Public Offer Shares through an ATM, IB website or mBanking interface of a relevant Participating Bank.

You may incur an administrative fee and/or such related charges as stipulated by the respective Participating Banks from time to time for the application of the Public Offer Shares.

You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at the ATMs of the relevant Participating Bank. An ATM card issued by one Participating Bank cannot be used to apply for Public Offer Shares at an ATM belonging to other Participating Banks. For an Internet Electronic Application, you must have an existing bank account with an IB User Identification (“**User ID**”) and a Personal Identification Number/Password given by the relevant Participating Bank. The Steps set out the actions that you must take at ATMs or the IB website of OCBC to complete an Electronic Application. The actions that you must take at ATMs or the IB websites or the mBanking interfaces of other Participating Banks are set out on the ATM screens or the IB websites or the mBanking interfaces of the relevant Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of your Electronic Application. Upon completion of your Internet Electronic Application through the IB website or the mBanking interfaces of the relevant Participating Bank, there will be an on-screen confirmation (“**Confirmation Screen**”) of the application which can be printed for your record. The Transaction Record or your printed record of the Confirmation Screen is for retention by you and should not be submitted with any Application Form.

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.

You must ensure, when making an Internet Electronic Application, that your mailing address is in Singapore and the application is being made in Singapore and you will be asked to declare accordingly. Otherwise, your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time when you make the application.

You shall make an Electronic Application on the terms, and subject to the conditions, of this Offer Document including but not limited to the terms and conditions appearing below and those set out under this Appendix G as well as the Constitution of our Company.

- (a) In connection with your Electronic Application for Public Offer Shares, you are required to confirm statements to the following effect in the course of activating the ATM, the IB website or the mBanking interface for your Electronic Application:
- (i) that you have received a copy of this Offer Document (in the case of ATM Electronic Applications only) and have read, understood and agreed to all the terms and conditions of application for Public Offer Shares and this Offer Document prior to effecting the Electronic Application and agree to be bound by the same;
 - (ii) that you consent to the collection, use, processing and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent residence status, share application amount, CDP Securities Account number, application details and other Personal Data (the “**Relevant Particulars**”) with the relevant Participating Bank to the Relevant Parties; and
 - (iii) that this is your only application for Public Offer Shares and it is made in your own name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction in the ATM or on the IB website or the mBanking interface unless you press the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen or the mBanking interface of the relevant Participating Bank. By doing so, you shall be treated as signifying your confirmation of each of the above three statements. In respect of statement (a)(ii) above, your confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act 1970 of Singapore to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (b) **BY MAKING AN ELECTRONIC APPLICATION, YOU CONFIRM THAT YOU ARE NOT APPLYING FOR PUBLIC OFFER SHARES AS A NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS THE ONLY APPLICATION MADE BY YOU AS BENEFICIAL OWNER.**

YOU SHALL MAKE ONLY ONE ELECTRONIC APPLICATION FOR PUBLIC OFFER SHARES AND SHALL NOT MAKE ANY OTHER APPLICATION FOR PUBLIC OFFER SHARES OR PLACEMENT SHARES, WHETHER AT AN ATM OR THE IB WEBSITE OR MBANKING INTERFACE (IF ANY) OF ANY PARTICIPATING BANK OR ON AN APPLICATION FORM. IF YOU HAVE MADE AN APPLICATION FOR PUBLIC OFFER

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

SHARES OR PLACEMENT SHARES ON AN APPLICATION FORM, YOU SHALL NOT MAKE AN ELECTRONIC APPLICATION FOR PUBLIC OFFER SHARES AND VICE VERSA.

- (c) You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which your Electronic Application will not be completed. **Any Electronic Application which does not conform strictly to the instructions set out in this Offer Document or on the screens of the ATM or IB website or the mBanking interface of the relevant Participating Bank through which your Electronic Application is being made shall be rejected.**

You may make an ATM Electronic Application at an ATM of any Participating Bank or an Internet Electronic Application at the IB website of a relevant Participating Bank for Public Offer Shares using cash only by authorising such Participating Bank to deduct the full amount payable from your account with such Participating Bank.

- (d) You irrevocably agree and undertake to subscribe for and/or accept the number of Public Offer Shares applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of Public Offer Shares that may be allotted to you in respect of your Electronic Application.

