GOODWILL
ENTERTAINMENT

ANNUAL REPORT

Financial Year Ended 2024

HaveFun Live Show

Singapore's First & Largest Venue with Daily Live Performances & DJ

FATE by HaveFun

Singapore's First Dance Club X Karaoke Concept

HaveFun Karaoke

Singapore's Largest Family Karaoke Chain

Yakitori ONE

Unique experience in Singapore

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CORPORATE PROFILE

This annual report has been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited. It has not been examined or approved by Exchange and the Exchange assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr. Jerry Chua (Tel: (65) 6241 6626), at 160 Robinson Road, #20-01/02, SBF Center, Singapore 068914

Incorporated in Singapore, Goodwill Entertainment Holding Limited ("Goodwill Entertainment" or the "Company" and together with its subsidiaries, the "Group") is a leading multi-entertainment provider headquartered in Singapore, operating a diverse network of entertainment venues.

The Group's comprehensive entertainment portfolio includes family-friendly karaoke facilities with integrated F&B concepts, performance halls and dance clubs, operating under the established brand names "HaveFun Family Karaoke", "FATEbyhavefun" and "HaveFun Live Show".

The Group's business activities span across two main segments: (i) karaoke lounges and multi-entertainment venues, (ii) live show concept.

Our Karaoke Lounges and Multi-Entertainment Venues comprise 11 "HaveFun Family Karaoke outlets across Singapore. Each outlet offers customers a variety of amenities beyond traditional karaoke, including private cinemas, pool tables, dart machines, and board and console games. Selected outlets feature performance halls that serve as versatile event spaces hosting live band performances, meet-and-greet events, live comedy and various other acts. In particular, our flagship outlet at Cineleisure Orchard presents an integrated entertainment experience, featuring the Group's first dance club, "FATEbyhavefun", allowing patrons to enjoy a seamless transition from karaoke to dancing for a complete "night-out" experience.

Our Live Show Concept represents the Group's latest installment, "HaveFun Live Show", a multi-entertainment concept developed in collaboration with the Group's joint venture partner, Hezong. This first-of-its-kind mega live entertainment house in Singapore delivers up-close live performances and interactions with various performing artistes, enhanced by 8,000 lights and state-of-the-art audio-visual equipment to create a full sensory, cinematic and immersive concert-like experience for patrons.

The Group has been listed on the Catalist of SGX-ST since 15 November 2024.

OUR VISION

At Goodwill Entertainment, we envision pioneering integrated entertainment and redefining the landscape of Southeast Asian entertainment. We aim to be the pivotal link connecting exceptional entertainment experiences with innovative concepts in the multi-entertainment sector. We strive to foster a comprehensive entertainment ecosystem that delivers unparalleled experiences, captivating audiences and solidifying our position as the premier destination for entertainment in Southeast Asia.

OUR MISSION

The Group's mission revolves around three core pillars:

- Our unwavering customer focus drives us to provide exceptional entertainment experiences tailored to exceed expectations. We are dedicated to delivering innovative concepts and unforgettable moments that leave lasting impressions.
- We also believe in fostering a supportive and empowering environment for our employees, providing growth opportunities that enhance their skills and talents in a space where they can thrive both personally and professionally.
- Last but not least, our approach embodies a strong commitment to delivering continuous value to our shareholders through strategic decision-making, efficient operations, and sustainable growth within the entertainment sector.

CORPORATE INFORMATION

Board of Directors
Lu Mang ("Flint Lu") (Executive Chairman and CEO)
Thang Teck Jong ("TJ Thang") (Vice Chairman and Non-Executive Director)
Huang Junli, Christopher ("Christopher Huang") (Lead Independent Non-Executive Director)
Ng Tse Meng (Independent Non-Executive Director)
Foong Daw Ching (Independent Non-Executive Director)

Audit and Risk Committe
Foong Daw Ching (Chairman)
Ng Tse Meng
Christopher Huang

Nominating Committee
Ng Tse Meng (Chairman)
Foong Daw Ching
Christopher Huang

Remuneration Committee
Christopher Huang (Chairman)
Foong Daw Ching
Ng Tse Meng

Company Secretary
Katherine Tan Jing Yu
(Bachelor of Laws, LLB)

Registered Office
33 Ubi Avenue 3
#05-16 Vertex
Singapore 408868

Share Registrar
B.A.C.S. Private Limited
77 Robinson Road
#06-03, Robinson 77
Singapore 068896

Continuing Sponsor
Evolve Capital Advisory Private Limited
Jerry Chua
160 Robinson Road
#20-01/02, SBF Center
Singapore 068914

Independent Auditor
Foo Kon Tan LLP
1 Raffles Place
#04-61/62, One Raffles Place, Tower 2
Singapore 048616
Partner-in-charge : Cheong Wenjie
(Appointed on 25 October 2024)

Principal Bankers
DBS Bank Ltd
12 Marina Boulevard, Level 43
DBS Asia Central @
Marina Bay Financial Centre Tower 3
Singapore 018982

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

Company Website
https://goodwillsg.com/

Stock Code
Singapore: GEH

Investor Relations/Media Contact
Gem Comm Pte. Ltd.
Emily Choo
Email: emily@gem-comm.com

OPERATING PRESENCE

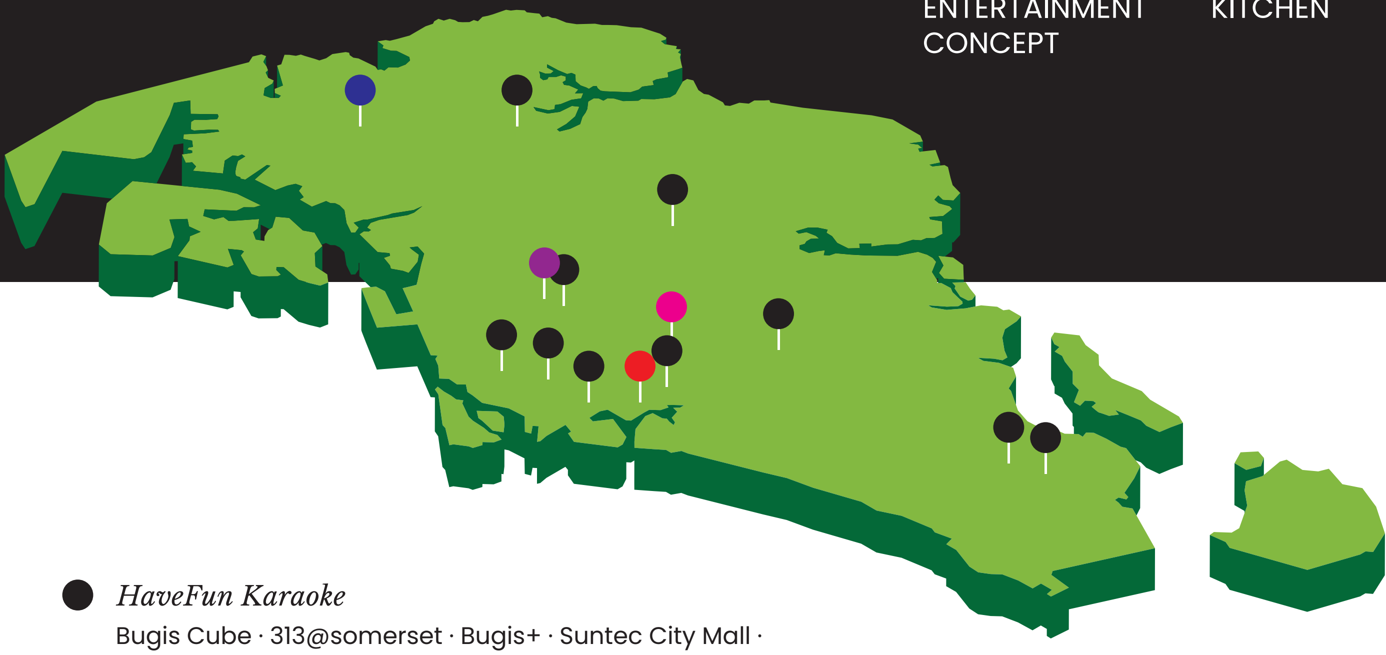
11
FAMILY KARAOKE

1
HAVEFUN LIVESHOW

1
DANCE CLUB

1
F&B AND ENTERTAINMENT CONCEPT

1
CENTRAL KITCHEN



HaveFun Karaoke
Bugis Cube · 313@somerset · Bugis+ · Suntec City Mall · Lucky Chinatown · Cathay Cineleisure Orchard · Thomson Plaza · SAFRA Yishun · SAFRA Toa Payoh · Downtown East · Pasir Ris Mall

HaveFun Live Show
Bugis+

Yakitori ONE
Suntec City Mall

FATE by HaveFun
Cathay Cineleisure

Cookease
Woodlands Loop

KEY CORPORATE MILESTONES

2015

- 1st "HaveFun Family Karaoke" outlet opened at Bugis Cube
- Under our subsidiary, 7-24 Entertainment

2016

- Incorporation of the company

2017

- 2nd karaoke outlet at 313@somerset

2019

- 5 new karaoke outlets

2020

- Temporary stop-gap measures during Covid-19
- F&B takeout/delivery ("Stick N Stones")
- Private movie screenings at 5 outlets

2022

- Opening of new karaoke outlet at Bugis+ - June
- Opening of new karaoke outlet at Lucky Chinatown - October

2023

- Opening of flagship outlet at Cineleisure Orchard – Karaoke + our first dance club of the Group, "FATE by HaveFun"
- Opening of karaoke outlet at Suntec City
- Entered into a joint venture with Hezong to establish our first "HaveFun Live Show" multi-entertainment concept

2024

- First daily live performances under "HaveFun Live Show" at Bugis+
- Opening of 11th karaoke outlet at Pasir Ris Mall
- Listed on the Catalist of SGX-ST

EXECUTIVE CHAIRMAN & CEO MESSAGE

Dear Shareholders,

It is a great privilege to present to you the Executive Chairman's Message for Goodwill Entertainment Holding Limited's annual report for FY2024. This year has been transformative for our Group, marked by robust financial performance, strategic expansions, and enhanced market positioning, all of which have been anchored by our commitment to excellence and innovation.

Our revenue has reached an unprecedented S$52.99 million, signifying a remarkable 121.4% growth from the previous year. This achievement is a testament to our strategic expansion, especially following the full-year contributions from our karaoke outlets and the introduction of our live show business segment. These initiatives underscore our dedication to delivering unparalleled entertainment experiences.

Moreover, our profitability has seen an impressive increase, with a net profit attributable to owners rising by 51.8% to S$4.41 million. Excluding IPO and listing expenses, this growth would be an even more impressive 71.3%, highlighting the effectiveness of our operational efficiencies and cost management strategies.

Our strategic investments and growth plans have fortified our financial position, enabling a net cash position of S$9.88 million (Cash - Debt), a significant turnaround from a net debt position in FY2023. This financial strength allows us to seize further growth opportunities and underpins our commitment to sustainable expansion.

FY2024 was also a year of operational expansion. We successfully listed on the SGX-ST Catalist board, raising S$8.65 million to fund our growth initiatives. Our portfolio diversification efforts saw the establishment of new business segments, including an F&B segment, exemplified by the opening of Yakitori One and a new central kitchen (Manufacturing segment) to support both our operations and third-party customers.

Looking ahead, our strategic priorities for FY2025 will focus on operational efficiency, customer-centric innovation, and growth. By embracing technological advances and responding to consumer demands, Goodwill Entertainment is poised to maintain a competitive edge in the dynamic entertainment industry.

Our growth trajectory is expected to gather pace as we expand our operations further in Singapore. Additionally, new F&B projects and central kitchen operations are anticipated to contribute to our growth in 2025. We remain steadfast in our vision to expand beyond Singapore into other Southeast Asian countries. Our sights are currently set on Malaysia as we believe its nightlife and F&B market presents growth opportunities. To carefully plan our entry into Malaysia, we are currently assessing factors such as local licensing requirements, competition, and consumer behaviour trends.

As we navigate the evolving entertainment landscape, we acknowledge the challenges posed by changing consumer trends as well as the competitive F&B and entertainment sectors. However, with a focus on operational efficiency, service differentiation, and market expansion, we are well-prepared to address these challenges and continue our growth trajectory.

In closing, I extend my deepest gratitude to our dedicated team, partners, and valued shareholders for your unwavering support and trust. Together, we will continue to build on our successes and explore new horizons to achieve sustainable growth and long-term value creation.

Thank you.

Flint Lu
Executive Chairman and CEO

BOARD OF DIRECTORS

LU MANG

EXECUTIVE CHAIRMAN & CEO

Mr. Lu Mang ("Flint Lu") is our Executive Chairman and CEO, Mr. Lu is primarily responsible for the overall strategic direction and development of the Group. He is the Founder and first director of the Group.

Mr. Lu has over nine years of entrepreneurial experience in the public entertainment industry, specialising in strategic planning, business development, marketing strategy and business strategy. As an entrepreneur, Mr. Lu had previously been involved in the logistics sector through Twinstar Logistics Pte. Ltd. which he founded in October 2006 and was an executive director until November 2023.

Mr. Lu holds a Master of Business Administration from the Frederick Institute of Technology in Cyprus. He holds a diploma in marketing from Dalian Maritime University in the People's Republic in China.

BOARD OF DIRECTORS

THANG TECK JONG

VICE CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr. Thang Teck Jong ("TJ Thang") started his career in 1986 as an entrepreneur involved in the luggage distribution business in Singapore. He is the founder and executive chairman of Travelite Holdings Ltd, a Singapore-incorporated and Mainboard-listed company which represents over 20 international brands to market their products across various parts of SEA. He has been instrumental in the growth and development of the business of Travelite Holdings Ltd since its inception. Mr. Thang is also our indirect Controlling Shareholder through his shareholding in Mengkim.

Mr. Thang was named as one of the Entrepreneur of the Year 2005 by Association of Small and Medium Enterprises and the Rotary Club of Singapore. He received a Certificate of Appreciation from the People's Association of Singapore for five (5) years of dedicated voluntary service to the community.

Mr. Thang holds a Master of Business Administration (Business Administration) from University of Hull.

CHRISTOPHER HUANG

LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Christopher Huang is a Lead Independent Non-Executive Director of our Company and was appointed to the Company's Board on 1 October 2024. Mr. Huang is the Chairman of our Remuneration Committee and a member of our Audit and Nominating Committees.

Mr. Huang is the Managing Director of a Singapore law firm, CHP Law LLC and advises on various areas of law, with a focus on the legal and tax aspects of cross-border commercial transactions, including transfer pricing.

Mr. Huang commenced his career as an associate at PricewaterhouseCoopers LLP in 2012 and joined Colin Ng & Partners LLP (now known as CNP LAW) in March 2015. In 2018, Mr. Huang was made a partner of Colin Ng & Partners. Mr. Huang is currently an independent director of Aztech Global Ltd. and the independent non-executive chairman Fu Yu Corporation Ltd., which are both listed on the Main Board of the SGX-ST.

Mr. Huang graduated with a Bachelor of Laws (Honours) and a Bachelor of Commerce from the University of Queensland, Australia.

BOARD OF DIRECTORS

NG TSE MENG

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Ng Tse Meng is an Independent Non-Executive Director of our Company and was appointed to the Company's Board on 1 October 2024. Mr. Ng is the Chairman of our Nominating Committee and a member of our Audit and Remuneration Committees.

Mr. Ng is the Chief Executive Officer and Chairman of RF Acquisition Corp. and RF Acquisition Corp II, Nasdaq listed special purpose acquisition company, since January 2021 and February 2024, respectively. He was also the Co-Founder and Chairman of Ruifeng Wealth Management Pte. Ltd., an independent external asset manager servicing accredited investors and institutional investors.

Prior to these roles, he served in several management positions. From August 2014 to January 2019, he was the Managing Director of CA Indosuez (Switzerland) SA (Singapore Branch), a wholly owned subsidiary of Credit Agricole Corporate and Investment Bank. He also served as a Managing Director of Pictet and Cie (Asia) Ltd from January 2013 to January 2014, and was the Managing Director of BSI Bank Limited from January 2011 to January 2012. Prior to that, he was a Director of Credit Suisse Singapore Limited from March 2008 to January 2011.

Mr. Ng's work has also previously earned him the prestigious Outstanding Young Private Banker award, an honour accorded to him by the prominent industry journal, Private Banker International. Mr. Ng holds a Bachelor of Business from Nanyang Technological University. He is also a member of the Singapore Institute of Directors.

Mr Ng was also recognized as a Thought Leader in Robb Report Singapore 2021 for his expertise in private banking and wealth management, highlighting his leadership in serving ultra-high-net-worth clients and mentoring the next generation of bankers.

FOONG DAW CHING

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Foong Daw Ching is an Independent Non-Executive Director of our Company and was appointed to the Company's Board on 1 October 2024. Mr. Foong is the Chairman of our Audit and Risk Committee and a member of our Nominating and Remuneration Committees.

Mr. Foong has more than 35 years of audit experience in Singapore and England, with six years of audit experience at a senior level in an international accounting firm in Singapore. He was the Managing Partner of Baker Tilly TFW LLP (formerly known as Baker Tilly TFWLCL) until 2010. He was a senior partner of Baker Tilly TFW LLP, the Regional Chairman of Baker Tilly International Asia Pacific Region, and a Director of Baker Tilly International until his retirement in 2016.

Mr. Foong is currently a non-executive director of Suntar Eco-City Limited and an independent director of ABR Holdings Ltd, which are both listed on the Main Board of the SGX-ST. Mr. Foong was awarded the Merit Service Award by the Institute of Certified Public Accountants of Singapore in 2000, a Public Service Medal (Pingat Bakti Masyarakat) by the Prime Minister's Office of Singapore in 2003, a Certificate of Service by the Consumer Association of Singapore in 2021 in recognition of his 20 years of service as mediator and a COVID-19 Resilience Medal by the Prime Minister's Office of Singapore in 2021.

He is a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants, the Institute of Chartered Accountants in England and Wales, and the CPA Australia. He is also a Chartered Accountant of the Malaysian Institute of Accountants.

Mr Foong is a Senior Accredited Director awarded by Singapore Institute of Directors.

KEY EXECUTIVE

TAN KIAN

CHIEF FINANCIAL OFFICER

Mr. Tan Kian joined our Group as Chief Financial Officer (CFO) in October 2023, leading the Group's accounting, finance, compliance, and reporting functions. With over 27 years of experience in financial management and audit, Mr. Tan brings a wealth of expertise across diverse industries and geographies.

He began his career in 1995 at Ernst & Young Malaysia as an audit associate, later advancing to audit senior. In 2000, he joined Deloitte & Touche Singapore as an audit supervisor. Mr. Tan transitioned to corporate roles in 2004, serving as Financial Controller at Ace Achieve Infocom Ltd (SGX-listed) and later as Group Financial Controller at Shanghai Turbo Enterprise Ltd (SGX-listed), where he led finance and accounting operations in the PRC.

From 2008 to 2011, Mr. Tan held key leadership positions, including Senior Consultant at Wenson Consulting Asia Pte. Ltd., where he provided pre-IPO and corporate restructuring advisory services, and Group Finance Director at Equation Corp Limited (now DISA Limited, SGX-listed). He also served as Group Finance Director at Tianhe Chemicals Group Limited, which later listed on the Hong Kong Stock Exchange.

Between 2013 and 2022, Mr. Tan expanded his international experience as Group CFO of Jiasen International Holdings Ltd (London Stock Exchange, AIM market) and CFO of Sin Mian Development Pte. Ltd., a Singapore-based company linked to a Myanmar conglomerate, where he managed finance and administration across Singapore and Myanmar. Prior to joining our Group, he was a Senior Management Consultant at Afitty Tech Pte. Ltd., offering financial advisory services from 2022 to 2023.

Mr. Tan holds a Bachelor of Arts from the University of Strathclyde, Glasgow, and is a Fellow Member of the Association of Chartered Certified Accountants (UK) and the Institute of Singapore Chartered Accountants.

VICTORIA SUN

CHIEF OPERATING OFFICER

Ms. Victoria Sun was appointed as the Chief Operating Officer (COO) of the Group in January 2024. She oversees the Group's day-to-day operations, establishes operational policies and processes, and provides strategic solutions to operational challenges.

With over eight years of experience in operations and business development, Ms. Sun began her career in 2012 as a co-founder and managing partner of a Singapore-based corporate services company. There, she specialized in management consultancy, business planning, and multi-media marketing, playing a pivotal role in business development until her departure in September 2019.

In February 2020, Ms. Sun joined Funtech Solutions Pte. Ltd. as General Manager and was seconded to the Company in May 2020. She formally joined the Company in August 2023 as General Manager, where she successfully managed the Group's daily operations, implemented operational policies, and resolved operational issues. Her exceptional performance led to her promotion to COO in January 2024.

Ms. Sun is committed to professional development and has completed several certifications, including:

- Workforce Skills Qualifications (Singapore),
- Certificate in Spa Services (July 2012),
- Statement of Attainment in "Analyze Customer Behavior" (May 2020),
- Enterprise Leadership for Transformation Programme by Nanyang Technological University, Entrepreneurship Academy (July 2024), and
- Diploma in Marketing and Retail Management (Chinese) by Windsor Management College (July 2024).

GROUP STRUCTURE

GOODWILL ENTERTAINMENT HOLDING LIMITED

- HAVE FUN BUGIS PTE. LTD.[1] — *78.83%*
- HAVE FUN BUGIS PLUS PTE. LTD. — *100%*
- HAVE FUN CINELEISURE PTE. LTD. — *100%*
- HF CHINATOWN PTE. LTD.[2] — *70%*
- HAVE FUN DTE PTE. LTD. — *100%*
- HAVE FUN TPY PTE. LTD. — *100%*
- HAVE FUN ORCHARD PTE. LTD. — *100%*
- HAVE FUN PASIR RIS PTE. LTD. — *100%*
- HAVE FUN SUNTEC PTE. LTD. — *100%*
- HAVE FUN YISHUN PTE. LTD. — *100%*
- HAVEFUN SERANGOON PTE. LTD.[3] — *100%*
- HAVE FUN THOMSON PTE. LTD.[4] — *65%*
- HAVEFUN LITE PTE. LTD. — *100%*
  - HAVE FUN KL SDN. BHD.[6] — *70%*
- 7-24 ENTERTAINMENT PTE. LTD.[5] — *85%*
- YAKITORI ONE PTE. LTD. — *100%*
- COOKEASE PTE. LTD. — *100%*
- GOODWILL ENTERTAINMENT MALAYSIA SDN. BHD. — *100%*
- OPEN MENU MARKETING PTE. LTD. — *100%*

1. *Computed based on 2,501 ordinary shares and 4,200 Bugis Class B ordinary shares, out of the total of 8,501 shares in issue. The remaining 21.17% of the Have Fun Bugis Pte. Ltd. is held by Hezong Pte. Ltd., pursuant to Joint Venture Agreement entered into on 18 December 2023. The shareholders of Hezong Pte. Ltd. are unrelated to our Directors, Executive Officers, Substantial Shareholders and/or their respective associates.*
2. *The remaining 30% of the HF Chinatown Pte. Ltd. is held by Piggy Technology Pte. Ltd, Ji Fang, Tian Yongbin and Liu Cheng. The sole shareholder of Piggy Technology Pte. Ltd. is Liu Jiing. All the 30% shareholders are unrelated to our Directors, Executive Officers, Substantial Shareholders and/or their respective associates.*
3. *Have Fun Serangoon Pte. Ltd. (in liquidation – creditors' voluntary winding up) has in January 2022 ceased operation. The subsidiary was placed under voluntary liquidation on 21 May 2024, in accordance with Section 161 of the Insolvency, Restructuring, and Dissolution Act 2018, following resolutions passed at the extraordinary general meeting held on the same date. Ellyn Tan Huixian has been appointed as the sole liquidator.*
4. *The remaining 35% of Have Fun Thomson Pte. Ltd. is held by Kowk Tjin Yu, Ardiles and Waynard Lee Wei Kiat. All the 35% shareholders are unrelated to our Directors, Executive Officers, Substantial Shareholders and/or their respective associates.*
5. *The remaining 15% of 7-24 Entertainment Pte. Ltd. is held by Zhang Xiaoling, who is unrelated to our Directors, Executive Officers, Substantial Shareholders and/or their respective associates.*
6. *The Group subscribed to 70% of Have Fun KL Sdn. Bhd., pursuant to the Subscription and Shareholders' Agreement entered into with Have Fun KL Sdn. Bhd. and HF Entertainment Sdn. Bhd. on 13 February 2025. The shareholders of HF Entertainment Sdh. Bhd. are unrelated to our Directors, Executive Officers, Substantial Shareholders and/or their respective associates.*

OPERATIONS REVIEW

Goodwill Entertainment Holding Limited demonstrated robust financial and operational performance in FY2024, marked by significant revenue growth, strategic expansion, and enhanced market positioning. The Group's operations span (1) cabaret, night clubs, discotheques and karaoke, (2) Food and Beverage (F&B) operations and (3) food manufacturing in Singapore.

OPERATION EXPANSION

Catalist Listing

The company was successfully listed on the SGX-ST Catalist board in November 2024, raising S$8.65 million through share issuance to fund growth initiatives.

Expansion Beyond Singapore

The Group signalled its intention to enter into Malaysia's night life and F&B industry through a Joint Venture Agreement announced on February 17, 2025.

Portfolio Diversification

Following the successful launch of the flagship Cineleisure Orchard Karaoke and "FATEbyHaveFun" dance club, as well as the karaoke outlet in Suntec City during FY2023, the Group further expanded its portfolio with Have Fun Live shows at Bugis+ in FY2024. Additionally, new business segments were established in the second half of FY2024, including a F&B segment and food manufacturing operations. In the F&B segment, the Group opened the Japanese restaurant, "Yakitori ONE" at Suntec City. For food manufacturing, the Group set up a new central kitchen aimed at reducing its reliance on third-party suppliers and providing support not only to its own F&B operations, but also to third-party customers.

FINANCIAL ACHIEVEMENT

Revenue Growth

The Group achieved a record S$52.99 million in FY2024, up 121.4% year-on-year (FY2023: S$23.93 million). This growth was mainly driven by (1) the increased patronage and full-year contributions of karaoke outlets opened in FY2023; and (2) the introduction of the live show business segment in late February 2024.

Profitability

Net profit attributable to owners of the company rose 51.8% to S$4.41 million (FY2023: S$2.90 million), supported by operational efficiency and cost management despite rising expenses in staff, leases, and depreciation. Excluding IPO expenses and listing costs of S$1.12 million (FY2023: S$0.33 million), the net profit attributable to owners of the company would have risen 71.3% to S$5.53 million (FY2023: S$3.23 million).

Cash Flow Strength

The Group generated S$20.52 million net cash from operations, enabling strategic investments in plant/equipment (S$6.73 million) and driving Goodwill Entertainment to a net cash position of S$9.88 million (net debt of S$2.31 million in FY2023) at the end FY2024.

KEY CHALLENGES

Consumer Trends

The weekday nightlife scene has been experiencing a notable decline in participation, largely attributed to the shift towards remote work and the escalating costs of transportation. In response, there has been a rising demand for experience-driven entertainment, with a particular focus on immersive live shows and premium karaoke options to attract patrons seeking unique and engaging nightlife experiences.

F&B and Entertainment Sectors

As reflected in the 124.0% and 127.2% rise in staff and operating lease expenses respectively in FY2024, the F&B sector is grappling with various challenges, including escalating rental costs, labour shortages, and fierce competition. These issues are significantly impacting the industry, making it challenging to sustain operations at optimal levels. Similarly, the live entertainment and KTV sectors are facing hurdles in attracting and retaining talent due to the highly competitive labour market. This competition for skilled workers is intensifying, adding further pressure to these industries as they strive to retain their workforce and deliver quality services.

STRATEGIC PRIORITIES AND OUTLOOK FOR FY2025

Operational efficiency and service differentiation are critical strategies for Goodwill Entertainment. The company will prioritise lease negotiations, workforce optimisation, and technology adoption to improve customer experiences. A key aspect of our approach is to emphasise premium KTV services, exclusive live shows, and enhanced food and beverage offerings.

Market expansion remains a strategic priority, as evidenced by the recent entry into Malaysia's nightlife and F&B market through a joint venture agreement signed on February 17, 2025. To effectively navigate this new market, the company must evaluate local licensing requirements, analyse the competitive landscape, and understand consumer behaviour to ensure a successful expansion.

Looking forward, Goodwill Entertainment aims to continue navigating challenges through efficiency, differentiation, and regional growth. By adapting to trends and leveraging emerging opportunities, the company is poised to maintain a competitive edge and sustain growth in the ever-evolving entertainment industry.

With a strengthened balance sheet (total assets: S$53.93 million, up 38.3%) and optimised capital structure, the Group is well-positioned to capitalise on the post-pandemic recovery in the region’s entertainment sectors. Continued focus on operational agility and customer-centric innovation will drive sustained growth in FY2025.

FINANCIAL REVIEW

Statement of Comprehensive Income

Revenue for FY2024 increased by S$29.06 million (121.4%), mainly due to (a) three new business segments, namely Live show, F&B, and Manufacturing which contributed S$24.68 million, and (b) the Karaoke segment also grew by S$4.37 million.

Other income for FY2024 increased by S$0.23 million driven by higher government grants (S$0.08 million), liquor marketing incentives (S$0.34 million), and miscellaneous income of S$0.12 million. This increase was partially offset by a reduction in insurance claims (S$0.14 million) and liquidated damages (S$0.17 million) received in FY2023.

Purchases and related costs rose by S$6.29 million (167.2%) due to business expansion.

Depreciation of plant and equipment increased by S$2.08 million (121.3%), in line with the growth of new business segments. Right-of-use assets depreciation also rose by S$2.37 million (63.2%) due to new leasehold properties and lease renewals.

Staff costs increased by S$7.86 million (124.0%) due to higher headcount for the new Karaoke outlet and three additional business ventures.

Operating lease expenses rose by S$1.02 million (127.2%), reflecting revenue-linked lease agreements. Other operating expenses increased significantly by S$5.8 million (160.4%) in FY2024 as a result of increases in (a) Credit card and payment service fees (grew by S$0.63 million), (b) Marketing expenses (grew by S$1.89 million), (c) IPO related expenses (grew by S$0.80 million), (d) Utilities costs (grew by S$0.88 million), (e) Licensing fees (grew by S$0.30 million) and (f) Legal and professional fees (drop by S$0.20 million) in FY2024.

Finance costs increased by S$0.59 million (71.8%), primarily due to higher interest on bank borrowings and new lease liabilities..

Income tax expense rose by S$0.95 million (212.0%) due to higher profitability and increased deferred tax liabilities from capital allowance claims.

285%

CAGR

121.4%

finance growth

Statement of Financial Position

The Group's current assets grew significantly from S$5.60 million in FY2023 to S$21.95 million in FY2024, driven by (a) Cash and Bank Deposits surged from S$2.84 million to S$18.81 million, fuelled by S$20.52 million in net operating cash inflow and S$8.50 million from the IPO exercise, (b) Inventories rose from S$0.43 million to S$1.49 million, reflecting higher stock levels required for the Live Show, F&B, and Manufacturing segments. (c) Trade and Other Receivables declined slightly from S$1.86 million to S$1.28 million, indicating improved credit collection and (d) Prepayment decreased from S$0.46 million to S$0.37 million, mainly due to lower prepaid rental deposits and supplier agreements.

Non-current assets declined slightly from S$33.4 million in FY2023 to S$32.00 million in FY2024, primarily due to depreciation and amortization. Key movements include (a) Plant and Equipment increased from S$13.52 million to S$16.07 million, reflecting capital investments in new Karaoke, Live Show, F&B, and Manufacturing operations. (b) Right-of-Use (ROU) Assets decreased from S$16.63 million to S$12.87 million, mainly due to lease depreciation and new leases for business expansion and (c) Deferred Tax Assets fell from S$0.23 million to S$0.05 million, as prior-year tax benefits were utilized.

The Group's non-current liabilities declined slightly from S$15.22 million in FY2023 to S$14.26 million in FY2024, with key changes in (a) Lease Liabilities (long-term) dropped from S$12.53 million to S$7.19 million, reflecting lease repayments and new lease additions. (b) Bank Borrowings (long-term) increased from S$1.77 million to S$5.71 million, as additional financing was secured for expansion. (c) Deferred Tax Liabilities rose from S$0.02 million to S$0.37 million, due to temporary differences in tax depreciation claims, and (d) Derivative Financial Instruments recorded a S$0.10 million liability for an interest rate swap used as a hedge against bank loans.

Current liabilities rose from S$15.62 million in FY2023 to S$17.40 million in FY2024, primarily due to higher operating expenses and tax liabilities, for example, Lease Liabilities (short-term) increased from S$5.52 million to S$6.67 million, reflecting new lease agreements. Trade and Other Payables increased slightly from S$6.20 million to S$6.31 million, due to higher supplier payments and accrued expenses. Current Tax Payable nearly doubled from S$0.52 million to S$1.00 million, in line with higher profitability. Short-term Borrowings declined slightly from S$3.39 million to S$3.22 million, as repayments outpaced new financing.

Statement of Cash Flow

The Group generated a strong S$20.52 million net cash inflow from operations, significantly up from S$7.83 million in FY2023. This was driven by a higher profit before tax of S$6.95 million (up from S$3.69 million), as well as positive working capital changes, including higher trade and other payables (+S$3.02 million) due to increased operational expenses and accrued liabilities. Improved trade and other receivables (+S$0.43 million) from better credit collection and an increase in inventories (-S$1.06 million) to support business expansion in F&B and Manufacturing.

The Group had a net cash outflow of S$6.56 million, lower than S$11.37 million in FY2023 in the Investing activities. This was mainly due to S$6.73 million in capital expenditure for new plant and equipment, supporting expansion across new business segments. The outflow was partially offset by S$0.17 million in repayments from related companies.

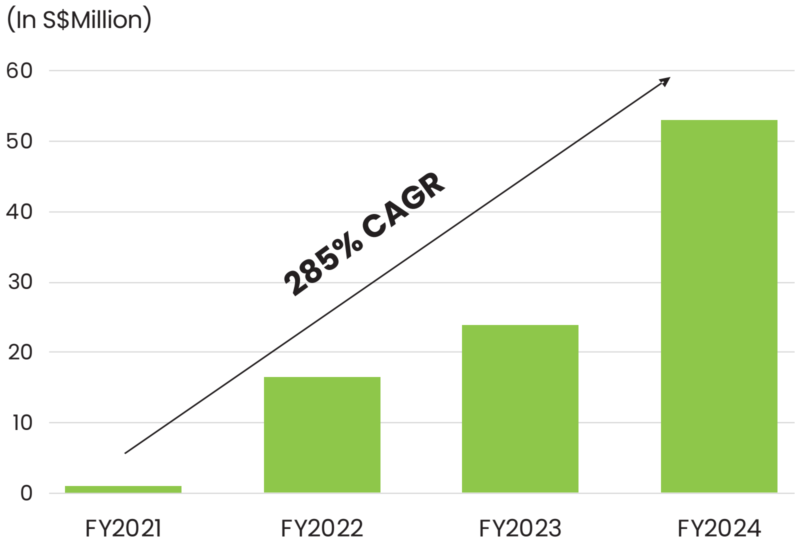
The Group also recorded a net cash inflow of S$1.55 million from financing activities, lower than S$4.25 million in FY2023. This was driven mainly due to S$8.50 million from IPO proceeds, offset by S$0.54 million in share issuance costs. Additional S$7.38 million in new bank loans, with S$3.62 million in repayments, leading to a net borrowing increase of S$3.77 million. Repayment of S$6.15 million in lease payments and S$1.37 million in interest expenses on borrowings and leases. Outflow of S$1.07 million in dividends paid to non-controlling interests. Repayment of S$1.83 million in related party repayments, partially offset by S$0.90 million in capital contributions from non-controlling interests.

As a result of strong operating cash flow, the Group's cash and bank deposits surged from S$2.84 million to S$18.36 million in FY2024, positioning it well for future expansion.

REVENUE

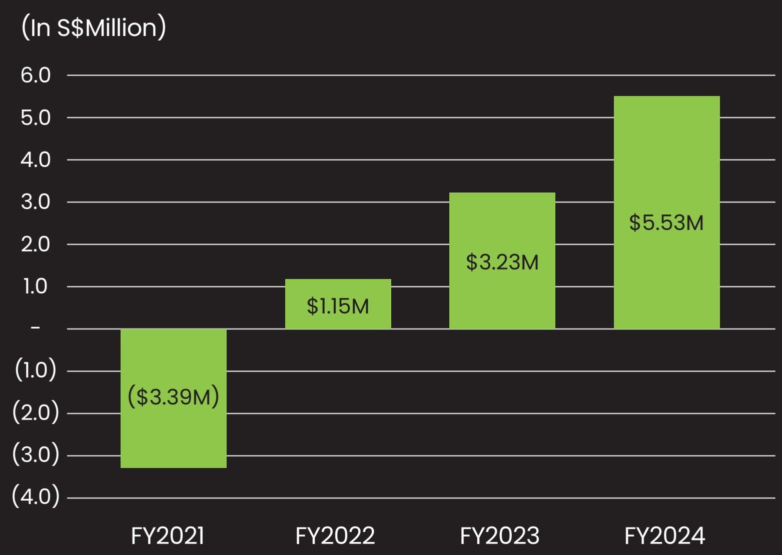
Addition of Live Show in late February 2024 (+S$24.5m)

Karaoke revenue +18% to S$28.3m in FY2024
- Full-year contributions of all existing outlets in FY2024
- Some outlets operated for less than 12 months in FY2023



ADJUSTED NET PROFIT*

*Adjusted Net Profit calculation: Net Profit attributable to owners of the company excluding IPO and listing expenses in FY2023 and FY2024



FINANCIAL POSITIONS

Total equity increased to S$22.3m (FY2023: S$8.2m) with Total Liabilities inching up only 3%

Net cash flow from operations at S$20.5m (FY2023: S$7.8m)

Cash increased to S$18.4m (FY2023: S$2.8m)

(In S$Million)	FY2023	FY2024
Total Assets	39.0	53.9
Total Liabilities	30.8	31.7
Total Equity	8.2	22.3
Net Cash Flow from Operations	7.8	20.5
Cash	2.8	18.4
Net Debt (Net Cash)	2.3	(9.9)

SUSTAINABILITY REPORT

Under Practice Note 7F Sustainability Reporting Guide 6.3, Goodwill Entertainment Holding Limited, being a newly listed entity on the Singapore Exchange (SGX) Catalist Board as of 15 November 2024 may issue its first sustainability report only in respect of its first full financial year after listing. We are currently within the grace period for reporting and are actively working towards full compliance within the stipulated timeframe.

Flint Lu
Executive Chairman and CEO

CORPORATE GOVERNANCE REPORT AND FINANCIAL CONTENTS

CORPORATE GOVERNANCE

Introduction

Goodwill Entertainment Holding Limited (the "**Company**") was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 15 November 2024 ("**Listing Date**").

The Board of Directors (the "**Board**") and the management (the "**Management**") of Goodwill Entertainment Holding Limited (the "**Company**", and together with its subsidiaries, the "**Group**") are committed to maintaining a high standard of corporate governance and continues to strive towards a high standard of corporate governance and transparency.

This report outlines the Group's corporate governance practices adopted by the Group for the financial year ended 31 December 2024 ("**FY2024**"), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 dated 6 August 2018 (the "**Code**") and the new requirements implemented by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") effective from 11 January 2023.

The Group strives to comply with the provisions set out in the Code in all material respects, and where there is any material deviation, appropriate explanation has been provided in the relevant sections below. The Company also ensures that all applicable laws, rules and regulations, including the Companies Act 1967 (the "**Companies Act**") and the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") are duly complied with.

A. BOARD MATTERS
B. REMUNERATION MATTERS
C. ACCOUNTABILITY AND AUDIT
D. SHAREHOLDER RIGHTS AND ENGAGEMENT
E. MANAGING STAKEHOLDERS RELATIONSHIP

Shareholders are reminded that this report should be read as a whole as other sections of this report may also have an impact on the specific disclosures in any one section.

Provisions/ Principles/ Rules	**Code and/or Guideline Description**	**Company's Compliance or Explanation**
A. BOARD MATTERS		
1. The Board's Conduct of Affairs		
Principle 1:	The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.	The Company is headed by an effective Board, which is collectively responsible and works with the Management for the long-term success of the Company. Please refer to Provisions 1.1 to 1.7 below for more details and instances of the Company's compliance with this principle.

CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
Provision 1.1	Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.	The Board works with the Management and is collectively responsible for the long-term success of the Company, oversees the corporate policy and overall strategy for the Group. Besides carrying out its statutory responsibilities, the principal roles and responsibilities of the Board, amongst others, include: (a) overseeing and approving the Group's overall long-term strategic objectives and directions; (b) overseeing and reviewing the management of the Group's business affairs, performance and resource allocation; (c) overseeing the processes of evaluating the adequacy of internal controls, risk management, financial reporting and compliance; (d) identifying the key stakeholder groups and review the effect of their perception on the company's reputation; (e) considering sustainability issues as part of its strategic formulation; and (f) assuming responsibility for corporate governance. The day-to-day operations are entrusted to the Executive Director who is assisted by an experienced and qualified team of executive officers. The delegated functions and work tasks are periodically reviewed. Approvals have to be obtained from the Board prior to any significant transactions entered into by these officers. All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group. All Directors are required to disclose their business interests and any potential or actual conflicts of interest that they are aware of, or as soon as such conflicts become apparent. In any situation that involves a conflict of interest with the Company, Directors recuse themselves from participating in any discussion and decision on the matter.

CORPORATE GOVERNANCE

<table>
<tr><th>Provisions/ Principles/ Rules</th><th>Code and/or Guideline Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>The Board as at the date of this report comprises the following members:
<table>
<tr><th>Name of Director</th><th>Designation</th><th>Date of Appointment</th></tr>
<tr><td>Mr. Lu Mang ("Mr. Flint Lu")</td><td>Executive Chairman and CEO</td><td>12 December 2016</td></tr>
<tr><td>Mr. Thang Teck Jong</td><td>Vice Chairman and Non-Executive Director</td><td>1 October 2024</td></tr>
<tr><td>Mr. Huang Junli, Christopher ("Mr. Christopher Huang")</td><td>Lead Independent Non-Executive Director</td><td>1 October 2024</td></tr>
<tr><td>Mr. Ng Tse Meng</td><td>Independent Non-Executive Director</td><td>1 October 2024</td></tr>
<tr><td>Mr. Foong Daw Ching</td><td>Independent Non-Executive Director</td><td>1 October 2024</td></tr>
</table>
The profiles of each Director are presented under the section entitled "Board of Directors" of the Annual Report.</td></tr>
<tr><td>Provision 1.2</td><td>Directors understand the company's business as well as their directorship duties (including their roles as executive, non – executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.</td><td>Save for Mr. Flint Lu, all other Directors were newly appointed on 1 October 2024.

All newly-appointed Directors attend an orientation meeting with Mr. Flint Lu and key management personnel to familiarise themselves with the Group's business, operations and governance practices. The Board has the opportunity to participate in events hosted by the Company and meet with the Management to gain a better understanding of the Group's business operations. In addition, Directors are provided with the contact details of key executives, the Company Secretary and Auditors to facilitate efficient and direct access of information to make informed decision to properly discharge their duties and responsibilities. A formal letter of appointment is provided to each Director upon their appointment setting out, among other matters, their roles, obligations, duties and responsibilities as members of the Board.</td></tr>
</table>

CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
		In the course of serving their terms as members of the Board, the Directors are provided with updates on changes in the relevant laws and regulations. In addition, the Directors are also kept informed of changing commercial risks faced by the Group through briefings at Board meetings, as well as articles and industry reports circulated by the Management to the Board. The Company encourages the Directors to attend appropriate courses, conferences and seminars in areas of directors' duties and responsibilities, corporate governance, changes in financial reporting standards, Catalist Rules, insider trading, changes in the Companies Act and industry-related matters, to develop themselves professionally, at the Company's expense. Save for Mr. Flint Lu and Mr. Ng Tse Meng, our Directors have prior experience in serving as a director of the company listed on SGX-ST. As stipulated under Catalist Rule 406(3)(a), Directors who are appointed and who have no prior experience as directors of a listed company in Singapore will have to attend the Listed Entity Director ("**LED**") courses organised by Singapore Institute of Directors ("**SID**") within one (1) year of his appointment. As at the date of this report, Mr. Ng Tse Meng has completed the LED course organized by SID whereas Mr. Flint Lu will complete the LED course before 15 November 2025. The Company will from time to time arrange for relevant and appropriate continuous professional training to all the Directors to develop and refresh their knowledge and skills in relation to the Catalist Rules to enable them to better discharge their duties as a Director of the Company.
Provision 1.3	The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.	Non-Executive Directors and Independent Directors are routinely kept apprised of ongoing business developments and operations by the Executive Director and the Management at meetings of the Board or via email and other communications. The Directors actively discuss, deliberate and appraise matters requiring their attention during regular meetings held in the financial year. If required, time is set aside before or after scheduled Board meetings for discussion amongst the Directors without the presence of Management. Non-Executive Directors and Independent Directors, either individually or as a group, have full access to the Executive Director, the Management and the Company Secretary. While the Management is responsible for the day-to-day operation and administration of the Group, the approval of the Board is required for matters such as (a) reviewing and approving of periodic financial results announcements and annual audited financial statements; and (b) matters requiring announcements on the SGX-ST such as (i) the declaration of dividends and other returns to shareholders, (ii) corporate policies in key operational areas, including corporate or financial restructuring and share issuance, mergers and acquisitions, material acquisitions and disposals, approval of transactions involving interested persons, and (iii) appointment of new Directors. The Management is aware that such matters must be approved by the Board.