In the event that our Company decides to allot any lesser number of such Public Offer Shares or not to allot any Public Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM or clicking “Confirm” or “OK” or any other relevant key on the IB website screen or the mBanking interface) of the number of Public Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Public Offer Shares that may be allotted to you and your agreement to be bound by the Constitution of our Company. You also irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or documents required for the issue and/or transfer of the Public Offer Shares that may be allotted to you.

- (e) **Our Company will not keep any applications in reserve.** Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) in Singapore dollars to you by being automatically credited to your account with your Participating Bank within 24 hours of balloting of the applications provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account. **Trading on a “WHEN ISSUED” basis, if applicable, is expected to commence after such refund has been made.**

Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 14 days after the close of the Application List provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account.

If the Invitation does not proceed for any reason, the full amount of the application monies received will be refunded (without interest or any share of revenue arising therefrom and at your own risk) to you within five (5) Market Days of the termination of the Invitation.

Responsibility for timely refund of application monies arising from unsuccessful or partially successful Electronic Applications lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any monies to you from an unsuccessful or partially successful Electronic Application, to determine the exact number of Public Offer Shares allotted to you before trading the Public Offer Shares on Catalist. You may also call CDP Phone at 6535 7511

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

to check the provisional results of your application by using your T-pin (issued by CDP upon your application for the service) and keying in the stock code (that will be made available together with the results of the allotment via an announcement through the SGX-ST and by advertisement in a generally circulating daily press). To sign up for the service, you may contact CDP customer service officers. None of the SGX-ST, the CDP, the SCCS, the Participating Banks, our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent assumes any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

(f) **If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Banks.**

If you make an Electronic Application through an ATM or the IB website or mBanking interface of one of the following Participating Banks, you may check the provisional results of your Electronic Application as follows:

Bank	Telephone	Available at	Operating Hours	Service expected from
DBS	1800 339 6666 (for POSB account holders)	Internet Banking http://www.dbs.com	24 hours a day	Evening of the balloting day
	1800 111 1111 (for DBS account holders)			
OCBC	1 800 363 3333	ATM/Phone Banking/ Internet Banking http://www.ocbc.com	24 hours a day	Evening of the balloting day
UOB Group	1 800 222 2121	ATM (Other Transactions – “IPO Enquiry”)/Phone Banking/Internet Banking http://www.uobgroup.com	24 hours a day	Evening of the balloting day

Notes:

- (1) If you have made your Electronic Application through the ATMs or IB website of DBS Bank, you may check the results of your application through the channel listed above in relation to ATM Electronic Applications made at the ATM of DBS Bank.
 - (2) If you have made your Electronic Application through the ATMs or IB website of OCBC, you may check the results of your application through OCBC Personal Internet Banking, OCBC's ATMs or OCBC Phone Banking Service.
 - (3) If you have made your Electronic Application through the ATMs or IB website of UOB Group, you may check the results of your application through UOB Personal Internet Banking, UOB Group's ATMs or UOB Phone Banking Services.
- (g) You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the Participating Banks, our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent and if, in any such event, our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Bank do not receive your Electronic Application, or data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Bank for Public Offer Shares applied for or for any compensation, loss or damage.

- (h) Electronic Applications shall close at 12.00 noon on 14 October 2024 or such other date and time as our Company may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion decide. Subject to the paragraph above, an Internet Electronic Application is deemed to be received when it enters the designated information system of the relevant Participating Bank, that is, when there is an onscreen confirmation of the application.
- (i) You are deemed to have requested and authorised our Company to:
 - (i) register the Public Offer Shares allotted to you in the name of CDP for deposit into your Securities Account;
 - (ii) send the relevant Share certificate(s) by ordinary post, at your own risk, to CDP;
 - (iii) return or refund (without interest or any share of revenue or other benefit arising therefrom) the application monies in Singapore dollars, should your Electronic Application be unsuccessful, by automatically crediting your bank account with your Participating Bank with the relevant amount within 24 hours of the balloting of applications or within five (5) Market Days of the termination of the Invitation if the Invitation does not proceed for any reason (as the case may be); and
 - (iv) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies in Singapore currency, should your Electronic Application be accepted in part only, by automatically crediting your bank account with your Participating Bank with the relevant amount within 14 days after the close of the Application List.
- (j) You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the Participating Banks, our Company and the Issue Manager and if, in any such event, we, the Issue Manager and/or the relevant Participating Bank do not record or receive your Electronic Application, or data relating to your Electronic Application or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against us, the Issue Manager and/or the relevant Participating Bank for the Public Offer Shares applied for or for any compensation, loss or damage.
- (k) Our Company does not recognise the existence of a trust. Any Electronic Application by a trustee must be made in your own name and without qualification. Our Company will reject any application by any person acting as nominee except those made by approved nominee companies only.
- (l) All your particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you shall promptly notify your Participating Bank.
- (m) **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical; otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

address, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.

- (n) By making and completing an Electronic Application, you are deemed to have agreed that:
- (i) in consideration of our Company making available the Electronic Application facility through the Participating Banks acting as our agents, at the ATMs and the IB websites and the mBanking interface of the relevant Participating Banks (if any):
 - (aa) your Electronic Application is irrevocable; and
 - (bb) your Electronic Application, our acceptance and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (ii) none of our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to our Company or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph (g) above or to any cause beyond our respective controls;
 - (iii) in respect of Public Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on our behalf and not otherwise, notwithstanding any payment received by or on our behalf;
 - (iv) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
 - (v) in making your application, reliance is placed solely on information contained in this Offer Document and that none of the Company, the Issue Manager, the Underwriter and Placement Agent nor any other person involved in the Invitation shall have any liability for any information not so contained;
 - (vi) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document; and
 - (vii) you irrevocably agree and undertake to subscribe for the number of Invitation Shares applied for as stated in your Electronic Application or any smaller number of such Invitation Shares that may be allotted to you in respect of your application. In the event that our Company decides to allot a smaller number of Invitation Shares or not to allot any Invitation Shares to you, you agree to accept such decision as final.

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

Steps for ATM Electronic Applications through ATMs of OCBC

The instructions for ATM Electronic Applications will appear on the ATM screens of the respective Participating Banks. For illustrative purposes, the steps for making an ATM Electronic Application through an OCBC ATM are shown below. Instructions for ATM Electronic Applications appearing on the ATM screens of the relevant Participating Banks may differ from that represented below.

Owing to space constraints on the OCBC's ATM screens, the following terms will appear in abbreviated form:

"CDP"	:	THE CENTRAL DEPOSITORY (PTE) LIMITED
"CPF"	:	CENTRAL PROVIDENT FUND
"IC/PP NO."	:	NRIC or PASSPORT NUMBER
"PIN"	:	PERSONAL IDENTIFICATION NUMBER
"PR"	:	PERMANENT RESIDENT
"QTY"	:	QUANTITY
"SCCS"	:	SECURITIES CLEARING & COMPUTER SERVICES (PTE) LTD

Steps

- 1: Insert your OCBC ATM card and key in your personal identification number.
- 2: Select "LANGUAGE".
- 3: Enter your Personal Identification Number (PIN).
- 4: Select "MORE SERVICES".
- 3: Select "INVESTMENT SERVICES".
- 4: Select "ELECTRONIC SECURITY APPLICATION".
- 6: Select "FIH".
- 7: For an applicant making an Electronic Application at the ATM for the first time:
 - (a) For non-Singaporeans, press the "Yes" if you are a permanent resident of Singapore, otherwise, press the "No".
 - (b) Enter your own CDP Securities Account number (12 digits) e.g. 1681XXXXXXXX and press "Yes" to confirm that the CDP Securities Account number you have entered is correct.
- 8: Read and confirm your personal particulars, including your CDP Number, IC/PP No., Nationality and PR Status (if applicable).

(Press "If correct, press >" to continue)
- 9: Read and understand the following statements which will appear on the screen:

IMPORTANT:

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

- READ THE OFFER DOCUMENT BEFORE SUBSCRIBING FOR THE SECURITIES.
- OBTAIN THE OFFER DOCUMENT FROM OUR BANK BRANCHES, WEBSITE OR VIA THE FOLLOWING QR CODE:



www.ocbc.com/ipo

(Press “To proceed with application, press >” to continue)

WARNING

- ALL INVESTMENTS COME WITH RISKS.
- YOU CAN LOSE ON YOUR INVESTMENT.
- INVEST ONLY IF YOU UNDERSTAND AND CAN MONITOR YOUR INVESTMENT.