CORPORATE GOVERNANCE

<table>
<tr><th>Provisions/ Principles/ Rules</th><th>Code and/or Guideline Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>Provision 1.4</td><td>Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.</td><td>The Board is the highest authority of approval and specific functions of the Board are either carried out by the Board or through various committees established by the Board, namely, the Audit and Risk Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC") (collectively, the "Board Committees" and each a "Board Committee")

The Board delegates specific areas of responsibilities to such Board Committees. These Board Committees function within clearly defined written terms of reference and operating procedures, which are reviewed on a regular basis to ensure their continued relevance. The Board Committees assist the Board in carrying out its stewardship and fiduciary responsibilities. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board. The chairperson of each Board Committee will report to the Board on the outcome of the respective Board Committee meetings.

As at the date of this report, each of the Board Committees comprises of the Independent Directors of the Company. The composition of the Board Committees for FY2024 is tabulated below:

<table>
<tr><th></th><th>AC</th><th>NC</th><th>RC</th></tr>
<tr><td>Chairman</td><td>Mr. Foong Daw Ching</td><td>Mr. Ng Tse Meng</td><td>Mr. Christopher Huang</td></tr>
<tr><td>Member</td><td>Mr. Ng Tse Meng</td><td>Mr. Foong Daw Ching</td><td>Mr. Foong Daw Ching</td></tr>
<tr><td>Member</td><td>Mr. Christopher Huang</td><td>Mr. Christopher Huang</td><td>Mr. Ng Tse Meng</td></tr>
</table>

Information on the AC, RC, and NC, their respective terms of reference, summaries of their activities and any delegation to them by the Board of its decision-making authority can be found in the subsequent sections of the Annual Report.</td></tr>
</table>

CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
Provision 1.5	Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.	The Board will meet at least half-yearly, and on an ad-hoc basis, if required, as deemed appropriate by the Board members, to consider and approve the announcements, circulars, annual reports (including financial statements) and other publications of the Group, discuss business, financial and corporate governance update and interim and annual results. In between Board meetings, any important matter will be tabled for the Board's approval by way of circulating resolutions in writing. While the Board considers attendance at Board meetings as important, it should not be the only criteria to measure the contributions of the Directors. The Board also takes into account the contributions by Directors in other forms including periodical reviews as well as provision of guidance and advice on various matters relating to the Group. The Constitution allows Board meetings to be conducted via any form of audio or audio-visual, electronic or instantaneous communication. The Directors are free to discuss any information or views presented by any member of the Board and the Management. Important matters concerning the Group are also tabled for the Board's consideration and approval by way of written resolutions. The Company adopts a policy which welcomes Directors to request for further explanations, briefings or informal discussions on any aspect of the Group's operations or business from the Management. When necessary or appropriate, members of the Board exchange view outside the formal environment of board meetings. Each Board member is expected to objectively discharge his or her duties and fiduciary responsibilities in the best interests of the Company The attendance record of the Directors at the meetings of the Board and Board Committee meetings held during FY2024 are set out as follows:

	Board	AC	RC	NC
Number of meetings held in FY2024	1	1	0	0
Name of Directors	**Number of meetings attended**			
Mr. Flint Lu	1	1 (1)	0	0
Mr. Thang Teck Jong	1	1 (1)	0	0
Mr. Christopher Huang	1	1	0	0
Mr. Ng Tse Meng	1	1	0	0
Mr. Foong Daw Ching	1	1	0	0

Note:

(1) Attended as an invitee

CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
Provision 1.6	Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.	The Company recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. The Management provides the Board with key information that is complete, adequate and in advance to enable the Directors to make timely decisions, effectively discharge their duties and make a balanced and informed assessment of the performance, position and prospects of the Company. The Management provides members of the Board with management accounts, as well as relevant background and explanatory information relating to the matters that would be discussed in the Board meetings, prior to the scheduled meetings. All Directors are also furnished with timely updates on the financial position and any material development of the Group as and when necessary. Any additional materials or information requested by the Directors are promptly furnished. If necessary, management staff who are able to explain and provide insights to the matters to be discussed are invited to present to the Board and answer any queries that the Directors may have.
Provision 1.7	Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole	The Directors also have access to the Company Secretary who attends all Board and its Board Committees' meetings. The Company Secretary assists the Chairman and the Board to implement and strengthen corporate governance practices and processes. The Company Secretary also assists the Directors in the preparation of Directors' resolution, recording of minutes of meetings, the facilitation of the general meeting proceedings, the preparation and release of all SGX-ST announcements as well as updates on the relevant changes to the Companies Act, Catalist Rules and the Code. The Board is given the names and contact details of the Management and the Company Secretary and external advisers, where necessary, to facilitate direct, separate and independent access to the foregoing parties. The appointment and removal of the company secretary are subject to the approval of the Board as a whole. Where the Directors either individually or as a group (including as AC, RC and NC), in the furtherance of their duties, require independent professional advice, assistance is available to assist them in obtaining such advice at the Company's expense.

CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
2. BOARD COMPOSITION AND GUIDANCE		
Principle 2	The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.	The Board considers that it has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company. Please refer to Provisions 2.1 to 2.5 below for more details and instances of the Company's compliance with the principle.
Provision 2.1	An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.	During FY2024 and up to the date of this report, the Board comprises five (5) Directors, of which three (3) are Independent Directors. Accordingly, the Company has complied with the requirement under the Code for the majority of the Board to comprise independent directors where the Chairman is not independent. The independence of each director is assessed and reviewed annually by the NC. In the review and deliberation of the independence of the three (3) Independent Directors, the NC has considered the guidelines for independence set out in Provision 2.1 of the Code as well as the Catalist Rules, including whether a director has business relationships with the Group, its substantial shareholders or its officer and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independence business judgement in the interests of the Group. Each Independent Director is required to complete an annual declaration to confirm his/her independence based on the applicable Catalist Rules and the guidelines as set out in the Code. The Directors must also confirm whether they consider themselves independent despite not having any relationship identified under the applicable Catalist Rules and the Code. For the year, the NC has assessed and is satisfied that all the three (3) Independent Directors are independent. The Board recognises that Independent Directors may over time develop significant insights in the Group's business and operations and can continue to provide noteworthy and valuable contribution objectively to the Board as a whole. The independence of the Independent Directors must be based on the substance of their professionalism, integrity, and objectivity, and not merely based on form such as the number of years which they have served on the Board. Nevertheless, when there are directors who have served beyond nine years from the date of their first appointment, the Board will rigorously review their continuing contributions and independence and decide if they should continue with the appointment. As at the date of this report, none of the Independent Directors has served on the Board beyond nine (9) years from their respective date of appointment.

CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
Provision 2.2	Independent directors make up a majority of the Board where the Chairman is not independent.	The Company has complied with the relevant provision as majority of the Board are Independent Directors.
Provision 2.3	Non-executive directors make up a majority of the Board.	The Company has complied with the relevant provision as majority of the Board are Independent Non-Executive Directors.
Provision 2.4	The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.	The profiles of the Directors and key information are set out on under the section entitled "Board of Directors" of the Annual Report. The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group's businesses, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, considers that a board size of five (5) members is appropriate. The Board believes that its current board size and the existing composition of the Board Committees effectively serve the Group. It provides diversity and allows for informed and constructive discussion and effective decision making at the Board meetings. The Board will, however, continue to review opportunities to refresh the Board with a view to expanding the skills, experience and diversity of the Board as a whole. In reviewing Board composition and succession planning, the NC considers the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. The Group's Board diversity policy endorses the principle that its Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business so as to mitigate against groupthink and to ensure that the Group has the opportunity to benefit from all available talents. In reviewing Board composition and succession planning, the NC considers the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.

CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
		The current Board composition reflects the Company's commitment to board diversity. The NC conducts its annual review of the composition of the Board, which comprises members from different backgrounds whose core competencies, qualifications, skills and experiences, meet with the requirements of the Group at the point in time. Each Director has been appointed on the strength of his calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group's strategy and the performance of its business. The NC will continue to review the Board diversity policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. It will also continue its identification and evaluation of suitable candidates to ensure that there is diversity to the Board.
Provision 2.5	Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.	The Independent Directors, led by the Lead Independent Director, meet amongst themselves at least once a year without the presence of the Management to discuss and evaluate the performance of the Management as well as the remuneration of the executive directors. The feedback and views expressed by the Independent Directors were communicated by the Lead Independent Director to the Board and/or the Chairman, as appropriate. Since the Listing Date, the Independent Directors have met once with external auditors in the absence of the Management.
3. CHAIRMAN AND CHIEF EXECUTIVE OFFICER		
Principle 3	There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.	The Board is of the view that there is a clear division of responsibilities between the leadership of the Board and the Management, and no one individual has unfettered powers of decision-making. Please refer to Provisions 3.1 to 3.3 below for more details and instances of the Company's compliance with such principle.
Provision 3.1	The Chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making.	Mr. Flint Lu is the Executive Chairman and CEO of the Company. In order to address the issue of independence given that the Chairman and the CEO are the same person, the Board has appointed Mr. Christopher Huang as Lead Independent and Non-Executive Director to serve as a sounding board for the Chairman and also as an intermediary between the non-executive Directors and the Chairman to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
		As the Executive Chairman and CEO of the Company, Mr. Flint Lu has demonstrated his ability to lead the Board in an effective and strategic manner. As Executive Chairman and CEO, he has played a pivotal and instrumental role in developing the Group's businesses, allowing the Company to effectively plan and execute business strategies and deal with the Group's strategic challenges, while ensuring and upholding high standards of corporate governance. Given his continued, demonstrated track record as Executive Chairman and CEO, the Board considers it to be in the Group's best interest for Mr. Flint Lu to continue leading as Executive Chairman and CEO. In view that Mr. Flint Lu is both the Executive Chairman and CEO, the Company has in place the following arrangements and appointments to ensure that no one individual has unfettered powers of decision-making: (a) as disclosed under Principle 2, all Board Committees are chaired by Independent Directors, and all or a majority of the members of each Board Committee are Independent Directors. The Lead Independent Director or other Independent Director may, as and when he deems necessary and appropriate, call and lead meetings without the presence of the Management, and the chairman of such meetings would provide feedback to the Board and/or Chairman as appropriate; (b) all independent Directors are actively engaged in deliberating on Board agenda and debates and promoting a high level of corporate governance relating to all material corporate actions (including in relation to operational, financial or compliance matters); (c) as disclosed under Principle 1, the Board conducts regular scheduled meetings to keep the Board updated on the Group's financial position and business activities, and the overall business environment in which the Group engages. Where the Board or the Board Committees' approval is required for important and critical matters concerning the Group, the inputs and approval of all Directors or Board Committee members (as the case may be) would be sought, whether through meetings held by electronic means or the passing of Board resolutions. The Management performs its duties diligently based on the decisions of and approvals obtained from the Board and Board Committees; and (d) the Chairman and CEO's performance and appointment to the Board and remuneration package is reviewed periodically by the RC and the NC respectively.

CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
		Notwithstanding the requirement in Provision 3.1 of the Code that the Chairman and CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making, the Board believes that, in view of the above, there are sufficient strong and independent elements on the Board, and adequate safeguards in place such that no one individual has unfettered powers of decision-making and is of the view that the existing practices adopted by the Company are consistent with the intent of Principle 3 of the Code.
Provision 3.2	The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.	Mr. Flint Lu's principal roles and responsibilities as Executive Chairman of the Board is to lead the Board in developing sound policies and strategies for the Company, ensuring that they are implemented effectively, as well as promoting high standards of corporate governance. Mr. Flint Lu also provides leadership to the Board, ensuring that Board meetings are held regularly and promoting a culture of open and constructive debate, with Board members being provided with complete and timely information. As the CEO, Mr Flint Lu makes key decisions on the management and operations of the Group and is responsible for the conduct of the business and affairs of the Group, supported by the key management. The growth of the Company under Mr. Flint Lu's leadership over the years clearly demonstrates his ability to discharge the responsibilities of both his roles as Executive Chairman and CEO effectively.
Provision 3.3	The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.	Having regard to the nature of business and the structure of the Board and the Management, Mr. Christopher Huang was appointed as the Lead Independent and Non-Executive Director on 1 October 2024. He is available to shareholders should they have concerns which cannot be resolved or are inappropriate or inadequate to raise through the normal communication channels with the Chairman and the Management. There was no query or any matters which required the Lead Independent Director's attention received in FY2024.

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Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
4. BOARD MEMBERSHIP		
Principle 4	The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.	The Board is of the view that it has a formal and transparent process for the appointment and reappointment of Directors, taking into account the need for progressive renewal of the Board. Please refer to Provisions 4.1 to 4.5 below for more details and instances of the Company's compliance with such principle.
Provision 4.1	The Board establishes a NC to make recommendations to the Board on relevant matters relating to: (a) the review of succession plans for directors, in particular, the appointment and/or replacement of the Chairman, the CEO and key management personnel; (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors; (c) the review of training and professional development programmes for the Board and its directors; and (d) the appointment and re-appointment of directors (including alternate directors, if any).	The Company has established the NC, and the NC is guided by the written terms of reference of the NC which include: (a) developing and maintaining a formal and transparent process for the selection, appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board; (b) reviewing and making recommendations to the Board on the appointment and re-appointment of Directors, taking into consideration each Director's competencies, commitment, contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, his performance as an Independent Director, as well as appraising the qualifications and experience of any proposed new appointments to the Board and recommending to the Board whether the nomination should be supported; (c) ensuring that Directors submit themselves for re-nomination and re-election at least once every three (3) years; (d) reviewing and approving any employment of related employees (being employees that are related to the Directors, Executive Officers and/or Substantial Shareholders) and proposed terms of their employment; (e) ensuring that Directors disclose their relationships with the Company, related corporations (being its holding company, subsidiary or fellow subsidiary), Substantial Shareholders or its officers, which may affect their independence and review such disclosures to highlight these to the Board as required, and provide its views to the Board for the Board's consideration; (f) reviewing and determining on an annual basis and as and when circumstances require, whether or not a Director is independent, taking into account the circumstances set forth in the Code, the Practice Guidance to the Code, the Catalist Rules and any other salient factors;

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		(g) ensuring that new Directors are aware of their duties and obligations, as well as reviewing and deciding whether or not a Director is able to and has been adequately carrying out his duties as Director; (h) (in respect of a Director who has multiple board representations on various companies, if any) reviewing and determining, on an annual basis (or more frequently as the NC deems fit), whether such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments, and establish guidelines on maximum number of directorships and principal commitments for each Director (or type of Director) shall be; (i) reviewing the training and professional development programmes for the Board, its board committees and the directors in particular, ensuring that new Directors are aware of their duties and obligations; (j) reviewing succession plans for Directors and Executive Officers; (k) reviewing the composition of the Board annually to ensure that the Board and the Board committees (i) are of an appropriate size, (ii) are of an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company and to set the objectives for achieving board diversity and review the Company's progress towards achieving these objectives; and (iii) comprise Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate, and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-base experience or knowledge; (a) developing a process and criteria for evaluation of the performance of the Board as a whole and its committees, and assess the contribution of each Director to the effectiveness of the Board; and (b) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules and by such amendments made thereto from time to time.

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		In addition, the NC undertakes a formal annual assessment of the Board's effectiveness as a whole and that of each of the Board Committees and individual Directors. The NC will make recommendations to the Board on the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each of the Board Committee separately, as well as the contribution of each individual Director to the Board. The assessment should consider the composition of the Board of Directors (balance of skills, gender, experience, independence, knowledge of the Group, and diversity), board practices and conduct, and how the Board of Directors as a whole adds value to the Group.
Provision 4.2	The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.	The Board has established the NC which comprises three (3) members, Mr. Ng Tse Meng, Mr. Foong Daw Ching and Mr. Christopher Huang. All the members of the NC, including the NC Chairman, are independent and non-executive. The Chairman of the NC is Mr. Ng Tse Meng. Mr. Christopher Huang, the Lead Independent Non-Executive Director of the Company, is a member of the NC.
Provision 4.3	The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.	While the Company has not adopted any formal nomination policy, the NC relies on the following guidelines set out below to identify individuals suitably qualified to become directors and make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria. The Board is ultimately responsible for the selection and appointment of new directors, taking into account the need for the progressive renewal and diversity of the Board. The Company shall review and reassess the aforesaid guidelines and its effectiveness on a regular basis or as required. <u>Process for Selection</u> The NC conducts an annual review of the balance, diversity and size of the Board to determine whether any changes are required in relation to the Board composition. Where the need for a new Director arises, candidates would first be sourced through the Company's network of contacts and referrals. The NC may engage a talent acquisition firm to identify a broader range of candidates. Suitable candidates would be interviewed by the NC and/or the Board and then assessed and nominated by the NC to the Board, which retains the final discretion in appointing such new Director. The NC will take into account whether a candidate has the qualifications, skills, experience and gender diversity that add to and complement the range of skills, experience and background of existing Directors by considering the highest personal and professional ethics and integrity of the director candidates, proven achievement and competence in the nominee's field and the ability to exercise sound business judgment, skills that are complementary to those of the existing Board, the ability to assist and support management and make significant contributions to the Company's success and such other factors as it may deem are in the best interests of the Company and its Shareholders.

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Provisions/ Principles/ Rules	**Code and/or Guideline Description**	**Company's Compliance or Explanation**
		Appointment of New Directors In assessing and recommending a candidate for appointment to the Board, the process of selection and appointment of new directors by the NC are as follows: (a) the current needs of the Board to complement and strengthen the Board is taken into consideration. The independence of a director, where applicable, is determined in accordance with the recommendations of the Code; (b) the candidates proposed by the Directors, key management personnel or substantial shareholders will be considered; (c) the NC would meet and interview the shortlisted candidates to assess their suitability; and (d) the selected candidate is recommended to the Board for consideration and approval. The NC may also engage a talent acquisition firm to search for new Directors at the Company's expense. There were no external search consultants engaged in FY2024, as the Board had already appointed four (4) new directors and was not in the process of identifying any additional appointment to the Board. New Directors are appointed by way of a board resolution after the NC recommends the appointment for the Board's consideration and the same has been approved by the Board. Process for Re-Appointment of Directors The role of the NC includes the responsibility of reviewing the re-nomination of directors who retire by rotation, taking into consideration the director's integrity, independent mindedness, contribution and performance (such as attendance, participation, preparedness and candour) and any other factors as may be determined by the NC. Pursuant to Regulation 97 of the Company's Constitution and in compliance with Catalist Rule 720(4), all the Directors are required to submit themselves for re-nomination and re-election at least once every three years, and each retiring Director is eligible to offer themselves for re-election. Regulation 103 of the Company's Constitution states that any Director so appointed by the Board shall hold office only until the next Annual General Meeting ("**AGM**") and shall then be eligible for re-election. As such, Mr. Thang Teck Jong, Mr. Christopher Huang, Mr. Ng Tse Meng and Mr. Foong Daw Ching will be nominated for re-election at the forthcoming AGM pursuant to Regulation 103.

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		Mr. Flint Lu was last re-elected as Director of the Company on 30 June 2024 at the AGM held prior to the listing of the Company. Mr. Thang Teck Jong, Mr. Christopher Huang, Mr. Ng Tse Meng and Mr. Foong Daw Ching (collectively, the "**Retiring Directors**") have offered themselves for re-election at the forthcoming AGM. Accordingly, the NC recommended the aforesaid re-election of the Retiring Directors and the Board had accepted the NC's recommendation. In recommending the re-election of the Retiring Directors, the NC has considered the Directors' overall contributions and performance. The Board had accepted the NC's recommendation and had tabled for shareholders' approval at the forthcoming AGM, the Retiring Directors be nominated for re-election as Directors of the Company. Please refer to the Notice of AGM for the resolutions put forth in relation to the respective re-elections and details of the Retiring Directors seeking for re-election as required under Appendix 7F of the Catalist Rules are set out in the section entitled "Disclosure of Information on the Directors Seeking Re-Election" of the Annual Report.
Provision 4.4	The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.	The NC evaluates on an annual basis whether an Independent Non-Executive Director (including their respective immediate family members) is independent in accordance with the Code and the Catalist Rules. Any Director who has served on the Board beyond nine (9) years from the date of his first appointment is subject to particularly rigorous review by the NC. Each Independent Director is required annually to confirm his/ her independence. Further, the NC determines annually, and as and when circumstances require, whether a Director is independent, taking into consideration the disclosures by the Directors of any relationships with the Company, its related corporations, its substantial shareholders or its officers and the checklist completed by each Independent Director. The Independent Directors have confirmed that they do not have any relationship with the Company, its related companies, its shareholders who hold more than 5% of its shares, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent judgement which is to be in the best interests of the Company and Group. Having made its review, the NC is of the view that all Independent Directors have satisfied the criteria for independence during FY2024. Each member of the NC has abstained from deliberations in respect of the assessment of his independence. There is no Independent Director who has served beyond nine years since the date of his or her first appointment.

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<tr><td>Provision 4.5</td><td>The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitment of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.</td><td>The NC ensures that new directors are aware of their duties and obligations. For re-nomination and re-appointment of directors, the NC takes into consideration the competing time commitments faced by directors and their ability to devote appropriate time and attention to the Group.

When a Director has multiple listed company directorship and other principal commitments, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company.

Each Director is required to confirm annually to the NC as to whether he or she has any issue with competing time commitments which may impact his/her ability to provide sufficient time and attention to his/her duties as a Director of the Company.

During the year, the NC had reviewed the directorships and principal commitments disclosed by each Director and was of the view that the existing directorships and principal commitments of the respective Directors have not impinged on their abilities to discharge their duties. The Board concurred with the NC. The table below sets out the disclosure of directorships held over the preceding five (5) years in other listed companies as well as other principal commitments of each respective Director:

<table>
<tr><th>Name</th><th>Designation</th><th>Present Directorships in other listed companies and other principal commitments over the preceding five years</th><th>Past Directorship in other listed companies and other principal commitments over the preceding five years</th></tr>
<tr><td>Mr. Flint Lu</td><td>Executive Chairman and CEO</td><td>• Goodwill Investment Holdings 2023 Pte. Ltd.
• Twinstar Global Pte. Ltd.</td><td>• Nil</td></tr>
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<tr><th>Name</th><th>Designation</th><th>Present Directorships in other listed companies and other principal commitments over the preceding five years</th><th>Past Directorship in other listed companies and other principal commitments over the preceding five years</th></tr>
<tr><td>Mr. Thang Teck Jong</td><td>Vice Chairman and Non-Executive Director</td><td>• Travelite Holdings Ltd.
• Golden Glory Industries Pte. Ltd.
• HK71 Investment Pte. Ltd.
• Mengkim Holdings Pte. Ltd.
• One Credit Pte. Ltd. Singapore Crocodile (1968) Pte Ltd
• YG Marketing Pte. Ltd.
• 3BX Pte. Ltd.</td><td>• Delsey Singapore Pte. Ltd.</td></tr>
<tr><td>Mr. Christopher Huang</td><td>Lead Independent Non-Executive Director and Chairman of RC</td><td>• Aztech Global Ltd.
• Fu Yu Corporation Limited
• CHP Law LLC
• DEVL Pte. Ltd.
• Grey Ogre Games Pte. Ltd.
• Vesuva Pte. Ltd.</td><td>• Digital Crest Global Pte. Ltd.
• Fund Asia Pte. Ltd.
• Fund Singapore Pte. Ltd.
• Van Ameyde APAC Holding Pte. Ltd.</td></tr>
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Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
		See table below

Name	Designation	Present Directorships in other listed companies and other principal commitments over the preceding five years	Past Directorship in other listed companies and other principal commitments over the preceding five years
Mr. Ng Tse Meng	Independent Non-Executive Director and Chairman of NC	• RF Acquisition Corp II • Vista Venture Holdings Pte. Ltd. • Alfa Property Management Pte. Ltd. • Jinchi International Information Technology Pte. Ltd. • Khaos Pte. Ltd. • Stepfwd Investments Pte. Limited • GCL Global Holdings Ltd.	• Ruifeng Wealth Management Pte. Ltd. • RF Acquisition Corp. • Hauzee Pte. Ltd.
Mr. Foong Daw Ching	Independent Non-Executive Director and Chairman of RC	• ABR Holdings Limited • Suntar Eco-City Limited • Tung Ling Preschool Education Limited • Crestar Education Group Pte. Ltd. • St Luke's Eldercare Ltd. • St. Luke's Hospital • Kinderland International Education Pte. Ltd.	• Ayondo Ltd. • Luminor Financial Holdings Limited • NUHS Fund Limited • Travelite Holdings Ltd.

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		Based on the Directors' annual confirmation and the Directors' commitments and contributions to the Company, which are also evident in their level of attendance and participation at Board and Committee meetings, the NC and the Board are satisfied that all the Directors were able to and have been adequately carrying out their duties as Directors of the Company in FY2024. The NC concluded that there is no need to impose a limit on the number of board representations at this stage. The Board affirms and supports this view. No alternate Director has been appointed to the Board.
5. BOARD PERFORMANCE		
Principle 5	The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.	The Board, through the NC, has used its best efforts to ensure that directors appointed to the Board and the Board Committees, whether individually or collectively, possess the background, experience and the relevant skills set which are critical to the Group's business. It has also ensured that each director, with his/her special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made. Based on the recommendations by the NC, the Board has established processes and objective performance criteria for evaluating the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the Chairman and individual Directors to the effectiveness of the Board. Please refer to Provisions 5.1 to 5.2 below for more details and instances of the Company's compliance with such principle.
Provision 5.1	The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.	An annual performance evaluation process by the NC to assess the performance of the Board as a whole, its Board Committees and each individual Director to the effectiveness of the Board is conducted through completion of a confidential questionnaire and an individual self-assessment by each Director. The Company Secretary will collate the Board and Directors' evaluations and provide the summarised results to the NC Chairman. The NC would then discuss the evaluation and conclude the performance results during the NC meeting. The Board Chairman will act on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or in the case of resignation, new directors may be sought. The assessment parameters for such individual evaluation include qualitative and quantitative factors such as performance of principal functions and fiduciary duties, Director's attendance at meetings and his or her contribution and performance at such meetings. The NC and the Board strives to ensure that each Director, with his or her contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

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		The primary objective of the board evaluation exercise is to create a platform for the Board and its Board Committees' members to provide constructive feedback on the board procedures and processes and the changes which should be made to enhance the effectiveness of the Board and its Board Committees.
Provision 5.2	The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.	Notwithstanding the above evaluation process in place, with regard to FY2024, as the Company was newly listed on 15 November 2024, there has been little interaction between the Directors and it would not be practical to conduct the performance evaluation for FY2024 and accordingly, the NC had waived the exercise for FY2024. The NC will consider the performance of each individual Director, the Board Committees and the Board for every financial year going forward. For avoidance of doubt, each member of the NC will abstain from voting on any resolution in respect of the assessment of his/her performance or renomination as Director. The NC is responsible for assessing the effectiveness of the Board, the Board Committees and each individual Director. All NC members have abstained from voting or review process of any matters in connection with the assessment of his/her own performance. During FY2024, the Board did not engage an independent external consultant to facilitate the annual review of the performance of the Board and the Board Committees. However, the NC will consider such an engagement as and when necessary, at the Company's expense.
B. REMUNERATION MATTERS		
6. PROCEDURES FOR DEVELOPING REMUNERATION POLICIES		
Principle 6	The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.	The Board is of the view that it has a formal and transparent procedure for developing policies on Director's and executive's remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration. Please refer to Provisions 6.1 to 6.4 below for more details and instances of the Company's compliance with such principle.

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Provision 6.1	The Board establishes a RC to review and make recommendations to the Board on: (a) a framework of remuneration for the Board and key management personnel; and (b) the specific remuneration packages for each director as well as for the key management personnel.	The Company has established the RC, and the terms in the terms of reference of the RC include but are not limited to the following: (a) reviewing and recommending to the Board for approval a comprehensive framework and guidelines for the remuneration of remuneration for the Directors and Executive Officers, as well as specific remuneration packages for each Executive Director and Executive Officer, ensuring that a significant and appropriate proportion of the remuneration is structured so as to link rewards to corporate and individual performance. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments shall be covered, with the aim to be fair and avoid rewarding poor performance; (b) reviewing annually or as and when required the remuneration policies, level and mix of remuneration, the criteria and procedure for setting remuneration, and the relationships between remuneration, performance and value creation, and approve the remuneration, bonuses, pay increase and/or promotions of related employees (being employees that are related to the Directors, Executive Officers and/or Substantial Shareholders) to ensure that, amongst others, (i) their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities (ii) the remuneration of the Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities; (c) reviewing and approving any new employment of related employees (being employees that are related to the Directors, Executive Officers and/or Substantial Shareholders) and the proposed terms of their employment, and reviewing and recommending to the Board, for endorsement, the specific remuneration packages for each of the Directors and the Executive Officers; (d) proposing, for adoption by the Board, measurable, appropriate and meaningful performance targets for assessing the performance of the key management personnel, individual Directors and of the Board as a whole; (e) ensuring the remuneration policies and systems of the Group, as approved by the Board, support the Group's objectives and strategies, and are consistently being administered and being adhered to within the Group;

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		(f) considering all aspects of remuneration (including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments), including termination terms, to ensure they are fair and avoid rewarding poor performance and that the level and structure of remuneration are appropriate and proportionate to the sustained performance and value creation; (g) reviewing the Group's obligations arising in the event of termination of service contracts entered into between the Group and the Directors or Executive Officers, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly generous; (h) reviewing the terms of performance-related remuneration scheme or incentive schemes (if any) and determining the eligibility criteria of the employees who can participate in such scheme and to administer any share schemes which may be approved by the shareholders; (i) if necessary, seeking expert advice within and/or outside the Group on remuneration matters, ensuring that existing relationships, if any, between the Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants; and (j) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules and by such amendments made thereto from time to time.
Provision 6.2	The RC comprises at least three (3) directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.	The Board has established the RC, which comprises three (3) members, Mr. Christopher Huang, Mr. Ng Tse Meng and Mr. Foong Daw Ching. All the members of the RC, including the RC Chairman, are independent and non-executive. The Chairman of the RC is Mr. Christopher Huang, the Lead Independent Non-Executive Director of the Company.
Provision 6.3	The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.	The RC considers all aspects of remuneration, including termination terms, to ensure they are fair. All recommendations made by the RC on remuneration of Directors and key management personnel will be submitted for endorsement by the Board. No member of the RC is involved in setting his or her remuneration package. As and when deemed appropriate by the RC, independent expert advice will be sought at the Company's expense. The RC shall ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

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Provision 6.4	The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.	The RC will be provided with access to expert professional advice on remuneration matters when necessary, and the expenses of such services shall be borne by the Company. There being no specific necessity, the RC did not seek the service of an external remuneration consultant to advise on remuneration matters in FY2024.
7. LEVEL AND MIX OF REMUNERATION		
Principle 7	The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.	The Board is of the view that the level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company. Please refer to Provisions 7.1 to 7.3 below for more details and instances of the Company's compliance with such principle.
Provision 7.1	A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.	The annual reviews of the compensation are carried out by the RC to ensure that the remuneration of the Executive Director and key management personnel commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The performance of the CEO (together with other key management personnel) is reviewed periodically by the RC and the Board. In structuring the compensation framework, the RC also takes into consideration the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks. The RC recommends to the Board the quantum of directors' fees and the Board in turn endorses the recommendation for Shareholders' approval at each AGM. For the Executive Director and key management personnel, each of their service agreements and/or compensation packages is reviewed by the RC. These service agreements cover the terms of employment and specifically, the salaries and bonuses of the Executive Director and key management personnel. The Company may terminate a service agreement if, *inter alia*, the relevant Executive Director or key management personnel is guilty of dishonest or serious or persistent misconduct, become bankrupt or otherwise act to the Company's prejudice. Executive Directors of the Company are not entitled to any Directors' fees.

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		The Company has entered into a service agreement (the "**Service Agreement**") with its Executive Director, namely, Mr. Flint Lu. The Service Agreement is valid for an initial period of three (3) years with effect from the Listing Date ("**Initial Term**") and thereafter continues automatically on a yearly basis on such terms and conditions as the parties may agree unless terminated in accordance with the Service Agreement. The Service Agreement provides for, *inter alia*, the remuneration payable, annual leave, grounds of termination and certain restrictive covenants (including non-compete obligations). For further information on the remuneration of Mr. Flint Lu, please refer to the section entitled "Directors, Executive Officers and Employees – Service Agreement" of the final offer document dated 30 September 2024 (the "**Offer Document**") and Provision 8.1 below. The Company advocates a performance-based remuneration system that is flexible and responsive to the market, and the performance of the Group's business units and individual employees. In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is transparent, competitive, relevant and appropriate in finding a balance between the current and longer-term objectives of the Company so as to be able to attract, retain and motivate talents without being excessive, and thereby maximise value for shareholders.
Provision 7.2	The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.	Non-Executive Directors (including Independent Directors) have no service agreements (except for the letter of appointment) with the Company. When reviewing the structure and level of the Directors' fee for the Non-Executive Directors, the RC takes into consideration the Directors' respective roles and responsibilities in the Board and its Board Committees and the frequency of Board and Board Committee meetings. The Non-Executive Directors (including Independent Directors) are compensated with a fixed Directors' fee for serving as Director and any of the Board Committees roles. The remuneration packages of the Non-Executive Directors take into consideration the performance of the Group and individual assessment of each Non-Executive Director, the level of contribution to the Company and Board, taking into account various factors including but not limited to efforts and time spent, responsibilities and duties of the Non-Executive Directors. Save for the Directors' fees, which have to be approved by the shareholders at every AGM, the Non-Executive Directors do not receive any remuneration from the Group. The RC is mindful that the remuneration for Non-Executive Directors should not be excessive so as not to compromise or reasonably be perceived to compromise their independence. No director is involved in deciding his/ her own remuneration.

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Provision 7.3	Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.	The Company was recently listed on 15 November 2024. The Directors' fees are proposed by the RC and it is appropriate and not excessive, taking into consideration the level of contributions to the Company and the Board, and factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and duties of the Non-Executive Directors. Directors' fees are recommended by the Board for approval by the shareholders at the AGM of the Company. For FY2024, the RC had recommended Directors' fees for the Non-Executive Directors (who are also Independent Directors) of an aggregate of up to S$37,500 for FY2024 to the Board, taking into consideration of the time and effort expended by the Non-Executive Directors to understand the Company's business, attend meetings and review documentation in relation to the Company's listing on Catalist of the SGX-ST in November 2024. The Board had concurred with the NC's recommendation. These recommendations will be tabled for Shareholders' approval at the Company's forthcoming AGM. Each of the NC, RC and Board members had abstained from deliberating and voting on his/her own remuneration. Breakdown of directors' fee for FY2024 is as follows:

Name of director	Board/ Board Committee appointment	Annual directors' fees based on fee structure	FY2024
Mr. Thang Teck Jong	1 October 2024	S$30,000	S$7,500
Mr. Christopher Huang	1 October 2024	S$40,000	S$10,000
Mr. Ng Tse Meng	1 October 2024	S$40,000	S$10,000
Mr. Foong Daw Ching	1 October 2024	S$40,000	S$10,000

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		Breakdown of directors' fee for the financial year ending 31 December 2025 ("**FY2025**") is as follows:

Name of director	Board/ Board Committee appointment	Annual directors' fees based on fee structure	FY2025 (payable in arrears by quarter)
Mr. Thang Teck Jong	1 October 2024	S$30,000	S$30,000
Mr. Christopher Huang	1 October 2024	S$40,000	S$40,000
Mr. Ng Tse Meng	1 October 2024	S$40,000	S$40,000
Mr. Foong Daw Ching	1 October 2024	S$40,000	S$40,000

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8. DISCLOSURE ON REMUNERATION		
Principle 8	The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.	The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation. Please refer to Provisions 8.1 to 8.3 below for more details and instances of the Company's compliance with such principle.
Provision 8.1	The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual director and the CEO; and	The compensation packages for employees including the Executive Director and the key management personnel comprised a fixed component (in the form of a basic salary) and a variable component (normally consists of cash-based annual bonus) and benefits-in-kind, where applicable, considering amongst other factors, the individual's performance, the performance of the Group and industry practices.

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	(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel	Pursuant to the terms of the Service Agreement entered into between the Company and its Executive Chairman and CEO, Mr. Flint Lu, Mr. Flint Lu shall receive a monthly fixed basic salary (and exclusive of the employer's Central Provident Fund contributions, which shall be paid directly to the Central Provident Fund by the Company). Mr. Flint Lu is also entitled to an annual performance bonus in respect of each financial year based on the Group's net operating profit after tax. For the Executive Officers and Executive Director, the Company adopts a performance-driven approach to compensation with rewards linked to individual, team and corporate performance. The Executive Officers and Executive Director participate in an annual performance review process that assesses the individual's performance against set performance targets. Performance against these targets is a key factor in determining their remuneration (in particular, the performance bonus component). <u>Remuneration of Directors</u> The breakdown of the total remuneration of the Directors of the Company for FY2024 is set out below:

Executive Director	Remuneration(1) (S$)	Bonus(2) (S$)	Director Fees(2) (S$)
Mr. Flint Lu	549,840	–	–

Non-Executive Directors	Remuneration(1) (S$)	Bonus(2) (S$)	Director Fees(2) (S$)
Mr. Thang Teck Jong	–	–	7,500
Mr. Christopher Huang	–	–	10,000
Mr. Ng Tse Meng	–	–	10,000
Mr. Foong Daw Ching	–	–	10,000

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<table>
<tr><th>Provisions/ Principles/ Rules</th><th>Code and/or Guideline Description</th><th>Company's Compliance or Explanation</th></tr>
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Notes:
(1) The amounts for salary and allowance are inclusive of contributions to the Central Provident Fund Board.
(2) The amount of the bonus is inclusive of contributions to the Central Provident Fund Board.
(3) The Directors' fees in respect of FY2024 are subject to shareholders' approval at the forthcoming AGM to be held on 29 April 2025.

<u>Remuneration of key management personnel</u>
The Group has two (2) key management personnels who are not a Director or the CEO during FY2024. The details of the remuneration (in percentage terms of the components of the remuneration) for FY2024 are set out below:

<table>
<tr><th>Key Management Personnel</th><th>Band</th><th>Salary (1),(2) (%)</th><th>Bonus (2) (%)</th><th>Total (%)</th></tr>
<tr><td>Mr. Tan Kian</td><td>Band 1</td><td>98%</td><td>2%</td><td>100%</td></tr>
<tr><td>Mr. Sun Jingwan</td><td>Band 1</td><td>95%</td><td>5%</td><td>100%</td></tr>
</table>

Notes:
(1) Includes fixed bonus.
(2) The amounts for salary, allowance and/or variable bonus shown above are inclusive of contributions to the Central Provident Fund Board.
(3) Remuneration bands: -
• "Band 1" refers to compensation of between S$0 and S$250,000 per annum.
• "Band 2" refers to compensation of between S$250,001 and S$500,000 per annum.
• "Band 3" refers to compensation of between S$500,001 and S$750,000 per annum.

The remuneration of the key management personnel has been disclosed in bands of S$250,000. The Board is of the view that it would not be in the best interest of the Company to disclose the details of their remuneration, having regard to the highly competitive human resource environment, the confidential nature of staff remuneration matters and so as not to hamper the Company's efforts to retain and nurture its talent pool.

The Board is of the view that the Company is transparent on its remuneration policies, which have been disclosed not only as part of compliance with Principle 8 but also in respect of Principle 7 of the Code. In particular, the Company has elaborated on the remuneration policy governing the remuneration of the Executive Director and the factors taken into account for the remuneration of the Independent Directors. The Company has also disclosed the remuneration paid to each Director and key management personnel using remuneration bands, as well as the breakdown of the components of their remuneration, for transparency. Accordingly, the Board is of the view that the non-disclosure of the exact quantum of the remuneration of the key management personnel will not be prejudicial to the interest of shareholders and complies with Principle 8 of the Code.
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		During FY2024, there was no termination, retirement or post-employment benefits granted to any Director or key management personnel.
Provision 8.2	The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder	Save for Mr. Flint Lu, the Executive Chairman and CEO and substantial shareholder of the Company, there was no employee who is a substantial shareholders of the Company or an immediate family member of any Director or substantial shareholder of the Company whose remuneration exceeded S$100,000 during FY2024. "Immediate family member" means the spouse, child, adopted child, stepchild, brother, sister and parent.
Provision 8.3	The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.	Save as disclosed in Provision 8.1 above, there are no other forms of remuneration and other payments and benefits, paid by the Group to Directors and/or key management personnel of the Company. The Company has no share option plans. Accordingly, no share option has been granted to the Group to Directors and/or key management personnel of the Company.
C. ACCOUNTABILITY AND AUDIT		
9. RISK MANAGEMENT AND INTERNAL CONTROLS		
Principle 9	The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.	The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

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		In particular, the Board is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects, including interim and other price-sensitive public information and reports to regulators (if required). The Management provides the Board and the Board Committees on a timely basis, with sufficient relevant information on the Group's financial performance and commentary of the competitive conditions of the industry in which the Group operates, in order that it may effectively discharge its duties. The Company adopts a policy which welcomes Directors to request for further explanations, briefings or informal discussions on any aspect of the Group's operations or business from Management. The Board acknowledges its responsibility for the preparation of the consolidated financial statements for FY2024, which give a true and fair view of the state of affairs of the Group in accordance with the statutory requirements and accounting standards and other financial disclosure requirements under the Catalist Rules. The financial results of the Group are announced in a timely manner in accordance with statutory and/or regulatory requirements. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. For further accountability, the announcements containing the half-year and full-year financial statements are signed by the Executive Chairman and CEO, Mr. Flint Lu for and on behalf of the Board, to confirm that to the best of the Board's knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results contained in the announcement to be false or misleading in any material aspects. The Board approves the financial statements after review and authorises the release of the results on the website of the SGX-ST. The Company also uploads latest announcement(s) which has been disseminated via the website of SGX-ST (www.sgx.com) on the Company's website (www.goodwillsg.com). Please refer to Provisions 9.1 to 9.2 below for more details and instances of the Company's compliance with this principle.
Provision 9.1	The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate	The Board has not set up a specific Board Risk Committee, but the oversight of risk management and internal controls is undertaken by the AC and the Board in general. The AC, on behalf of the Board, reviews the adequacy and effectiveness of the Group's system of internal controls, including financial, operational, compliance (including handling and dissemination of inside information) and information technology controls, and risk management policies and systems established by the Management on an annual basis.

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Provision 9.2	The Board requires and discloses in the company's annual report that it has received assurance from: (a) the CEO and the CFO (or equivalent) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and fi nances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.	For the financial year: (a) written assurance was received from the CEO, the COO and the CFO that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) written assurance was received from the CEO, the COO and the CFO that the Group's risk management and internal controls systems in place were adequate and effective to address the financial, operational, compliance and information technology risks within the current scope of the Group's business operations.
General	The Board's annual review of the internal controls and risk management system	The AC, with the assistance of the internal and external auditors, annually reviews the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls. Based on the Group's framework of management controls in place, the internal control policies and procedures established and maintained by the Group, the reviews performed by the external auditors and internal auditors, as well as the assurance from the Management referred to in the preceding paragraphs, the Board, with the concurrence of the AC, is of the opinion that the risk management and internal control systems of the Group, addressing the financial, operational, compliance and information technology risks are adequate and effective as at 31 December 2024 to address the risks that the Group considers relevant and material to its operations.

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		The process of reviewing and strengthening the Group's control environment is an evolving process. Management will continue to devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls. The design, implementation and operation of the accounting and internal control systems are intended to prevent and detect fraud and errors. The Board notes that the system of internal controls provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities. As such, the Company's risk management and internal controls systems are regularly evaluated and improved to ensure its relevance to the Company's operations.
10. AUDIT COMMITTEE		
Principle 10	The Board has an Audit Committee which discharges its duties objectively.	The Board has established the AC in compliance with Principle 10. Please refer to Provisions 10.1 to 10.5 below for more details and instances of the Company's compliance with such principle.