(Press “To continue, press >” to continue)

RISK WARNING FOR EQUITIES

- THE ISSUER MAY NOT ALWAYS PAY YOU DIVIDENDS.
- YOU WILL LIKELY LOSE MONEY IF THE ISSUER GETS INTO FINANCIAL DIFFICULTIES
- IF THE ISSUER IS WOUND UP, SHAREHOLDERS WILL BE THE LAST TO BE PAID OFF.

(Press “To continue, press >” to continue)

PLEASE CONFIRM THAT

YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF APPLICATION SET OUT IN THE PROSPECTUS / OFFER INFORMATION STATEMENT / DOCUMENT / SUPPLEMENTARY DOCUMENT AND/OR PRODUCT HIGHLIGHTS SHEET

YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT DECISIONS

(Press “CONFIRM” to continue)

YOU CONSENT TO THE DISCLOSURE OF YOUR NAME, NRIC, PASSPORT NO., ADDRESS, NATIONALITY, SECURITIES A/C NO., QTY OF SECURITIES APPLIED FOR AND CPF INVESTMENT A/C NO., TO SHARE REGISTRAR, CPD, CPF, SCCS, SGX-ST, ISSUERS AND VENDORS

THIS APPLICATION IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

(Press “CONFIRM” to continue)

I AM NOT A U.S. PERSON/UNITED STATES PERSON AS REFERRED TO IN THE PROSPECTUS/DOCUMENT.

(Press “CONFIRM” or “CANCEL” to continue)

10: Please read and understand the following statements which will appear on the screen:

PLEASE NOTE THAT YOU SHOULD:

- DIVERSITY YOUR INVESTMENTS.
- AVOID INVESTING A LARGE PORTION OF MONEY IN A SINGLE ISSUER.

(Press “To continue, press >” to continue)

11: Select or enter the number of securities you wish to apply for.

12: Select your payment method.

13: Select the type of bank account to from which to debit your application moneys.

14: Check the details of your securities application appearing on the screen and press “CONFIRM” to confirm your application.

15: Transaction is completed. Remove the ATM Transaction Record for your reference and retention only.

Steps for Internet Electronic Applications through the IB Website of OCBC

For illustrative purposes, the steps for making an Internet Electronic Application through the OCBC IB website are shown below. Certain words appearing on the screen are in abbreviated form (“&” and “I/C” refer to “and” and “NRIC”, respectively).

Steps

- 1: Go to OCBC Bank website at <www.ocbc.com>.
- 2: Click on “Login to Internet Banking – Personal Banking”.
- 3: Enter your Access code and PIN.
- 4: Under “Investments & Insurance” on the top navigation, select “Initial public offering”.
- 5: Enter your One-time password.
- 6: Under “Apply for IPO”, click “Yes” to represent and warrant that you are (1) currently living in Singapore, (2) your country of residence, (3) that your mailing address is in Singapore, (4) that you are not a U.S. person (click on the blue ‘i’ icon to read the definition of U.S. person below), and that (5) you have complied with all applicable laws and regulations.
 - “U.S. person” is defined in Rule 902 of Regulation S under the US Securities Act 1933 to mean:
 - (i) any natural person resident in the United States;

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

- (ii) any partnership or corporation organised or incorporated under the laws of the United States;
- (iii) any estate of which any executor or administrator is a U.S. person;
- (iv) any trust of which any trustee is a U.S. person;
- (v) any agency or branch of a foreign entity located in the United States;
- (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (viii) any partnership of corporation if:
 - a. organised or incorporated under the laws of any foreign jurisdiction; and
 - b. formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in §230.501(a)) who are not natural persons, estates or trusts.

7: Read and acknowledge the Important Declaration below:

Electronic security application (ESA)

1) Investment Risk

All investments involve risk. You should read the Offering Documents in connection with the offer to understand more about the security in question before making any application. You need to apply for the security in question in the manner set out in the Offering Documents.