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Provision 10.1	The duties of the AC include: (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance; (b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems; (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements; (d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;	The AC is guided by the written terms of references, which set out the duties and responsibilities of the AC, and are approved by the Board. The principal responsibilities of the AC include, *inter alia*, the following: (a) having oversight on the controls and safeguards to prevent a recurrence of the non-compliances with the regulatory requirements; (b) having oversight and monitoring the compliance with the terms, conditions and covenants under the Group's respective banking facilities; (c) having oversight of the Group's cash management policies and monitoring the compliance therewith; (d) assisting the Board in the discharge of its responsibilities on financial and reporting matters; (e) reviewing the relevance and consistency of accounting standards, the significant reporting issues, recommendations and judgements made by external auditors so as to ensure the integrity of the financial statements of the Group; (f) reviewing, with the internal and external auditors, the audit plans, the scope of work, their evaluation of the Group's system of internal accounting controls, their management letter and the management's response, and results of the audits compiled by the internal and external auditors, and reviewing at regular intervals with the Management on the implementation by the Group of the internal control findings and recommendations made by the internal and external auditors; (g) reviewing the periodic financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, significant financial reporting issues and judgements, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements, concerns and issues arising from their audits, including any matters which the auditors may wish to discuss in the absence of the management, where necessary, before submission to the Board for approval; (h) reviewing the assurance from the Executive Chairman and CEO and the CFO on the financial records and financial statements of the Group;

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	(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistleblowing policy and procedures for raising such concerns.	(i) reviewing the adequacy, effectiveness and independence of the external audit and internal audit function of the Group; (j) reviewing the risk management structure and oversight of the risk management process and activities; (k) reviewing and reporting to the Board, at least annually, the effectiveness and adequacy of the internal control and procedures (addressing financial, operational, information technology, compliance risks) and risk management systems (such review to be carried out internally or with the assistance of any competent third parties) and discuss issues and concerns, if any, prior to the incorporation of the Directors' comments in annual report; (l) appraising and reporting to the Board on the audits undertaken by the external auditors and internal auditors and the adequacy of disclosure of information; (m) making recommendations to the Directors on establishing an adequate, effective and independent internal audit function (which can be in-house or outsourced to a reputable accounting/auditing firm or corporation), and ensure that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies; (n) recommending to the Board on the proposals to Shareholders on the appointment or re-appointment and removal of the external auditors, and the remuneration and terms of engagement of the external auditors; (o) considering the independence of the external auditor, taking into account the non-audit services provided by the external auditor and the fees paid for such non-audit services, if any; (p) considering 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; (q) where applicable, ensuring that the internal audit function has unfettered access to all the Group's documents, records, properties and personnel, including the AC and has appropriate standing within the Group; (r) to monitor the use of proceeds under the section "Use of Proceeds and Listing Expenses" of the offer document issued by the Company;

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		(s) given the Group's overseas expansion plans, reviewing and discussing with the internal and external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations (including overseas jurisdictions) which has or is likely to have a material impact on the Group's operating results or financial position and the management's response, and at appropriate times, reporting the matter to the Board and to the Sponsor; (t) reviewing the financial risk areas, with a view to providing an independent oversight of the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, if the findings are material, to be immediately announced via SGXNET; (u) reviewing the risk profile of the Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board; (v) reviewing policies and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, ensure that such policies and arrangements continue to be in place for independent investigation and appropriate follow-up, and ensure that the Group publicly discloses, and clearly communicates, to employees the existence of a whistle-blowing policy and the procedures for raising such concerns; (w) oversight and monitoring the whistle-blowing and ensure the Company has designated an independent function to investigate whistleblowing reports made in good faith and to ensure protection of the identity of the whistleblower and against detrimental or unfair treatment; (x) reviewing and establishing procedures for receipt, retention and treatment of complaints received by the Group, among others, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group, and ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; (y) reviewing and approving transactions falling within the scope of Chapter 9 of the Catalist Rules, including the review of any interested person transactions under the section "Interested Person Transactions and Conflicts of Interest"

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		(z) reviewing any actual or potential conflicts of interest and set out a framework to resolve or mitigate any potential conflict of interest and monitor compliance with such framework and monitor the procedures established to regulate interested person transactions and conflicts of interests, including ensuring compliance with the Company's internal control system and the relevant provisions of the Catalist Rules and ensuring that proper measures to mitigate conflicts of interest have been put in place, in relation to interested person transactions and adopting new guidelines and review procedures for future interested person transactions as may be appropriate; (aa) reviewing and approving transactions falling within the scope of Chapter 10 of the Catalist Rules (if any) and to the extent required under Chapter 10 of the Catalist Rules, commissioning independent valuation(s) in connection with any relevant proposed acquisitions; (bb) reviewing and approving all hedging policies and instruments (if any) to be implemented by the Group and conduct periodic reviews of the hedging policies together with the transactions and hedging activities undertaken by the Group; (cc) reviewing the recommendations by Mr. Flint Lu (as the Company's representative on the executive committee (the "**Bugis+ Joint Venture Exco**")) on all matters relating to the live show outlet operating "HaveFun Live Show" located at Unit #07-01 of Bugis+ (the "**Bugis+ Joint Venture Outlet**"), including but not limited to, any review of the consultancy fees payable by Have Fun Bugis Pte. Ltd. to the Company and the joint venture partner, Hezong Pte. Ltd. by Have Fun Bugis Pte. Ltd., and that any decision by Mr. Flint Lu regarding to any matters relating to the Bugis+ Joint Venture Outlet shall be subject to the prior approval of the AC; (dd) reviewing on an annual basis the terms and conditions of the agreements and arrangements entered into with Funtech Solutions Pte. Ltd. ("**Funtech Solutions**"); (ee) reviewing and approving any new or additional agreements or arrangements entered into with Funtech Solutions or any material changes to the terms of the agreements and arrangements with Funtech Solutions;

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		(ff) proper monitoring of the measures and procedures adopted by the Group in relation to the agreements and arrangements entered into with Funtech Solutions to ensure the effective operations of the Group and the Group's compliance with applicable laws and regulations, including procedures to regulate interested person transactions to ensure that the such agreements and arrangements entered into with Funtech Solutions are on arm's length basis and not prejudicial to the interests of the Group or the minority Shareholders; (gg) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules and by such amendments made thereto from time to time; and (hh) undertaking such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising therefrom and which require the attention of the AC. Whistle-blowing Policy The AC had established a whistle blowing policy and had formed a Whistle Blowing Committee which consists of three Independent Non-Executive Directors of the Company as a channel for persons employed by the Group to report in confidence any possible corporate improprieties in matters of financial reporting or non-compliance with regulations, policies and fraud, etc., without any prejudicial implications for these employees. The Whistle Blowing Committee and the AC is vested with the power and authority to receive, investigate and enforce appropriate action when any such non-compliance matter is brought to its attention. The Company ensures identity of whistleblower is kept confidential and is committed to ensure protection of the whistleblower against detrimental or unfair treatment. The Whistle Blowing Committee, who are also AC members, is responsible for the oversight and monitoring of whistleblowing. As at the date of this report, there were no reports received through the whistle-blowing mechanism. In handling the whistle-blowing reports, the AC carefully considers the allegations raised, makes consultations with independent advisors, and carries out necessary investigations.

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Provision 10.2	The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.	The Board has established the AC, which comprises three (3) members, Mr. Foong Daw Ching, Mr. Ng Tse Meng and Mr. Christopher Huang. All the members of the AC, including the AC Chairman, are independent and non-executive. The Chairman of the AC is Mr. Foong Daw Ching. The NC and the Board are of the view that the members of the AC and the AC chairman, have the requisite qualification, recent and relevant financial management knowledge, expertise and experience to discharge their responsibilities properly. In this regard, in compliance with Provision 10.2 of the Code, at least two members, including the AC Chairman, have recent relevant accounting or related financial management expertise or experience. In particular, Mr. Foong Daw Ching, the AC Chairman, has more than 30 years of audit experience. Mr. Ng Tse Meng brings extensive financial management expertise, having held senior positions such as Managing Director at CA Indosuez (Switzerland) SA (Singapore Branch) and Pictet and Cie (Asia) Ltd, and currently serving as CEO and Chairman of Nasdaq-listed RF Acquisition Corp. Mr. Christopher Huang possesses substantial financial and legal expertise, with experience as an associate at PricewaterhouseCoopers LLP and as Managing Director of CHP Law LLC, advising on legal and tax aspects of cross-border commercial transactions, including transfer pricing.
Provision 10.3	The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.	None of the AC members including their respective immediate family members were previous partners or directors of the Company's external audit firm within the last two (2) years and none of the AC members hold any financial interest in the existing external audit firm engaged by the Company

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Provision 10.4	The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.	The primary role of internal audit is to assist the Board to evaluate the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Group, reviewing the internal controls of the Group to ensure prompt and accurate recording of transactions and proper safeguarding of assets and reviewing that the Group to comply with the relevant laws, regulations and policies established. The internal audit function plans its internal audit schedule in consultation with, but independent of the Management. The AC examines the internal audit plan, determines the scope of audit examination and approves the internal audit budget. It also oversees the implementation of the improvements required on internal control weaknesses identified and ensures that Management provides the necessary co-operation to enable the internal auditors to perform its function. In addition, the internal auditors may be involved in ad-hoc projects initiated by the Management which require the assistance or/and assurance of the internal auditors in specific areas of concerns. During FY2024, the internal auditor, Baker Tilly Consultancy (Singapore) Pte. Ltd., performed an internal control review of the Group's key business processes for the purpose of the Company's listing on the SGX-ST, according to standards set out by the Institute of Internal Auditors on the system of internal controls and reported the findings to the AC. The size of the operations of the Group does not warrant the Group having an in-house internal audit function at this juncture. The Company will continue to work with the internal auditors to identify other scope of work which will help to further enhance the robustness of the Company. The Management is responsible for ensuring that the risks identified are relevant to the business environment and that controls or mitigating factors are in place. The Board reviews and approves policies and procedures for managing the identified risks. The AC provides independent oversight to the effectiveness of the risk management process. The AC meets regularly and also holds informal meetings and discussions with the external and internal auditors as well as the management from time to time. The AC has full discretion to invite any Director or executive officer to attend its meetings. The AC has been given full access to and obtained the co-operation from the management of the Company. The AC has reasonable resources to enable it to discharge its functions properly. It receives periodic updates on changes in accounting standards from external auditors.

CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
		In compliance with Catalist Rule 1204(10), the Board, with the concurrence of the AC, is of the opinion that the Company has a robust and effective internal control system. The system of internal controls is sufficiently adequate and effective to address the information technology controls and risk management systems, as well as the financial, operational, compliance and information technology risks based on the internal controls established and maintained by the Group and reports from the internal auditors and external auditors.
Provision 10.5	The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually	The AC shall meet external auditors and internal auditors without the presence of the Management at least once a year so that any matter can be raised directly. Prior to the listing of the Company, the AC has held discussions with the internal auditor, and external auditors. The AC has met one (1) time since the Company's listing in November 2024. The external auditors were also invited to be present at AC meetings, as and when required, held during FY2024 to, *inter alia,* answer or clarify any matter on accounting and auditing or internal controls. The AC is of the opinion that the independence and objectivity of the external auditors have not been affected based on the amount of non-audit fees paid in FY2024. The Board considers the regular annual meeting sufficient to monitor integrity of the issuer's financial statements, the annual report and accounts, and to review any significant financial reporting judgments contained in them.

CORPORATE GOVERNANCE

<table>
<tr><th>Provisions/ Principles/ Rules</th><th>Code and/or Guideline Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>
In the review of the Group's financial statements, the AC discussed with the Management on the accounting principles and assumptions that were applied and considered the clarify of key disclosures in the financial statements.
The AC also considered the report from external auditors, including their findings on the significant risks and audit focus areas. The following Key Audit Matters ("KAM") highlighted by the external auditors on pages 81 and 82 of this annual report were discussed with the Management and the external auditors:
<table>
<tr><th>Key Audit Matter</th><th>How the AC reviewed these</th></tr>
<tr><td>1. Revenue recognition</td><td> The AC considered the internal controls established and maintained by the Management over revenue recognition. The AC also considered the revenue recognition policies adopted by the Management and its compliance with SFRS(I) 15 Revenue from Contracts with Customers. The AC noted the periodic reviews conducted by the Management in respect of the relevant controls put in place over revenue recognition. Revenue recognition was also an area of focus for the external auditors. The external auditors had included this item as a key audit matter in their report for FY2024. Please refer to page 81 of this Annual Report. </td></tr>
<tr><td>2. Testing of impairment of non-financial assets (the Group's plant and equipment and right-of-use assets and the Company's investments in subsidiaries)</td><td> The AC considered the Management's assessment of indications of impairment in accordance with SFRS(I) 1-36 Impairment of Assets as well as the methodologies and appropriateness of the key assumptions used by the Management in assessing the impairment of non-financial assets (the Group's plant and equipment and right-of-use assets and the Company's investments in subsidiaries). The AC concurred with the assessment of the Management. The testing of reversal of impairment of plant and equipment and right-of-use assets of the Group and investments in subsidiaries of the Company was also an area of focus for the external auditors. The External Auditors had included this item as a key audit matter in their report for FY2024. Please refer to page 82 of this Annual Report. </td></tr>
</table>
</td></tr>
</table>

CORPORATE GOVERNANCE

<table>
<tr><th>Provisions/ Principles/ Rules</th><th>Code and/or Guideline Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>General</td><td>AC's annual review of the independence / reappointment of the external auditor</td><td>The AC has met with the external auditors without the presence of the management to review matters that might be raised privately. The AC also met with the external auditors to discuss the results of their examinations and their evaluations of the systems of internal accounting controls. During the year, the AC has reviewed the scope and quality of their audits and the independence and objectivity of the external auditors as well as the cost effectiveness. The AC is satisfied that the Company's auditors are still able to meet the audit requirements and statutory obligation of the Company.

The AC has reviewed the volume of all audit and non-audit services to the Group by the external auditors. Please refer to the notes to the financial statements for details of the audit and non-audit fees.

The aggregate amount of fees paid/payable to the external auditor of the Company for FY2024 are as follow:

<table><tr><th>External auditor</th><th>Audit fees S$'000</th><th>Services as IPO Reporting Accountant S$'000</th><th>Non-audit fees S$'000</th></tr><tr><td>External auditors of the Company (Foo Kon Tan LLP)</td><td>280</td><td>270</td><td>–</td></tr><tr><td>Total</td><td>280</td><td>270</td><td>–</td></tr></table>
During the financial year ended 31 December 2023 ("FY2023") and 31 December 2024 ("FY2024"), the Company paid S$270,000 to Foo Kon Tan LLP for audit-related services rendered as independent reporting accountants in relation to the Company's listing on Catalist of the SGX-ST in November 2024.

The AC receives updates on changes in accounting standards from external auditors. The AC shall continue to monitor the scope, cost effectiveness and result of the audit.

The AC and the Board are of the view that the Company's external auditors, Foo Kon Tan LLP is adequately resourced and registered with the Accounting and Corporate Regulatory Authority or registered with and/or regulated by an independent audit oversight body acceptable to the SGX-ST. The AC is satisfied that the Company is in compliance with Catalist Rules 712 and 715 in relation to the appointment of external auditor.

The Board has accepted the recommendation of the AC to table a resolution for shareholder approval for the re-appointment of Foo Kon Tan LLP as external auditors of the Company at the forthcoming AGM of the Company.</td></tr>
</table>

CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
General	What are the AC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?	During FY2024, the AC was provided with information such as updates on the changes to the financial reporting standards by the external auditors in the course of their report to the AC.
D. SHAREHOLDER RIGHTS AND ENGAGEMENT		
11. SHAREHOLDER RIGHTS		
Principle 11	The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.	The Company has complied with Principle 11. Please refer to Provisions 11.1 to 11.6 below for more details and instances of the Company's compliance with such principle.
Provision 11.1	The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.	The Board treats all shareholders fairly and equitably and facilitates the exercise of shareholders' rights. The Board is accountable to the shareholders and recognizes its obligation to provide a balanced and understandable disclosure of material information to shareholders, investors and public. This allows shareholders to assess its performance, position and prospects. The Board allows all shareholders to exercise its voting rights by participation and voting at general meetings. Shareholders are informed about the voting procedures that govern general meetings of shareholders. The Company's Constitution allows a member of the Company to appoint one or two proxies to attend and vote at general meetings. Shareholders have the opportunity to participate in and vote at the general meeting of shareholders. Notice of AGM is despatched to shareholders, together with explanatory notes or a circular (if necessary), at least fourteen (14) calendar days or twenty-one (21) calendar days (as the case may be) before the meeting. All resolutions are voted by poll in the presence of independent scrutineers and the detailed results are released to the public via SGXNET after the meeting.

CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
		As the present Constitution of the Company does not have a provision to allow shareholders to vote in absentia, via methods such as e-mail, fax, etc., and the legal and regulatory environment is not entirely conducive for voting in absentia, the Company does not allow a shareholder to vote in absentia at general meetings. The introduction of absentia voting methods will be deferred until an appropriate time. The Board will review the Company's Constitution from time to time. Where an amendment to its Constitution is required to align the relevant provisions with the requirements of the Catalist Rules, shareholders' approval will be obtained. The forthcoming AGM of the Company will be held physically in person. Shareholders can attend the AGM, raise questions to the Directors and external auditor and vote in person or through an appointment of proxy. Nevertheless, shareholders may continue to submit questions in advance of the AGM. The Company will address substantial and relevant questions at or prior to the AGM and publish the minutes of AGM within one month from the AGM. Shareholders will have the option to appoint Chairman of the AGM as proxy at the forthcoming AGM of the Company. How Shareholders can convene an extraordinary general meeting ("**EGM**") Under the Constitution, Directors may in general, whenever they think fit, convene EGMs. Pursuant to Section 176 of the Companies Act, the Board shall convene an EGM on requisition as follows: (a) The Directors of the Company shall, notwithstanding anything in the Constitution, on the requisition of members holding at the date of the deposit of the requisition not less than 10% of the total number of paid-up shares as at the date of the deposit carries the right of voting at general meetings immediately proceed to duly convene an EGM to be held as soon as practicable but in any case, not later than 2 months after the receipt by the Company of the requisition. (b) The requisition shall state the objects of the meeting and shall be signed by the requisitionists and deposited at the registered office of the Company and may consist of several documents in like form each signed by one or more requisitionists. (c) If the Directors do not within 21 days after the date of the deposit of the requisition proceed to convene a meeting, the requisitionists, or any of them representing more than 50% of the total voting rights of all of them, may themselves, in the same manner as nearly as possible as that in which meetings are to be convened by Directors convene a meeting, but any meeting so convened shall not be held after the expiration of 3 months from that date.

CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
		(d) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors to convene a meeting shall be paid to the requisitionists by the Company, and any sum so paid shall be retained by the company out of any sums due or to become due from the Company by way of fees or other remuneration in respect of their services to such of the Directors as were in default. (e) A meeting at which a special resolution is to be proposed shall be deemed not to be duly convened by the Directors if they do not give such notice thereof as is required by the Companies Act in the case of special resolutions.
Provision 11.2	The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled," the company explains the reasons and material implications in the notice of meeting.	Resolutions submitted at the Shareholders' meetings are separate and not bundled or made inter-conditional on each other unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are bundled, the Company will explain the reasons and material implications. The tabling of separate resolutions gives Shareholders the right to express their views and exercise their voting rights on each resolution separately. Information is also provided on each resolution to enable Shareholders to exercise their vote on an informed basis.
Provision 11.3	All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.	As set out in Provision 11.1, the Board and the Management will also be present (with the auditors in attendance) at the AGM to address any relevant queries the Shareholders may have. Where necessary, the Company will also seek the external auditors' response to queries from shareholders in respect of matters pertaining to the audit in the event that such queries were received prior to the AGM. The forthcoming AGM is the Company's first general meeting as an SGX-listed company.

CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
Provision 11.4	The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.	As set out in Provision 11.1, the Company's Constitution does not allow for absentia voting at general meetings of Shareholders as authentication of Shareholder's identity information and other related security issues remains a concern. However, the Constitution of the Company does allow a shareholder (who is not a relevant intermediary, as defined in Section 181(6) of the Companies Act) to vote either in person or appoint not more than two (2) proxies to attend and vote in his stead. Such proxy to be appointed need not be a Shareholder. Pursuant to the Companies (Amendment) Act 2014, a shareholder of the Company who is a relevant intermediary (as defined in Section 181(6) of the Companies Act), may appoint more than two (2) proxies to attend, speak and vote at the AGM.
Provision 11.5	The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.	The proceedings of the general meetings will be properly recorded, including all comments and/or queries from shareholders relating to the agenda of the meeting and responses from the Board, Management or external auditors to such comments and/or queries. All minutes of general meetings will be posted on the Company's website as soon as practicable. The Company also ensures that all material information relating to the Group is disclosed in an accurate and timely manner through publication on the SGX-ST. In addition, the minutes of the AGM in respect of FY2024 will be released on the company's website and on the SGX-ST'S website within one (1) month from the date of the AGM.
Provision 11.6	The company has a dividend policy and communicates it to shareholders.	The Company does not have a specific dividend policy. The Company will declare and/or recommend the payment of dividends to shareholders after considering the Company's ability to pay dividends, which will depend upon, among other things, its cash flow, general business conditions and strategies, current and future operations, statutory, contractual and regulatory restrictions and so on. The Board has complete discretion on whether to pay a dividend, subject to shareholders' approval, where applicable. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group. The Board may also consider declaring special dividends from time to time, in addition to the interim and/or final dividends. The Board has proposed a final tax exempt (one-tier) dividend of 0.75 Singapore cent (S$0.0075) per ordinary share for FY2024 which will be subject to shareholders' approval at the forthcoming AGM. Barring any unforeseen circumstances, the Company intends to recommend and distribute dividends of up to 30.0% of the Group's net profit after tax attributable to equity holders of the Company for each of FY2024 and FY2025. Shareholders may refer to the dividend policy section of the Offer Document for more details.

CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
12. ENGAGEMENT WITH SHAREHOLDERS		
Principle 12	The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.	Notwithstanding that the Company was newly listed on 15 November 2024, the Company is of the view that it has communicated regularly with its shareholders through timely disclosure of announcements via SGXNet and/or the Company's website. The Company will endeavour to facilitate the participation of shareholders during upcoming general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company, in accordance with Principle 12. Please refer to Provisions 12.1 to 12.3 below for more details and instances of the Company's compliance with such principle.
Provision 12.1	The Company provides avenues for communication between the Board and all shareholders and discloses in its annual report the steps taken to solicit and understand the views of shareholders.	The Company strives to disclose information on a timely basis to Shareholders and ensure any disclosure of price sensitive information is not made to a selective group. The information is communicated to the Shareholders via: (a) annual reports – the Board strives to include all relevant information about the Group, including future developments and disclosures required by the Companies Act, financial reporting standards and the Catalist Rules; (b) corporate communication made on the website of the SGX-ST and press releases on major developments of the Group. The foregoing disclosures and press releases of the Group are also available on the Company's website at www.goodwillsg.com. A copy of the Annual Report containing the notice of AGM for FY2024 is made available on the Company's website (www.goodwillsg.com) and published via the website of the SGX-ST.

CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	**Code and/or Guideline Description**	**Company's Compliance or Explanation**
Provision 12.2	The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.	The Company has in place an Investor Relations Policy to ensure the dissemination of material information in a timely and useful manner to Shareholders, analysts, the media, and other investors and aims to raise awareness and understanding of the Company's business amongst the investing public. In accordance with the policy of the Company, the Company ensures that, among others: (a) Circulars and notices in respect of AGMs and EGMs are released on the websites of the SGX-ST and on the Company's website. (b) Shareholders are encouraged to participate in general meetings in person or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. (c) The chairperson of the Board and other Board members, chairperson of Board Committees or their delegates, the Company's senior management and external auditors shall attend the AGMs to answer Shareholders' questions (if any). (d) The Company engages its Shareholders and the investment community via Company reports and announcements, such as timely financial reporting, sustainability reporting and other announcements in accordance with the Catalist Rules. (e) Any information or documents of the Company posted on the websites of the SGX-ST (www.sgx.com) will also be published on the Company's website (www,goodwillsg.com) under the "Investor Relations" section. Such information includes financial statements, results announcements, circulars and notices of general meetings, etc. In this regard, the Company wishes to inform that it also has a dedicated investor relations section within its corporate website, which allows the public to subscribe and receive alerts whenever an announcement is posted on the website. (f) The Company meets with investors, the media and analysts at appropriate times, where the Company also ensures strict adherence with the continuous disclosure obligations.
Provision 12.3	The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.	The Company stays connected with its investors/Shareholders by soliciting feedback from and addressing the concerns of investors/Shareholders (including institutional and retail investors) via the Company's investor relations team, which is contactable at events@goodwillsg.com. Alternatively, investors/Shareholders may also send their enquiries and concerns in writing to the Board or the Company Secretary by addressing them to the Company at the registered office in or by email through the Company's website. The Company addresses such enquiries and concerns as soon as practicable.

CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code and/or Guideline Description	Company's Compliance or Explanation
E. MANAGING STAKEHOLDERS RELATIONSHIP		
13. ENGAGEMENT WITH STAKEHOLDERS		
Principle 13	The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.	The Board is of the view that it has adopted an inclusive approach by considering and balancing the needs and interests of material stakeholders, so as to ensure that the best interests of the Company are served. Please refer to Provisions 13.1 to 13.3 below for more details and instances of the Company's compliance with such principle.
Provision 13.1	The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups	The Company takes a strategic and pragmatic approach in managing stakeholders' expectations to support its long-term strategy. As set out earlier, the Company is gradually placing emphasis on sustainability and sustainability risks and would implement appropriate policies and programmes when the opportunities arise. The Company is also committed to enhance and improve the current engagement initiatives, while staying abreast of new trends or developments that may affect the sustainability standing of the Company and eventually devise corresponding measures to resolve the new economic, environmental, social and governance (EESG) issues. Further details on the environmental, social and corporate governance policies will be disclosed in the Sustainability Report in respect of the Company's first full financial year after listing (i.e. financial year ended 31 December 2025) which will be made available via SGXNET and published on the Company's website at www.goodwillsg.com/
Provision 13.2	The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	Further information on the Company's approach to stakeholder engagement and materiality assessment will be disclosed in the Sustainability Report in respect of the Company's first full financial year after listing (i.e. financial year ended 31 December 2025) which will be made available via SGXNET and published on the Company's website at www.goodwillsg.com/
Provision 13.3	The company maintains a current corporate website to communicate and engage with stakeholders.	The Company maintains its corporate website at www.goodwillsg.com to communicate and engage with stakeholders.

CORPORATE GOVERNANCE

COMPLIANCE WITH APPLICABLE CATALIST RULES

Catalist Rule	Rule Description	Company's Compliance or Explanation
711A and 711B	Sustainability Reporting	Pursuant to Catalist Rule 711A read with paragraph 6.3 of Practice Note 7.6, the Company may issue its first sustainability report only in respect of its first full financial year after the listing. The Company's inaugural sustainability report shall accordingly be issued in respect for the financial year ended 31 December 2025 within four (4) months of the end of the financial year.
712, 715 or 716	Appointment of auditors	Save for the appointment of a different auditor for the foreign-incorporated subsidiary, the Group has not appointed different auditors for its subsidiaries and significant associated companies during the financial year under review. As such, the Company confirms its compliance to the Catalist Rules 712 and 715, read with Catalist Rule 716. As required by Catalist Rule 716, the AC and the Board have reviewed the appointment of a different auditor for its foreign-incorporated subsidiary and were satisfied that the appointment of a different auditor for its foreign-incorporated subsidiary would not compromise the standard and effectiveness of the audit of the Group.
1204(8)	Material contracts	Save as disclosed in the material contracts section in the final offer document of the Company dated 30 October 2024 and the sections entitled "Directors' Statement" and "Notes to the Financial Statements" of the Annual Report, there were no other material contract involving the interests of any Director or controlling shareholders of the Company which has been entered into by the Group, which are either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	Confirmation of adequacy of internal controls	As set out earlier, based on the framework of risk management and internal controls established and maintained by the Management, reviews carried out by the AC, the report on the enterprise risk management of the Group, work performed by the internal auditors and the external auditors, and assurance from the Management, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management systems and system of internal controls (including financial, operational, compliance and information technology controls) were adequate and effective for FY2024.

CORPORATE GOVERNANCE

Catalist Rule	Rule Description	Company's Compliance or Explanation
1204(10C)	AC's comment on Internal Audit Function	As set out earlier, the internal auditor, Baker Tilly Consultancy (Singapore) Pte. Ltd., had performed an internal control review of the Group's key business processes during FY2024 for the purpose of the Company's listing on the SGX-ST, according to standards set out by the Institute of Internal Auditors on the system of internal controls. The internal auditor reported the findings to the AC. The size of the operations of the Group does not warrant the Group having an in-house internal audit function at this juncture and the Company will continue to work with the internal auditors to identify other scope of work which will help to further enhance the robustness of the Company. As such, the AC is of the view that the internal audit function of the Company is independent, effective and adequately resourced for FY2024.

CORPORATE GOVERNANCE

<table>
<tr><th>Catalist Rule</th><th>Rule Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1204(17)</td><td>Interested persons transaction ("IPT")</td><td>
The Company has established procedures to ensure that all transactions with interested persons complies with Chapter 9 of the Catalist Rules and are reported on a timely manner to the AC and that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.
The Company does not have a general shareholders' mandate for interested person transactions pursuant to Catalist Rule 920.
The details of IPTs entered into in FY2024 are set out as follows:-
<table>
<tr><th>Name of Interested Person</th><th>Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</th><th>Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)</th></tr>
<tr><td></td><td>(S$'000)</td><td>(S$'000)</td></tr>
<tr><td>Global Oceanlink Pte. Ltd.</td><td>413</td><td>–</td></tr>
<tr><td>Twinstar Global Pte. Ltd.</td><td>62</td><td>–</td></tr>
</table>
Notes:
(1) Mr. Thang Teck Jong, the Vice Chairman and Non-Executive Director of the Company, is an indirect shareholder of Global Oceanlink Pte. Ltd., pursuant to his 67.5% shareholding in 2J Holdings Pte. Ltd, which in turn holds a 70% shareholding in Global Oceanlink Pte. Ltd.. Accordingly, the transaction between Global Oceanlink Pte. Ltd. and the Company constitutes an interested person transaction.
(2) Mr. Flint Lu, the Executive Chairman and CEO of the Company, is currently a director and holds 50.0% of the shares in Twinstar Global Pte. Ltd.
Save as disclosed in the table above, the Company did not enter into any IPTs which require disclosure or shareholders' approval under the Catalist Rules regulating IPTs during FY2024.
</td></tr>
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CORPORATE GOVERNANCE

Catalist Rule	Rule Description	Company's Compliance or Explanation
1204(19)	Dealing in securities	The Company has adopted policies in line with the requirements under Catalist Rule 1204(19) on dealings in the Company's securities. The policies have been made known to Directors, Executive Officers and any other persons as determined by the Management who may possess unpublished material price-sensitive information of the Group. The Company prohibits its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company, its Directors and its officers are not allowed to deal in the Company's shares during the periods commencing one month before the release of the Company's half year and full year financial statements, as the case may be, and ending on the date of the announcement of the relevant financial results. The Company, Directors and employees of the Company are also advised to observe insider trading laws at all times. Directors are required to report all dealings to the company secretary.
1204(21)	Non-sponsor fees	The Company was listed on the Catalist board of the SGX-ST on 15 November 2024, and Evolve Capital Advisory Private Limited. ("**ECA**") was the Sponsor, Issue Manager and Joint Placement Agent of the Company in respect of the listing. Pursuant to the listing, management and professional fees of S$700,000 (excluding GST and out-of-pocket expenses) and a placement fee of S$340,000 were paid/ payable in cash and shares, respectively, in FY2024, to ECA. in connection with the Company's listing on Catalist of the SGX-ST. Save as disclosed above, the Company did not pay any non-sponsor fees to its sponsor, Evolve Capital Advisory Private Limited, for FY2024.

CORPORATE GOVERNANCE

<table>
<tr><th>Catalist Rule</th><th>Rule Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1204(22)</td><td>Use of proceeds</td><td>
Pursuant to the initial public offering on 15 November 2024, the Company received net proceeds amounting to S$8.5 million from the placement of new Shares.
As at the date of this report, the status on the use of the proceeds is as follows:
<table>
<tr><th>Use of proceeds</th><th>Amount allocated S$'000</th><th>Amount Utilised S$'000</th><th>Balance S$'000</th></tr>
<tr><td>Expansion of our business regionally and globally</td><td>1,613</td><td>–</td><td>1,613</td></tr>
<tr><td>Broadening our existing business verticals</td><td>1,613</td><td>814</td><td>799</td></tr>
<tr><td>Acquisitions, joint ventures and/or strategic partnerships</td><td>1,290</td><td>440</td><td>850</td></tr>
<tr><td>Investment into entertainment technologies</td><td>645</td><td>–</td><td>645</td></tr>
<tr><td>General working capital requirements</td><td>1,290</td><td>1,290</td><td>–</td></tr>
<tr><td>Listing expenses</td><td>2,049</td><td>1,958</td><td>91</td></tr>
<tr><td>Total</td><td>8,500</td><td>4,502</td><td>3,998</td></tr>
</table>
The Company will make periodic announcements on the utilisation of the net proceeds from the initial public offering as and when the proceeds are materially disbursed and provide a status report on such use in its annual report and its half-yearly and full-year financial statements.
</td></tr>
</table>

DIRECTORS' STATEMENT

We submit this annual report to the members together with the audited consolidated financial statements of Goodwill Entertainment Holding Limited (the "Company") and its subsidiaries (the "Group") and statement of financial position of the Company for the financial year ended 31 December 2024.

In our opinion,

(a) the accompanying statements of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

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

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of directors

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

Lu Mang (Executive Chairman and Chief Executive Officer)
Thang Teck Jong (Vice Chairman and Non-Executive Director) (Appointed on 1 October 2024)
Christopher Huang (Lead Independent Non-Executive Director) (Appointed on 1 October 2024)
Foong Daw Ching (Independent Non-Executive Director) (Appointed on 1 October 2024)
Ng Tse Meng (Independent Non-Executive Director) (Appointed on 1 October 2024)

Arrangements to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares or debentures of the Company or any other corporate body, other than as disclosed in this statement.

DIRECTORS' STATEMENT

Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act 1967, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
	As at 1.1.2024 or date of appointment, if later	**As at 31.12.2024 and 21.1.2025 #**	As at 1.1.2024 or date of appointment, if later	**As at 31.12.2024 and 21.1.2025 #**
The Company - Goodwill Entertainment Holding Limited	Number of ordinary shares			
Lu Mang	300,000	**113,538,957**	377,051	**142,699,924***
Thang Teck Jong (Appointed on 1 October 2024)	–	**–**	244,673	**75,099,724 &**

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2025.

* Lu Mang is deemed to have an interest in the 142,699,924 shares held by Goodwill Investment Holdings 2023 Pte. Ltd. in the Company. Lu Mang holds 100% of the shareholding of Goodwill Investment Holdings 2023 Pte. Ltd.

& Thang Teck Jong is deemed to have an interest in the 75,099,724 shares held by Mengkim Holdings Pte. Ltd. in the Company. Thang Teck Jong holds 90% and the spouse of Thang Teck Jong holds 10% of the shareholdings of Mengkim Holdings Pte. Ltd.

By virtue of the provisions of Section 7 of the Companies Act 1967, Lu Mang is deemed to have an interest in the whole of the share capital of the wholly-owned subsidiaries of the Company, and in the shares held by the Company in the following subsidiaries that are not wholly-owned by the Company:

	As at 1.1.2024	**As at 31.12.2024**
	Number of ordinary shares	
7-24 Entertainment Pte. Ltd.	77,000	**85,000**
HF Chinatown Pte. Ltd.	350,000	**350,000**
Have Fun Thomson Pte. Ltd.	1,021,429	**1,021,429**
Have Fun Bugis Pte. Ltd.	–	**6,701**

DIRECTORS' STATEMENT

Directors' interests in shares or debentures (Cont'd)

By virtue of the provisions of Section 7 of the Companies Act 1967, Thang Teck Jong is deemed to have an interest in the whole of the share capital of the wholly-owned subsidiaries of the Company, and in the shares held by the Company in the following subsidiaries that are not wholly-owned by the Company:

	As at date of appointment
	Number of ordinary shares
7-24 Entertainment Pte. Ltd.	**85,000**
HF Chinatown Pte. Ltd.	**350,000**
Have Fun Thomson Pte. Ltd.	**1,021,429**
Have Fun Bugis Pte. Ltd.	**6,701**

Share options

No options were granted during the financial year to take up issued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

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

Audit and Risk Committee

The Audit and Risk Committee at the date of this statement comprises the following members who are all independent and non-executive directors:

Foong Daw Ching (Chairman)
Ng Tse Meng
Christopher Huang

The Audit and Risk Committee performed the functions specified in Section 201B(5) of the Companies Act 1967 and the Singapore Code of Corporate Governance, including the following:

(i) reviewing the audit plan and results of the external audit;

(ii) reviewing the audit plan and results of the internal auditor's examination and evaluation of the Group's system of internal accounting controls;

(iii) reviewing the Group's financial and operating results and accounting policies;

(iv) reviewing the consolidated financial statements of the Group and the statement of financial position of the Company before their submission to the directors of the Company and the external auditor's report on those financial statements;

(v) reviewing the half-yearly and annual announcements on the results of the Group and financial positions of the Group and the Company;

DIRECTORS' STATEMENT

Audit and Risk Committee (Cont'd)

(vi) ensuring the cooperation and assistance given by the management to the Group's internal and external auditors;

(vii) making recommendation to the Board of Directors on the re-appointment of the Group's internal and external auditors; and

(viii) reviewing the interested person transactions as required and defined in Chapter 9 of the Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") and ensuring that the transactions were on normal commercial terms and not prejudicial to the interests of the members of the Company.

The Audit and Risk Committee, having reviewed the external auditor's non-audit services (if any), confirmed that there were no non-audit services rendered that would affect the independence and objectivity of the external auditor.

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

The Audit and Risk Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the external auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Independent auditor

On 25 October 2024, through a members' resolution in writing pursuant to the constitution of the Company and Sections 184 to 184G of the Companies Act 1967, Foo Kon Tan LLP was appointed as independent auditor of the Company.

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

LU MANG

THANG TECK JONG

Dated: 14 April 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Goodwill Entertainment Holding Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Goodwill Entertainment Holding Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Our responses and work performed
Revenue recognition (refer to Notes 2(d) and 19 to the financial statements)	
Revenue recognition is a significant risk area, particularly in respect of the risks of management override and cut-off of revenue, to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services before revenue is recognised. Under SSA 240 *The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements*, revenue recognition is a presumed fraud risk. Material misstatement due to fraudulent financial reporting relating to revenue recognition often results from an overstatement of revenues through, for example, premature revenue recognition, recording fictitious revenues, or improperly shifting revenues to a later period.	Our audit procedures included testing the Group's key internal controls over revenue. We assessed whether the revenue recognition policies adopted complied with SFRS(I) 15 *Revenue from Contracts with Customers* as detailed in Note 2(d) to the financial statements. We tested selected revenue transactions by assessing the revenue recognition procedures in accordance with SFRS(I) 15 and verifying to the relevant supporting source documents. We also performed revenue cut-off test to ascertain that sales were recorded in the correct accounting period. In addition, we considered the adequacy of disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the members of Goodwill Entertainment Holding Limited

Key Audit Matters (Cont'd)

Key audit matter	Our responses and work performed
Testing of impairment of non-financial assets (the Group's plant and equipment and right-of-use assets and the Company's investments in subsidiaries) (refer to Notes 2(a), 2(d), 3, 4 and 6 to the financial statements)	
In view of the operating losses incurred by certain subsidiaries of the Group, management has assessed that there are indications of impairment in respect of the plant and equipment and right-of-use assets of the Group and the investments in subsidiaries of the Company. Accordingly, these assets are tested for impairment. The testing of impairment of the Group's plant and equipment and right-of-use assets and the Company's investments in subsidiaries is considered to be a significant risk area due to the judgemental nature of key assumptions and the significance of the carrying amounts of these assets in the statements of financial position of the Group and the Company. An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of value in use and fair value less costs of disposal. Value in use involves estimating the expected future cash flows from the assets or cash-generating units, a suitable growth rate to extrapolate the future cash flows, and an appropriate discount rate in order to calculate the present value of the future cash flows. Fair value less costs of disposal encompasses estimating the expected selling prices of the underlying assets by identifying the comparable assets and determining the current market selling/purchase prices of these assets, and the estimated cash outflows to settle the obligations in respect of the underlying liabilities. Input inaccuracies or inappropriate bases used to determine the level of impairment, including the comparable assets used in the fair value measurements, could result in material misstatement in the financial statements.	Our procedures in relation to management's testing of impairment and determination of the recoverable amount of the Group's plant and equipment and right-of-use assets and the Company's investments in subsidiaries included: ● Reviewing management's assessment of indications of impairment in accordance with SFRS(I) 1-36 *Impairment of Assets*; ● Considering the higher of value in use and fair value less costs of disposal; ● Assessing the methodologies and appropriateness of the key assumptions used by management; and ● Understanding and reviewing the assumptions in the input data from management through discussions, comparisons to industry peers and independent external data sources, and agree to supporting documentation and historical trends. We also considered the adequacy of disclosures in the financial statements.

Other Matter

The statutory financial statements for the financial year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 16 August 2024.