2) Offering Documents

Offering Documents are defined as the prospectus, offer information statement, simplified disclosure document, product highlights sheet, document or profile statement (and a replacement copy of or addition to these documents, if relevant). Where applicable, these Offering Documents have been lodged with and registered by the Monetary Authority of Singapore or the Singapore Exchange Securities Trading Limited, each of which takes no responsibility for its or their contents. Information in connection with the offering of securities is contained in the Offering Document. No person is authorised to give any information or make any representation in connection with the offering of securities listed on our website. Please read the Offering Documents in its entirety and the section headed "Risk Factors" to understand the security in question. Copies of Offering Documents can be obtained through the following means:

A. Digital Copy

The offer of securities on OCBC Internet Banking is accompanied with a copy of the Offering Documents in PDF format.

B. Physical Copy

Physical copies of the Offering Documents can be obtained from the issue

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

manager or if applicable (as provided for in the Offering Documents) the parties stated in the Offering Document including, but not limited to, OCBC branches in Singapore, members of the Association of Banks in Singapore, members of the Singapore Exchange Securities Trading Limited and merchant banks in Singapore during normal banking or working hours.

C. Warranty

We do not represent or warrant that the information in an Offering Document listed on our website is accurate or complete.

D. Context

Words and expressions not defined in this application have the same meaning as in the main prospectus, offer information statement, document or profile statement, unless the context gives them a different meaning.

3) Distribution

A. Singapore only

The securities mentioned in this application have not been approved for offer, subscription, sale or purchase by any authority outside Singapore and are meant to be available only to residents of Singapore. The information in this application is not intended to be or does not constitute a distribution, an offer to sell or a solicitation of an offer to buy any securities in any country in which such a distribution or offer is not authorised to any person.

B. United States

The information herein is not to be published or distributed in or into United States of America. The securities mentioned in this application have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "U.S. Securities Act") or the securities laws of any state of the United States and must not be offered or sold in the United States or to, or for the account or benefit of, any person within the United States or any "U.S. person" (as defined in Regulation S under the U.S. Securities Act). There will be no offer of the securities mentioned in this application in the United States. Any failure to comply with this restriction may break United States securities laws.

4) Laws & Regulations

You must comply with all laws and regulations that apply to you when accessing the information in this application. If you are in any doubt about which laws and regulations apply to you or the action you should take, you must check with your professional advisers immediately.

8: Click on the box "I have read and understood the declaration", and click "Confirm".

9: Select "FOOD INNOVATORS HOLDINGS LIMITED".

10: Click on "here" to read the Offering Documents for the relevant Security.

11: Read the following terms and conditions:

Electronic security application (ESA)

1) Investment Risk

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

- (a) all investments come with risk, including the risk that the investor may lose all or part of his investment;
- (b) the potential investor is responsible for his own investment decisions; and
- (c) the potential investor should read the prospectus, offer information statement and product highlights sheet (as applicable) before making the application to subscribe for the securities or units in a CIS.

2) Offering Documents

Offering Documents are defined as the prospectus, offer information statement/document or profile statement (and a replacement copy of or addition to these documents, if relevant).

Click to read the Offering Documents in connection with the offer to understand more about the security in question.

A. Information in the Offering Documents

Any information falling outside the demarcated areas of the electronic Offering Documents does not form part of the Offering Documents for the security offered herein. The security is offered based on the information in the electronic Offering Documents set out within the demarcated area.

B. Non-Distribution Rights for Digital Copies of Offering Documents

You are not to copy, forward or distribute in any manner the Offering Documents to any other person.

C. Usage

You agree not to use the information contained in Offering Documents for any purpose other than to evaluate an investment in the security.

D. Physical Copies of Offering Documents

Physical copies can be obtained from the issue manager or parties stated in the Offering Documents including, but not limited to, OCBC branches in Singapore, members of the Association of Banks in Singapore, members of the Singapore Exchange Securities Trading Limited and merchant banks in Singapore during normal banking or working hours.

Please confirm all of the following:

Acceptance of Terms of Application

You have read, understood and agreed to all terms of application set out in the Offering Documents.

Consent to Disclosure

You consent to disclose your name, I/C or passport number, address, nationality, CDP Securities Account number, CPF Investment Account number (if applicable) and application details to registrars of securities, SGX, SCCS, CDP, CPF Board, issuer/vendor(s) and the issue manager(s).