INDEPENDENT AUDITOR'S REPORT

To the members of Goodwill Entertainment Holding Limited

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the members of Goodwill Entertainment Holding Limited

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Cheong Wenjie.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants
Singapore

14 April 2025

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

		The Group			The Company		
	Note	**31 December 2024 S$**	31 December 2023 S$ (Restated)	1 January 2023 S$ (Restated)	**31 December 2024 S$**	31 December 2023 S$ (Restated)	1 January 2023 S$ (Restated)
ASSETS							
Non-Current Assets							
Plant and equipment	3	**16,071,459**	13,515,777	4,050,106	**77,692**	24,795	92,113
Right-of-use assets	4	**12,869,031**	16,629,321	6,369,420	**112,394**	33,788	41,028
Intangible assets	5	**2,874**	4,517	6,159	**2,874**	4,517	6,159
Subsidiaries	6	**-**	–	–	**10,141,777**	4,981,780	4,298,965
Deferred tax assets	7	**52,791**	231,093	239,543	**13,550**	12,794	132,063
Long-term deposits	8	**2,981,704**	3,012,509	732,193	**-**	–	–
		31,977,859	33,393,217	11,397,421	**10,348,287**	5,057,674	4,570,328
Current Assets							
Trade and other receivables	8	**1,281,624**	1,864,487	649,110	**12,697,410**	13,542,397	2,391,775
Inventories	9	**1,486,380**	430,727	206,077	**742,735**	177,658	8,230
Prepayments	10	**373,710**	461,705	60,990	**26,668**	57,305	10,881
Cash and bank deposits	11	**18,807,337**	2,843,023	2,509,438	**9,976,376**	283,636	530,098
		21,949,051	5,599,942	3,425,615	**23,443,189**	14,060,996	2,940,984
Total assets		**53,926,910**	38,993,159	14,823,036	**33,791,476**	19,118,670	7,511,312
EQUITY AND LIABILITIES							
Capital and Reserves							
Share capital	12	**17,005,374**	8,895,953	5,820,000	**17,005,374**	8,895,953	5,820,000
Other reserves	13	**632,900**	760,321	1,253,129	**(102,314)**	–	–
Accumulated profits/(losses)		**2,465,263**	(1,944,554)	(4,848,739)	**1,893,215**	(1,069,423)	(2,081,171)
Equity attributable to owners of the Company		**20,103,537**	7,711,720	2,224,390	**18,796,275**	7,826,530	3,738,829
Non-controlling interests		**2,170,344**	442,752	1,124,843	**-**	–	–
Total equity		**22,273,881**	8,154,472	3,349,233	**18,796,275**	7,826,530	3,738,829
Non-Current Liabilities							
Deferred tax liabilities	7	**372,950**	19,136	49,906	**-**	–	–
Lease liabilities	14	**7,188,463**	12,528,072	4,901,128	**65,247**	8,061	19,620
Borrowings	15	**5,707,232**	1,770,407	27,078	**4,096,601**	370,327	–
Provision for restoration costs	16	**885,662**	899,389	347,839	**-**	–	–
Derivative financial instrument	17	**102,314**	–	–	**102,314**	–	–
		14,256,621	15,217,004	5,325,951	**4,264,162**	378,388	19,620
Current Liabilities							
Lease liabilities	14	**6,668,907**	5,520,662	1,738,313	**49,275**	11,573	10,976
Borrowings	15	**3,219,132**	3,387,236	1,458,777	**2,421,331**	2,068,208	–
Provision for restoration costs	16	**198,602**	–	123,174	**-**	–	–
Trade and other payables	18	**6,313,420**	6,196,266	2,608,022	**8,227,470**	8,833,971	3,741,887
Current tax payable		**996,347**	517,519	219,566	**32,963**	–	–
		17,396,408	15,621,683	6,147,852	**10,731,039**	10,913,752	3,752,863
Total liabilities		**31,653,029**	30,838,687	11,473,803	**14,995,201**	11,292,140	3,772,483
Total equity and liabilities		**53,926,910**	38,993,159	14,823,036	**33,791,476**	19,118,670	7,511,312

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Note	2024 S$	2023 S$ (Restated)
Revenue	19	**52,986,588**	23,930,574
Other income	20	**789,087**	561,402
Purchases and related costs		**(10,058,300)**	(3,764,105)
Depreciation of plant and equipment	3	**(3,793,076)**	(1,714,160)
Depreciation of right-of-use assets	4	**(6,107,809)**	(3,741,745)
Staff costs	21	**(14,204,423)**	(6,340,081)
Operating lease expenses		**(1,827,339)**	(804,303)
Other operating expenses	22	**(9,416,802)**	(3,616,962)
Finance costs	23	**(1,417,777)**	(825,288)
Profit before taxation		**6,950,149**	3,685,332
Taxation	24	**(1,391,618)**	(446,101)
Profit for the year		**5,558,531**	3,239,231
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Fair value loss on derivative financial instrument	17	**(102,314)**	–
Foreign currency translation differences on consolidation		**3,771**	7
Other comprehensive (loss)/income for the year, net of tax of nil		**(98,543)**	7
Total comprehensive income for the year		**5,459,988**	3,239,238
Profit attributable to:			
Owners of the Company		**4,409,817**	2,904,185
Non-controlling interests		**1,148,714**	335,046
		5,558,531	3,239,231
Total comprehensive income attributable to:			
Owners of the Company		**4,311,274**	2,904,192
Non-controlling interests		**1,148,714**	335,046
		5,459,988	3,239,238
Earnings per share attributable to owners of the Company (Singapore cents)			
- Basic and diluted	25	**1.22**	1.32

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

	Share capital S$	Capital reserve S$	Foreign currency translation reserve S$	Accumulated (losses)/ profits S$	Equity attributable to owners of the Company S$	Non-controlling interests S$	Total equity S$
Balance at 1 January 2023, as previously stated	5,820,000	1,414,759	–	(5,038,653)	2,196,106	1,001,299	3,197,405
Effect of prior year adjustments (Note 33)	–	(161,630)	–	189,914	28,284	123,544	151,828
Balance at 1 January 2023, as restated	5,820,000	1,253,129	–	(4,848,739)	2,224,390	1,124,843	3,349,233
Profit for the year, as restated	–	–	–	2,904,185	2,904,185	335,046	3,239,231
Other comprehensive income for the year	–	–	7	–	7	–	7
Total comprehensive income for the year, as restated	–	–	7	2,904,185	2,904,192	335,046	3,239,238
Contributions by and distributions to owners							
Issuance of ordinary shares (Note 12)	2,000,000	–	–	–	2,000,000	–	2,000,000
Changes in ownership interests in subsidiaries							
Acquisition of non-controlling interests in subsidiaries without change in control (Note 6(i))	1,075,953	(492,815)	–	–	583,138	(983,138)	(400,000)
Incorporation of subsidiaries with non-controlling interests (Note 6(ii))	–	–	–	–	–	196,001	196,001
Dividend by a subsidiary to a non-controlling interest (Note 6(vii))	–	–	–	–	–	(230,000)	(230,000)
	1,075,953	(492,815)	–	–	583,138	(1,017,137)	(433,999)
Transactions with owners in their capacity as owners	3,075,953	(492,815)	–	–	2,583,138	(1,017,137)	1,566,001
Balance at 31 December 2023, as restated	8,895,953	760,314	7	(1,944,554)	7,711,720	442,752	8,154,472

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

For the financial year ended 31 December 2024

	Share capital S$	Capital reserve S$	Foreign currency translation reserve S$	Hedging reserve S$	Accumulated (losses)/ profits S$	Equity attributable to owners of the Company S$	Non-controlling interests S$	Total equity S$
Balance at 1 January 2024, as previously stated	8,895,953	718,853	7	–	(2,498,212)	7,116,601	392,546	7,509,147
Effect of prior year adjustment (Note 33)	–	41,461	–	–	553,658	595,119	50,206	645,325
Balance at 1 January 2024, as restated	8,895,953	760,314	7	–	(1,944,554)	7,711,720	442,752	8,154,472
Profit for the year	**-**	**-**	**-**		**4,409,817**	**4,409,817**	**1,148,714**	**5,558,531**
Other comprehensive income/(loss) for the year	**-**	**-**	**3,771**	**(102,314)**	**-**	**(98,543)**	**-**	**(98,543)**
Total comprehensive income/(loss) for the year	**-**	**-**	**3,771**	**(102,314)**	**4,409,817**	**4,311,274**	**1,148,714**	**5,459,988**
Contributions by and distributions to owners								
Issuance of shares (Note 12)	**8,650,000**	**-**	**-**	**-**	**-**	**8,650,000**	**-**	**8,650,000**
Share issuance costs (Note 12)	**(540,579)**	**-**	**-**	**-**	**-**	**(540,579)**	**-**	**(540,579)**
	8,109,421	**-**	**-**	**-**	**-**	**8,109,421**	**-**	**8,109,421**
Changes in ownership interests in subsidiaries								
Acquisition of non-controlling interests without change in control (Note 6(i))	**-**	**(28,878)**	**-**	**-**	**-**	**(28,878)**	**(176,122)**	**(205,000)**
Capital contributions by non-controlling interest in a subsidiary (Note 6(iv))	**-**	**-**	**-**	**-**	**-**	**-**	**1,800,000**	**1,800,000**
Dividend by a subsidiary to a non-controlling interest (Note 6(vii))	**-**	**-**	**-**	**-**	**-**	**-**	**(1,050,000)**	**(1,050,000)**
Incorporation of subsidiaries with non-controlling interests (Note 6(ii))	**-**	**-**	**-**	**-**	**-**	**-**	**5,000**	**5,000**
	-	**(28,878)**	**-**	**-**	**-**	**(28,878)**	**578,878**	**550,000**
Transactions with owners in their capacity as owners	**8,109,421**	**(28,878)**	**-**	**-**	**-**	**8,080,543**	**578,878**	**8,659,421**
Balance at 31 December 2024	**17,005,374**	**731,436**	**3,778**	**(102,314)**	**2,465,263**	**20,103,537**	**2,170,344**	**22,273,881**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Note	**2024 S$**	2023 S$ (Restated)
Cash Flows from Operating Activities			
Profit before taxation		**6,950,149**	3,685,332
Adjustments for:			
Amortisation of intangible assets	5	**1,643**	1,642
Bad debts	22	**19,669**	–
Depreciation of plant and equipment	3	**3,793,076**	1,714,160
Depreciation of right-of-use assets	4	**6,107,809**	3,741,745
Interest expense	23	**1,417,777**	825,288
Interest income	20	**–**	(163)
Plant and equipment written off	22	**–**	33,489
Operating profit before working capital changes		**18,290,123**	10,001,493
Changes in inventories		**(1,055,653)**	(224,650)
Changes in trade and other receivables		**425,094**	(3,338,677)
Changes in prepayments		**88,017**	(400,715)
Changes in trade and other payables		**3,015,756**	1,550,109
Changes in provision for restoration costs		**139,685**	410,300
Cash generated from operations		**20,903,022**	7,997,860
Income taxes paid		**(380,674)**	(170,468)
Interest received		**–**	163
Net cash generated from operating activities		**20,522,348**	7,827,555
Cash Flows from Investing Activities			
Advances repaid from/(made to) related companies		**168,958**	(157,016)
Purchase of plant and equipment and right-of-use assets	A	**(6,729,588)**	(11,213,320)
Net cash used in investing activities		**(6,560,630)**	(11,370,336)
Cash Flows from Financing Activities			
Acquisition of non-controlling interests in subsidiaries without change in control	6(i)	**(205,000)**	(400,000)
Advances (repaid to)/from related parties		**(1,828,369)**	908,142
Bank deposit pledged		**(450,000)**	–
Capital contributions by non-controlling interests in subsidiaries	6(iv)	**900,000**	–
Fixed deposits pledged		**–**	369,005
Deposit received	6(iv)/18	**–**	900,000
Dividend paid to non-controlling interest		**(1,070,000)**	–
Incorporation of subsidiaries with non-controlling interests	6(ii)	**5,000**	196,001
Interest paid		**(1,372,587)**	(807,212)
Payment of lease liabilities		**(6,154,953)**	(2,592,353)
Proceeds from borrowings		**7,384,000**	6,520,000
Proceeds from issuance of shares		**8,500,000**	–
Repayment of borrowings		**(3,615,279)**	(848,212)
Share issuance costs		**(540,579)**	–
Net cash generated from financing activities	B	**1,552,233**	4,245,371
Net increase in cash and cash equivalents		**15,513,951**	702,590
Cash and cash equivalents at beginning of year		**2,843,023**	2,140,433
Exchange differences on translation of cash and cash equivalents		**363**	–
Cash and cash equivalents at end of year	11	**18,357,337**	2,843,023

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For the financial year ended 31 December 2024

Note A

Purchase of plant and equipment and right-of-use assets

During the financial year ended 31 December 2024, the Group made cash payments of S$6,317,088 (2023: S$11,213,320) and S$412,500 (2023: S$nil) to acquire plant and equipment and right-of-use assets, respectively, amounting to S$6,729,588 (2023: S$11,213,320). There were non-cash additions to right-of-use assets of S$1,963,589 (2023: S$13,981,817).

Note B

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

	Lease liabilities (Note 14) S$	Bank loans (Note 15) S$	Loans from shareholders (Note 15) S$	Loan from a third party (Note 15) S$	Non-trade amount due to a director (Note 18) S$	Non-trade amounts due to non-controlling interests (Note 18) S$	Non-trade amounts due to related companies (Note 18) S$	Total S$
Balance at 1 January 2023, as restated	6,639,441	1,364,700	–	121,155	301,585	63,181	923,537	9,413,599
Changes from financing cash flows								
- Advances (repaid to)/from related parties	–	–	–	–	(155,166)	234,400	828,908	908,142
- Interest paid	(657,725)	(138,564)	(4,167)	(6,756)	–	–	–	(807,212)
- Payment of lease liabilities	(2,592,353)	–	–	–	–	–	–	(2,592,353)
- Proceeds from borrowings	–	2,540,000	3,980,000					6,520,000
- Repayment of borrowings	–	(754,135)	–	(94,077)	–	–	–	(848,212)
Total changes from financing cash flows	(3,250,078)	1,647,301	3,975,833	(100,833)	(155,166)	234,400	828,908	3,180,365
Other changes								
- Interest expense	657,725	138,564	4,167	6,756	–	–	–	807,212
- Issuance of ordinary shares	–	–	(2,000,000)	–	–	–	–	(2,000,000)
- Lease modifications	19,829	–	–	–	–	–	–	19,829
- New leases	13,981,817	–	–	–	–	–	–	13,981,817
Total liability-related other changes	14,659,371	138,564	(1,995,833)	6,756	–	–	–	12,808,858
Balance at 31 December 2023, as restated	18,048,734	3,150,565	1,980,000	27,078	146,419	297,581	1,752,445	25,402,822

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For the financial year ended 31 December 2024

Note B (Cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities (Cont'd)

	Lease liabilities (Note 14)	Bank loans (Note 15)	Loans from shareholders (Note 15)	Loan from a third party (Note 15)	Non-trade amount due to a director (Note 18)	Non-trade amounts due to non-controlling interests (Note 18)	Non-trade amounts due to related companies (Note 18)	Total
	S$	S$	S$	S$	S$	S$	S$	S$
Balance at 1 January 2024, as restated	18,048,734	3,150,565	1,980,000	27,078	146,419	297,581	1,752,445	25,402,822
Changes from financing cash flows								
- Advances (repaid to)/from related parties	-	-	-	-	(98,465)	22,541	(1,752,445)	(1,828,369)
- Interest paid	(855,534)	(507,148)	(9,483)	(422)	-	-	-	(1,372,587)
- Payment of lease liabilities	(6,154,953)	-	-	-	-	-	-	(6,154,953)
- Proceeds from borrowings	-	7,384,000	-	-	-	-	-	7,384,000
- Repayment of borrowings	-	(1,608,201)	(1,980,000)	(27,078)	-	-	-	(3,615,279)
Total changes from financing cash flows	(7,010,487)	5,268,651	(1,989,483)	(27,500)	(98,465)	22,541	(1,752,445)	(5,587,188)
Other changes								
- Interest expense	855,534	507,148	9,483	422	-	-	-	1,372,587
- New leases	1,963,589	-	-	-	-	-	-	1,963,589
Total liability-related other changes	2,819,123	507,148	9,483	422	-	-	-	3,336,176
Balance at 31 December 2024	13,857,370	8,926,364	-	-	47,954	320,122	-	23,151,810

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

1 General information

The financial statements of Goodwill Entertainment Holding Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company was incorporated as a private company limited by shares and domiciled in the Republic of Singapore on 12 December 2016. On 25 October 2024, the Company was converted to a public limited company and the Company's name was changed from Goodwill Entertainment Holding Pte. Ltd. to Goodwill Entertainment Holding Limited. The Company was listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 15 November 2024.

The registered office and principal place of business of the Company are located at 33 Ubi Avenue 3, #05-16 Vertex, Singapore 408868.

The principal activities of the Company are those of investment holding and wholesale of liquor and beverages. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

The majority and controlling shareholders of the Company are Goodwill Investment Holdings 2023 Pte. Ltd. and Lu Mang.

2(a) Basis of preparation

The financial statements are drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The financial statements have been prepared under the historical cost convention except as otherwise described in the notes below.

The financial statements are presented in Singapore dollar ("S$") which is the Company's functional currency. All financial information is presented in Singapore dollar, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SFRS(I)s requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

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

The significant accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(a) Basis of preparation (Cont'd)

Significant judgements in applying accounting policies

De facto power over certain subsidiaries

The Group determines if it has control, or not, over an investee based on whether the Group has the practical ability to direct the relevant activities unilaterally that significantly affect the investee's returns. As at 1 January 2023, although the Group owned less than half of the equity interests and voting rights in Have Fun TPY Pte. Ltd., Have Fun Yishun Pte. Ltd. and Have Fun Bugis Pte. Ltd., management has determined that the Group has control over these investee companies in view that their majority shareholder, who is the Chief Operating Officer and a shareholder of the Company, has assigned control to direct the relevant activities of the investee companies to the Company, and that the sole director of the investee companies is the Executive Director and Chief Executive Officer and controlling shareholder of the Company.

Income taxes

The Group has exposure to income taxes in various jurisdictions. Significant judgement and estimates are involved in determining group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will affect the current tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's deferred tax assets and deferred tax liabilities at the end of the reporting period and the Group's income taxes for the year are disclosed in Note 7 and Note 24, respectively, to the financial statements.

Significant accounting estimates and assumptions used in applying accounting policies

Depreciation of plant and equipment and right-of-use assets

The costs of plant and equipment and right-of-use assets are depreciated on a straight-line basis over the estimated economic useful lives of the assets or based on the shorter period of lease term and useful life of the right-of-use asset. The Group's business is capital intensive and the annual depreciation of plant and equipment and right-of-use assets form a significant component of total costs charged to profit or loss. Management estimates the useful lives of plant and equipment and right-of-use assets to be 3 to 10 years and 2 to 10 years, respectively. The carrying amounts of the Group's and the Company's plant and equipment and right-of-use assets at the end of the reporting period are disclosed in Note 3 and Note 4, respectively, to the financial statements. The estimation of useful lives is based on assumptions about wear and tear, ageing, changes in demand and the Group's historical experience with similar assets. The Group performs annual reviews on whether the assumptions made on useful lives continue to be valid. As changes in the expected level of usage, maintenance programmes and technological developments could affect the economic useful lives and the residual values of these assets, future depreciation charges could be revised. If depreciation on the Group's plant and equipment and right-of-use assets increases/decreases by 10% from management's estimates, the Group's profit for the year will decrease/increase by S$379,308 (2023: S$171,416) and S$610,781 (2023: S$374,175), respectively.

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

Plant and equipment and right-of-use assets are assessed at the end of each reporting period whether there is any indication of impairment. If any such indication exists, the recoverable amounts of the assets or cash-generating units are estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and value in use. Such impairment loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(a) Basis of preparation (Cont'd)

Significant accounting estimates and assumptions used in applying accounting policies (Cont'd)

Impairment of plant and equipment and right-of-use assets (Cont'd)

Significant judgement and estimates by management are required in the area of asset impairment, particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying amount of an asset can be supported by its market value based on comparable assets or the net present value of future cash flows which are estimated based on the continued use of the asset in the business; and (iii) the appropriate valuation techniques and inputs used in fair value measurement and the key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are extrapolated using a suitable growth rate and then discounted using an appropriate discount rate. Changing the assumptions selected by management to determine the level of impairment could materially affect the recoverable amount determined in the impairment test and as a result may potentially affect the Group's results. The carrying amounts of the Group's and the Company's plant and equipment and right-of-use assets and the basis used to determine the recoverable amounts are disclosed in Note 3 and Note 4, respectively, to the financial statements.

Impairment of investments in subsidiaries

The Company assesses at the end of each reporting period whether there is any indication that an investment in subsidiary is impaired or that an impairment loss recognised in prior periods no longer exists or has decreased. If any indication exists, the investment in subsidiary is tested for impairment. The determination of the recoverable amount requires an estimation of the fair value less costs of disposal of the underlying assets or the value in use of the cash-generating units. Estimating the fair value less costs of disposal requires the Company to make an estimate of the expected selling prices or realisable amounts of the underlying assets and the estimated cash outflows to settle the obligations in respect of the underlying liabilities. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash-generating units, a suitable growth rate to extrapolate the future cash flows, and an appropriate discount rate in order to calculate the present value of the future cash flows. The carrying amount of the Company's investments in subsidiaries at the end of the reporting period and the basis used to determine value in use as the recoverable amount are disclosed in Note 6 to the financial statements.

Allowance for inventory obsolescence

The Group reviews the ageing analysis of inventories at the end of each reporting period and applies judgement and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The net realisable values for such inventories are estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of the Group's and the Company's inventories at the end of the reporting period is disclosed in Note 9 to the financial statements.

Allowance for expected credit losses of trade and other receivables

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar risk characteristics. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust historical credit loss experience with forward-looking information. At the end of each reporting period, historical default rates are updated and changes in the forward-looking estimates are analysed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(a) Basis of preparation (Cont'd)

Significant accounting estimates and assumptions used in applying accounting policies (Cont'd)

Allowance for expected credit losses of trade and other receivables (Cont'd)

The Group applies the 3-stage general approach to determine ECLs for other receivables. ECL is measured as an allowance equal to 12-month ECL for stage-1 assets, or lifetime ECL for stage-2 or stage-3 assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group considers qualitative and quantitative reasonable and supportable forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within 12 months after the reporting date.

The assessment of the correlation between historical observed default rates, forecast of economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information relating to ECLs on the Group's trade and other receivables is disclosed in Note 30.1. If the loss rates increase/decrease by 10% from management's estimates, the Group's allowance for impairment losses on trade receivables will increase/decrease by S$61,106 (2023: S$75,169).

Estimation of incremental borrowing rate

For the purpose of calculating right-of-use asset and lease liability, the Group applies the interest rate implicit in the lease ("IRIIL") and, if the IRIIL is not readily determinable, the Group uses its incremental borrowing rate ("IBR") applicable to the lease asset. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Group is the lessee, the IRIIL is not readily determinable. Therefore, the Group estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as a group entity's credit rating). The carrying amounts of the Group's right-of-use assets and lease liabilities are disclosed in Note 4 and Note 14, respectively, to the financial statements. An increase/decrease of 50 basis points in the estimated IBR will decrease/increase the Group's right-of-use assets by S$64,345 (2023: S$83,147) and the Group's lease liabilities by S$69,287 (2023: S$90,244).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(b) Adoption of new or amended SFRS(I)s effective in 2024

On 1 January 2024, the Group adopted the following new or amended SFRS(I)s that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s.

Reference	Description
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current
Amendments to SFRS(I) 16	Lease Liability in a Sale and Leaseback
Amendments to SFRS(I) 1-1	Non-current Liabilities with Covenants
Amendments to SFRS(I) 1-7 and SFRS(I) 7	Supplier Finance Arrangements

The adoption of these new or amended SFRS(I)s did not result in substantial changes to the Group's accounting policies or have any significant impact on these financial statements.

Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise the right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

Amendments to SFRS(I) 1-1 *Non-current Liabilities with Covenants*

The amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. The amendments clarify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

The amendments introduce additional disclosure requirements. When an entity classifies a liability arising from a loan arrangement as non-current and that liability is subject to the covenants which an entity is required to comply with within 12 months of the reporting date, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liability could become repayable within 12 months of the reporting period, including:

(a) the carrying amount of the liability;

(b) information about the covenants; and

(c) facts and circumstances, if any, that indicate the entity may have difficulty complying with the covenants. Such facts and circumstances could also include the fact that the entity would not have complied with the covenants based on its circumstances at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(c) New or amended SFRS(I)s not yet adopted

The following are the new or amended SFRS(I)s issued that are not yet effective but may be early adopted for the current financial year. However, the Group has not early adopted the new or amended SFRS(I)s in preparing these financial statements:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Yet to be determined
Amendments to SFRS(I) 1-21	Lack of Exchangeability	1 January 2025
SFRS(I) 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to SFRS(I) 9 and SFRS(I) 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
SFRS(I) 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to SFRS(I) 9 and SFRS(I) 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to SFRS(I)s – Volume 11		
- Amendments to SFRS(I) 1	Hedge Accounting by a First-Time Adopter	1 January 2026
- Amendments to SFRS(I) 7	Gain or Loss on Derecognition	1 January 2026
- Amendments to SFRS(I) 7	Disclosure of Deferred Difference between Fair Value and Transaction Price	1 January 2026
- Amendments to SFRS(I) 7	Introduction and Credit Risk Disclosures	1 January 2026
- Amendments to SFRS(I) 9	Derecognition of Lease Liabilities	1 January 2026
- Amendments to SFRS(I) 9	Transaction Price	1 January 2026
- Amendments to SFRS(I) 10	Determination of a 'De Facto Agent'	1 January 2026
- Amendments to SFRS(I) 1-7	Cost Method	1 January 2026

Management does not anticipate that the adoption of the above new or amended SFRS(I)s in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(c) New or amended SFRS(I)s not yet adopted (Cont'd)

SFRS(I) 18 *Presentation and Disclosure in Financial Statements*

SFRS(I) 18 which replaces SFRS(I) 1-1 *Presentation of Financial Statements*:

- introduces new categories and subtotals in the statement of profit or loss;
- requires disclosure of management-defined performance measures; and
- includes new requirements for the location, aggregation and disaggregation of financial information.