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

U.S. person

You are not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended)

U.S. Securities Act

The securities mentioned herein have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from or in a transaction subject to, the registration requirements of the U.S. Securities Act and applicable state security laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of United States securities laws.

Application

This application is made in your own name and at your own risk.

For **FIXED/MAXIMUM price securities** application, this is your **only** application. For TENDER price securities application, this is your **only** application at the selected tender price.

For **1ST-COME-1ST-SERVE securities**, the number of securities applied for may be reduced, subject to availability at the point of application.

Foreign Currency

For **FOREIGN CURRENCY securities**, subject to the terms of the issue, please note the following:

The application monies will be debited from your bank account in S\$, based on the Bank's prevailing board rates at time of application. Any refund monies will be credited in S\$ based on the Bank's prevailing board rates at the time of refund. The different prevailing board rates at the time of application and at the time of refund of application monies may result in either a foreign exchange profit or loss. Alternatively, application monies may be debited and refunds credited in S\$ at the same exchange rate.

- 12: Click on the box "Yes I have read & agree to the terms and condition", and click "Next".
- 13: Input details for the securities application whether by cash and/or CPF, the number of units and click "Next".
- 14: Verify the details of your securities application and click "Submit" to confirm your application.
- 15: You may print a copy of the IB Confirmation Screen for your reference and retention.

Steps for mBanking Application through the mBanking interface of OCBC

For illustrative purposes, the steps for making an mBanking Application through the OCBC Digital mobile app are shown below. Certain words appearing on the screen are in abbreviated form ("A/C", "&", "amt", "I/C" and "No." refer to "Account", "and", "Amount", "NRIC" and "Number", respectively).

Steps

- 1: Click on OCBC Digital App on your phone.
- 2: Click on the biometric icon or "Login".

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

- 3: Use biometric OR Enter your access code and PIN (if not on biometric login).
- 4: On the top left menu, under “Invest”, select “Electronic Securities Application”.
- 5: Enter your one-time password when required.
- 6: Under “Securities on offer”, click “Next”. Complete declaration on screen to represent and warrant that you are (1) currently living in Singapore, (2) your country of residence, (3) that your mailing address is in Singapore, and that (4) you have complied with all applicable laws and regulations.
- 7: Read and acknowledge the Important Declaration below before selecting the counter to submit your application.

Electronic security application (ESA)

(1) Investment Risk

All investments involve risk. You should read the Offering Documents in connection with the offer to understand more about the security in question before making any application. You need to apply for the security in question in the manner set out in the Offering Documents

(2) Offering Documents

Offering Documents are defined as the prospectus, offer information statement, simplified disclosure document, product highlights sheet, document or profile statement (and a replacement copy of or addition to these documents, if relevant) Where applicable, these Offering Documents have been lodged with and registered by the Monetary Authority of Singapore or the Singapore Exchange Securities Trading Limited, each of which takes no responsibility for its or their contents.

Information in connection with the offering of securities is contained in the Offering Document. No person is authorized to give any information or make any representation in connection with the offering of securities listed on our website.

Please read the Offering Documents in its entirety and the section headed “Risk Factors” to understand the security in question. Copies of Offering Documents can be obtained through the following means:

A. Digital Copy

The offer of securities on OCBC Internet Banking is accompanied with a copy of the Offering Documents in PDF format.

B. Physical Copy

Physical copies of the Offering Documents can be obtained from the issue manager or if applicable (as provided for in the Offering Documents) the parties stated in the Offering Document including, but not limited to, OCBC branches in Singapore, members of the Association of Banks in Singapore, members of the Singapore Exchange Securities Trading Limited and merchant banks in Singapore during normal banking or working hours

C. Warranty

We do not represent or warrant that the information in an Offering Document listed on our website is accurate or complete.

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

D. Context

Words and expressions not defined in this application have the same meaning as in the main prospectus, offer information statement, document or profile statement, unless the context gives them a different meaning.

(3) Distribution

A. Singapore only

The securities mentioned in this application have not been approved for offer, subscription, sale or purchase by any authority outside Singapore and are meant to be available only to residents of Singapore. The information in this application is not intended to be or does not constitute a distribution, an offer to sell or a solicitation of an offer to buy any securities in any country in which such a distribution or offer is not authorized to any person.

B. United States

The information herein is not to be published or distributed in or into United States of America. The securities mentioned in this application have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the “U.S. Securities Act”) or the securities laws of any state of the United States and must not be offered or sold in the United States. There will be no offer of the securities mentioned in this application in the United States. Any failure to comply with this restriction may break United States securities laws.

(4) Laws & Regulations

You must comply with all laws and regulations that apply to you when accessing the information in this application. If you are in any doubt about which laws and regulations apply to you or the action you should take, you must check with your professional advisers immediately.

Important Note:

- (a) all investments come with risk, including the risk that the investor may lose all or part of his investment;
- (b) the potential investor is responsible for his own investment decisions; and
- (c) the potential investor should read the prospectus, offer information statement and product highlights sheet (as applicable) before making the application to subscribe for the securities or units in a CIS.

8: Click on the box “I have read and understood the declaration”, and click “Confirm”.

9: Select “FOOD INNOVATORS HOLDINGS LIMITED”.

10: Click on “here” to read the Offering Documents for the relevant Security.

11: Read the following terms and conditions:

(1) Investment Risk

- (a) all investments come with risk, including the risk that the investor may lose all or part of his investment;

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

- (b) the potential investor is responsible for his own investment decisions; and
 - (c) the potential investor should read the prospectus, offer information statement and product highlights sheet (as applicable) before making the application to subscribe for the securities or units in a CIS.
- (2) Offering Documents

Offering Documents are defined as the prospectus, offer information statement/document or profile statement (and a replacement copy of or addition to these documents, if relevant).

Click to read the Offering Documents in connection with the offer to understand more about the security in question.

A. Information in the Offering Documents

Any information falling outside the demarcated areas of the electronic Offering Documents does not form part of the Offering Documents for the security offered herein. The security is offered based on the information in the electronic Offering Documents set out within the demarcated area.

B. Non-Distribution Rights for Digital Copies of Offering Documents

You are not to copy, forward or distribute in any manner the Offering Documents to any other person.

C. Usage

You agree not to use the information contained in Offering Documents for any purpose other than to evaluate an investment in the security.

D. Physical Copies of Offering Documents

Physical copies can be obtained from the issue manager or parties stated in the Offering Documents including, but not limited to, OCBC branches in Singapore, members of the Association of Banks in Singapore, members of the Singapore Exchange Securities Trading Limited and merchant banks in Singapore during normal banking or working hours.

Please confirm all of the following:

Acceptance of Terms of Application

You have read, understood and agreed to all terms of application set out in the Offering Documents.

Consent to Disclosure

You consent to disclose your name, I/C or passport number, address, nationality, CDP Securities Account number, CPF Investment Account number (if applicable) and application details to registrars of securities, SGX, SCCS, CDP, CPF Board, issuer/vendor(s) and the issue manager(s).

U.S. Securities Act

The securities mentioned herein have not been and will not be registered under the U.S.

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from or in a transaction subject to, the registration requirements of the U.S. Securities Act and applicable state security laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of United States securities laws.

Application

This application is made in your own name and at your own risk.

For **FIXED/MAXIMUM price securities** application, this is your **only** application. For **TENDER price securities** application, this is your **only** application at the selected tender price.

For **1ST-COME-1ST-SERVE securities**, the number of securities applied for may be reduced, subject to availability at the point of application.

Foreign Currency

For **FOREIGN CURRENCY securities**, subject to the terms of the issue, please note the following: The application monies will be debited from your bank account in S\$, based on the Bank's prevailing board rates at time of application. Any refund monies will be credited in S\$ based on the Bank's prevailing board rates at the time of refund. The different prevailing board rates at the time of application and at the time of refund of application monies may result in either a foreign exchange profit or loss. Alternatively, application monies may be debited and refunds credited in S\$ at the same exchange rate.

- 12: Click on the box "Yes I have read & agree to the terms and conditions", and click "Next".
- 13: Input details for the securities application whether by cash and/or CPF, the number of units and click "Next".
- 14: Verify the details of your securities application and click "Submit" to confirm your application.
- 15: You may print a copy of the IB Confirmation Screen for your reference and retention.

(This page has been intentionally left blank.)

This page has been intentionally left blank.

This page has been intentionally left blank.

This page has been intentionally left blank.