An entity will be required to:

- classify all income and expenses within its statement of profit or loss into five categories: operating, investing, financing, income taxes, and discontinued operations; and
- present subtotals for 'operating profit or loss' and 'profit or loss before financing and income taxes'.

An entity will need to assess whether it has a 'main business activity' of investing in assets or providing financing to customers, as specific classification requirements will apply to such entities. Determining whether an entity has such a specified main business activity depends on the facts and circumstances and may require significant judgement. An entity may have more than one main business activity.

SFRS(I) 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity. Furthermore, SFRS(I) 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by SFRS(I) 18 or another standard.

SFRS(I) 18 differentiates between 'presenting' information in the primary financial statements and 'disclosing' it in the notes, and introduces a principle for determining the location of information based on identified 'roles' of the primary financial statements and the notes. SFRS(I) 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics. Guidance is also provided for determining meaningful descriptions, or labels, for items that are aggregated in the financial statements.

SFRS(I) 18 and consequential amendments to other standards are effective for reporting periods beginning on or after 1 January 2027 and will apply retrospectively. Early adoption is permitted and must be disclosed.

2(d) Material accounting policy information

Consolidation

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

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(d) Material accounting policy information (Cont'd)

Consolidation (Cont'd)

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

Losses and other comprehensive losses are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Group controls an investee if, and only if, the Group has all of the following:

(i) power over the investee;

(ii) exposure, or rights or variable returns from its involvement with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

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

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable SFRS(I)s).

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation of plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives, as follows:

Renovations	3 to 6 years
Furniture and equipment	5 to 10 years
Computers	5 years
Motor vehicle	10 years

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(d) Material accounting policy information (Cont'd)

Plant and equipment (Cont'd)

No depreciation is provided for construction-in-progress.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the period in which it is incurred.

For acquisitions and disposals during the period, depreciation is recognised in profit or loss from the month that the plant and equipment are installed and are available for use, and to the month of disposal, respectively. Fully depreciated plant and equipment are retained in the accounts until they are no longer in use.

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting period as a change in estimates.

Intangible assets

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

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss under other operating expenses. Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

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

Computer software

The costs relating to software acquired, which are not an integral part of the related hardware, are capitalised and amortised on a straight-line basis over their estimated useful lives of ten years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(d) Material accounting policy information (Cont'd)

Intangible assets (Cont'd)

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of the Group's previously held equity interest (if any) in the entity, over the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a gain on a bargain purchase.

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

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

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes party to the contractual provisions of the financial instruments. Financial assets are classified at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(d) Material accounting policy information (Cont'd)

Financial assets (Cont'd)

Initial recognition and measurement (Cont'd)

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at FVTPL, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition. Refer to the accounting policy on "Revenue from contracts with customers".

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)

- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)

- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

- Financial assets at FVTPL

The Group does not hold any financial assets at FVOCI or financial assets at FVTPL.

Financial assets at amortised cost (debt instruments)

Subsequent measurement of debt instruments depends on the Group's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

The Group's financial assets at amortised cost comprise trade and other receivables (excluding net input taxes) and cash and bank deposits.

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(d) Material accounting policy information (Cont'd)

Financial assets (Cont'd)

Derecognition

A financial asset is derecognised when the contractual rights to receive cash flows from the asset expire. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ("ECLs") associated with its debt instrument financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade receivables, the Group measures the loss allowance at an amount equal to lifetime ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other receivables, loss allowance is measured at an amount equal to 12-month ECLs. The 12-month ECLs are estimated by reference to the track record of the counterparties and their businesses and financial condition.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

At the end of each reporting period, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(d) Material accounting policy information (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

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

Financial liabilities are recognised initially at fair value minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

The Group's financial liabilities comprise lease liabilities, borrowings and trade and other payables (excluding advances from customers and net output taxes).

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVTPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Borrowings

Borrowings which are due to be settled more than 12 months after the reporting period are included in current borrowings in the statements of financial position if the loan facility agreements include an overriding repayment on demand clause which gives the lender the right to demand repayment at any time at its sole discretion and irrespective of whether a default event has occurred, or when the Group has defaulted or breached a provision of a long-term loan agreement on or before the end of the reporting period with the effect that the borrowings become payable on demand, even if the lender agreed after the reporting period and before the authorisation of the financial statements for issue not to demand payment as a consequent of the breach. These borrowings are classified as current because, at the end of the reporting period, the Group does not have a right to defer its settlement for at least 12 months after that date.

Other borrowings due to be settled more than 12 months after the reporting period are included in non-current borrowings in the statements of financial position.

Borrowing costs are recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(d) Material accounting policy information (Cont'd)

Financial liabilities (Cont'd)

Derecognition

A financial liability is derecognised when the obligation under the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Derivative financial instrument and hedge accounting

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value change on derivative that is not designated or does not qualify for hedge accounting is recognised in profit or loss when the change arises.

The Group documents at the inception of the transaction the relationship between the hedging instrument and hedged item, as well as its risk management objective and strategies for undertaking the hedging transaction. The Group also documents its assessment, both at hedge inception and on an ongoing basis on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9 *Financial Instruments*.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

Cash flow hedge

The Group enters into an interest rate swap that is a cash flow hedge for the Group's exposure to interest rate risk on its borrowing. The contract entitles the Group to receive interest at floating rate on a notional principal amount and obliges the Group to pay interest at fixed rate on the same notional principal amount, thus allowing the Group to raise borrowing at floating rate and swap it into fixed rate.

The fair value change on the effective portion of interest rate swap designated as cash flow hedge is recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowing is recognised in profit or loss under finance costs. The fair value change on the ineffective portion of interest rate swap is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and includes all costs in bringing the inventories to their present location and condition.

Allowance is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(d) Material accounting policy information (Cont'd)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at banks. Cash equivalents are short-term (generally with maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude deposits pledged or with maturity of more than three months.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Provision

Provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Present obligations arising from onerous contracts are recognised as provision.

Provision is reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provision is discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

Provision for restoration costs

A provision for restoration costs is recognised when the Group is legally obligated to dismantle physical installations and to restore to its original state a property owned by external parties following decommissioning of the Group's operating facilities at the property. The costs of dismantling and restoration are capitalised as part of the Group's acquisition costs of the installations and are depreciated over their useful lives. The provision is initially recognised as the present value of the aggregate future costs. Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement and restoration costs are adjusted against the cost of the related installations, unless the decrease in the provision exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such a case, the excess of the decrease over the carrying amount of the asset, or the changes in the provision, is recognised in profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(d) Material accounting policy information (Cont'd)

Leases

The Group as a lessee

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

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group recognises these lease payments in profit or loss in the periods that trigger these lease payments.

The lease liabilities are presented as a separate line item in the statements of financial position.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(d) Material accounting policy information (Cont'd)

Leases (Cont'd)

The Group as a lessee (Cont'd)

Lease liabilities (Cont'd)

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

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

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

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

Right-of-use assets

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. It is subsequently measured at cost less accumulated depreciation and any impairment loss.

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

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Outlets	Lease term of 2 to 6 years
Leasehold properties	Lease term of 3 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated from the commencement date of the lease over the useful life of the underlying asset, as follows:

Motor vehicle	10 years

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(d) Material accounting policy information (Cont'd)

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are recognised on transactions that, on initial recognition, give rise to equal amounts of deductible and taxable temporary differences, arising from leases.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a transaction which is recognised in other comprehensive income or directly in equity.

Value-added taxes

Revenues, expenses and assets are recognised net of the amount of value-added tax ("VAT"), except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authorities, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and except that trade receivables and trade payables are recorded with the amount of VAT included. The net amount of VAT recoverable from or payable to the taxation authorities are included as part of other receivables or other payables as net input taxes or net output taxes, respectively, in the statements of financial position.

Employee benefits

<u>Defined contribution plan</u>

The Group and the Company contribute to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. The contributions to CPF are charged to profit or loss in the period to which the contributions relate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(d) Material accounting policy information (Cont'd)

Employee benefits (Cont'd)

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Related parties

A related party is defined as follows:

a) A person or a close member of that person's family is related to the Group and the 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 the Company or of a parent of the Company.

b) 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.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors and certain management executives are considered key management personnel of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(d) Material accounting policy information (Cont'd)

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use, based on an internal discounted cash flow evaluation. Impairment loss recognised for a cash-generating unit is charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist or may have decreased.

Any impairment loss is charged to profit or loss.

An impairment loss is reversed if there is an indication that the impairment loss previously recognised for an asset may no longer exist or may have decreased, and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that an asset's or cash-generating unit's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss is recognised as income in profit or loss.

Revenue from contracts with customers

Revenue from the sale of goods and rendering of services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised over time or at a point in time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the progress of completion towards the complete satisfaction of that PO.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(d) Material accounting policy information (Cont'd)

Revenue from contracts with customers (Cont'd)

Sale of food and beverages

Revenue from the sale of food and beverages is recognised at a point in time when control has been transferred to customers upon delivery of the food and beverages.

Karaoke room charges

Revenue from karaoke rooms is recognised at a point in time upon the usage of the karaoke rooms by customers.

Service charges

Revenue from the rendering of services is recognised at a point in time when the services have been rendered.

Rendering of live performance services

Revenue from the rendering of live performance services is recognised at a point in time when the services have been rendered.

Sale of packaged food

Revenue from the sale of packaged food is recognised at a point in time when control has been transferred to customers upon delivery of the packaged food.

Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Government grants

Government grants are recognised as a receivable at their fair value where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with.

Government grants received are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Functional and presentation currency

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

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2(d) Material accounting policy information (Cont'd)

Conversion of foreign currencies (Cont'd)

Transactions and balances (Cont'd)

Foreign currency gains and losses are reported on a net basis as either other income or other expenses depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions.

Group entities

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

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

(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) are translated at exchange rates at the dates of the transactions; and

(iii) All resulting currency translation differences are recognised as other comprehensive income in the foreign currency translation reserve in equity.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Company's Executive Director and Chief Executive Officer, who is the Group's chief operating decision maker, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are shown in Note 29 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

Segment results that are reported to the directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire plant and equipment and right-of-use assets.

Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholder of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period adjusted for own shares held, for the effects of any dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3 Plant and equipment

The Group	Renovations S$	Furniture and equipment S$	Computers S$	Motor vehicle S$	Construction-in-progress S$	Total S$
Cost						
At 1 January 2023, as previously stated	5,471,309	2,435,463	272,666	–	–	8,179,438
Prior year adjustments (Note 33)	383,017	249,710	41,397	–	–	674,124
At 1 January 2023, as restated	5,854,326	2,685,173	314,063	–	–	8,853,562
Additions	7,233,565	2,022,571	9,730	–	1,947,454	11,213,320
Write-offs	–	–	(74,790)	–	–	(74,790)
At 31 December 2023, as restated	13,087,891	4,707,744	249,003	–	1,947,454	19,992,092
Accumulated depreciation						
At 1 January 2023, as previously stated	2,886,546	1,113,281	141,863	–	–	4,141,690
Prior year adjustments (Note 33)	367,759	252,611	41,396	–	–	661,766
At 1 January 2023, as restated	3,254,305	1,365,892	183,259	–	–	4,803,456
Depreciation	1,190,038	477,022	47,100	–	–	1,714,160
Write-offs	–	–	(41,301)	–	–	(41,301)
At 31 December 2023, as restated	4,444,343	1,842,914	189,058	–	–	6,476,315
Carrying amount						
At 31 December 2023, as restated	8,643,548	2,864,830	59,945	–	1,947,454	13,515,777
At 1 January 2023, as restated	2,600,021	1,319,281	130,804	–	–	4,050,106

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3 Plant and equipment (Cont'd)

The Group	Renovations S$	Furniture and equipment S$	Computers S$	Motor vehicle S$	Construction-in-progress S$	Total S$
Cost						
At 1 January 2024, as previously stated	12,681,844	4,458,034	248,907	–	1,947,454	19,336,239
Prior year adjustments (Note 33)	406,047	249,710	96	–	–	655,853
At 1 January 2024, as restated	13,087,891	4,707,744	249,003	–	1,947,454	19,992,092
Additions	**3,503,238**	**2,471,573**	**116,882**	**78,245**	**147,150**	**6,317,088**
Transfers	**1,009,597**	**937,857**	**–**	**–**	**(1,947,454)**	**–**
Transfer from right-of-use assets (Note 4)	**–**	**–**	**–**	**72,400**	**–**	**72,400**
Exchange difference on translation	**–**	**107**	**–**	**2,824**	**–**	**2,931**
At 31 December 2024	**17,600,726**	**8,117,281**	**365,885**	**153,469**	**147,150**	**26,384,511**
Accumulated depreciation						
At 1 January 2024, as previously stated	4,080,644	1,591,503	188,964	–	–	5,861,111
Prior year adjustments (Note 33)	363,699	251,411	94	–	–	615,204
At 1 January 2024, as restated	4,444,343	1,842,914	189,058	–	–	6,476,315
Depreciation	**2,473,137**	**1,277,578**	**34,079**	**8,282**	**–**	**3,793,076**
Transfer from right-of-use assets (Note 4)	**–**	**–**	**–**	**43,438**	**–**	**43,438**
Exchange difference on translation	**–**	**10**	**–**	**213**	**–**	**223**
At 31 December 2024	**6,917,480**	**3,120,502**	**223,137**	**51,933**	**–**	**10,313,052**
Carrying amount						
At 31 December 2024	**10,683,246**	**4,996,779**	**142,748**	**101,536**	**147,150**	**16,071,459**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3 Plant and equipment (Cont'd)

The Company	Furniture and equipment S$	Computers S$	Motor vehicle S$	Total S$
Cost				
At 1 January 2023	20,994	147,363	–	168,357
Additions	–	3,202	–	3,202
Write-offs	–	(74,790)	–	(74,790)
At 31 December 2023	20,994	75,775	–	96,769
Additions	**6,198**	**33,242**	**–**	**39,440**
Transfer from right-of-use assets (Note 4)	**–**	**–**	**72,400**	**72,400**
At 31 December 2024	**27,192**	**109,017**	**72,400**	**208,609**
Accumulated depreciation				
At 1 January 2023	15,401	60,843	–	76,244
Depreciation	4,738	32,293	–	37,031
Write-offs	–	(41,301)	–	(41,301)
At 31 December 2023	20,139	51,835	–	71,974
Depreciation	**1,266**	**11,826**	**2,413**	**15,505**
Transfer from right-of-use assets (Note 4)	**–**	**–**	**43,438**	**43,438**
At 31 December 2024	**21,405**	**63,661**	**45,851**	**130,917**
Carrying amount				
At 31 December 2024	**5,787**	**45,356**	**26,549**	**77,692**
At 31 December 2023	855	23,940	–	24,795
At 1 January 2023	5,593	86,520	–	92,113

Impairment testing of plant and equipment and right-of-use assets

In view of the losses incurred by certain subsidiaries for the financial years ended 31 December 2024 and 31 December 2023, management has assessed that there are indications of impairment of the Group's plant and equipment and right-of-use assets. Accordingly, the assets are tested for impairment.

The recoverable amounts are determined by management from value in use calculations based on cash flow projections from formally approved financial budgets and forecasts covering a five-year period. The remaining useful life for the cash-generating units is estimated by management to be five years, based on the weighted average remaining useful lives of the assets in the cash-generating units. The cash flows are discounted using a pre-tax discount rate of 13% (2023: 11%). The discount rate reflects current market assessments of the time value of money and the risks specific to the cash-generating units.

As the recoverable amounts of the assets exceed their carrying amounts, no impairment losses are recognised for the financial years ended 31 December 2024 and 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4 Right-of-use assets

The Group	Outlets S$	Leasehold properties S$	Motor vehicle S$	Total S$
Cost				
At 1 January 2023, as previously stated	8,100,977	–	72,400	8,173,377
Prior year adjustments (Note 33)	300,004	–	–	300,004
At 1 January 2023, as restated	8,400,981	–	72,400	8,473,381
Additions	13,981,817	–	–	13,981,817
Derecognition	(637,202)	–	–	(637,202)
Lease modifications	19,829	–	–	19,829
At 31 December 2023, as restated	21,765,425	–	72,400	21,837,825
Accumulated depreciation				
At 1 January 2023, as previously stated	2,097,087	–	31,372	2,128,459
Prior year adjustments (Note 33)	(24,498)	–	–	(24,498)
At 1 January 2023, as restated	2,072,589	–	31,372	2,103,961
Depreciation	3,734,505	–	7,240	3,741,745
Derecognition	(637,202)	–	–	(637,202)
At 31 December 2023, as restated	5,169,892	–	38,612	5,208,504
Carrying amount				
At 31 December 2023, as restated	16,595,533	–	33,788	16,629,321
At 1 January 2023, as restated	6,328,392	–	41,028	6,369,420
Cost				
At 1 January 2024, as previously stated	21,663,634	–	72,400	21,736,034
Prior year adjustments (Note 33)	101,791	–	–	101,791
At 1 January 2024, as restated	21,765,425	–	72,400	21,837,825
Additions	**1,756,451**	**619,638**	**–**	**2,376,089**
Transfer to plant and equipment (Note 3)	**–**	**–**	**(72,400)**	**(72,400)**
Exchange difference on translation	**627**	**–**	**–**	**627**
At 31 December 2024	**23,522,503**	**619,638**	**–**	**24,142,141**
Accumulated depreciation				
At 1 January 2024, as previously stated	5,249,300	–	38,612	5,287,912
Prior year adjustments (Note 33)	(79,408)	–	–	(79,408)
At 1 January 2024, as restated	5,169,892	–	38,612	5,208,504
Depreciation	**6,007,697**	**95,286**	**4,826**	**6,107,809**
Transfer to plant and equipment (Note 3)	**–**	**–**	**(43,438)**	**(43,438)**
Exchange difference on translation	**235**	**–**	**–**	**235**
At 31 December 2024	**11,177,824**	**95,286**	**–**	**11,273,110**
Carrying amount				
At 31 December 2024	**12,344,679**	**524,352**	**–**	**12,869,031**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4 Right-of-use assets (Cont'd)

The Company	Leasehold properties S$	Motor vehicle S$	Total S$
Cost			
At 1 January 2023 and 31 December 2023	–	72,400	72,400
Additions	**149,859**	**–**	**149,859**
Transfer to plant and equipment (Note 3)	**–**	**(72,400)**	**(72,400)**
At 31 December 2024	**149,859**	**–**	**149,859**
Accumulated depreciation			
At 1 January 2023	–	31,372	31,372
Depreciation	–	7,240	7,240
At 31 December 2023	–	38,612	38,612
Depreciation	**37,465**	**4,826**	**42,291**
Transfer to plant and equipment (Note 3)	**–**	**(43,438)**	**(43,438)**
At 31 December 2024	**37,465**	**–**	**37,465**
Carrying amount			
At 31 December 2024	**112,394**	**–**	**112,394**
At 31 December 2023	–	33,788	33,788
At 1 January 2023	–	41,028	41,028

Details of the impairment testing performed in respect of the Group's plant and equipment and right-of-use assets are disclosed in Note 3 to the financial statements.

5 Intangible assets

The Group and the Company	Software S$	Goodwill S$	Total S$
Cost			
At 1 January 2023, 31 December 2023 and 31 December 2024	**16,427**	**358,360**	**374,787**
Accumulated amortisation and impairment loss			
At 1 January 2023	10,268	358,360	368,628
Amortisation (Note 22)	1,642	–	1,642
At 31 December 2023	11,910	358,360	370,270
Amortisation (Note 22)	**1,643**	**–**	**1,643**
At 31 December 2024	**13,553**	**358,360**	**371,913**
Carrying amount			
At 31 December 2024	**2,874**	**–**	**2,874**
At 31 December 2023	4,517	–	4,517
At 1 January 2023	6,159	–	6,159

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5 Intangible assets (Cont'd)

Software

Software is used to enhance the functionalities and user interface for the Group's karaoke equipment.

6 Subsidiaries

The Company	**2024** **S$**	2023 S$ (Restated)
Unquoted equity investments, at cost		
At 1 January	**6,281,780**	4,598,965
Additions (Notes 6(i), 6(ii), 6(iii), 6(iv), 6(v))	**5,159,997**	1,682,815
Disposal (Note 6(vi))	**(1,000,000)**	–
At 31 December	**10,441,777**	6,281,780
Less: Allowance for impairment losses		
At 1 January	**(1,300,000)**	(300,000)
Allowance made (Note 6(vi))	**–**	(1,000,000)
Allowance utilised (Note 6(vi))	**1,000,000**	–
At 31 December	**(300,000)**	(1,300,000)
Carrying amount	**10,141,777**	4,981,780

Details of the subsidiaries are as follows:

Name	Country of incorporation/ Principal place of business	Percentage of equity interest			Principal activities
		31 Dec 2024 %	31 Dec 2023 %	1 Jan 2023 %	
Held by the Company					
7-24 Entertainment Pte. Ltd. [a]	Singapore	**85**	77	77	Operation of karaoke lounges
Have Fun Orchard Pte. Ltd. [a]	Singapore	**100**	100	100	Operation of karaoke lounges
Have Fun Serangoon Pte. Ltd. [c]	Singapore	**–**	100	100	Operation of karaoke lounges (under liquidation)
Have Fun DTE Pte. Ltd. [a]	Singapore	**100**	100	100	Operation of karaoke lounges
HF Chinatown Pte. Ltd. [a]	Singapore	**70**	70	70	Operation of karaoke lounges

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

6 Subsidiaries (Cont'd)

Name	Country of incorporation/ Principal place of business	Percentage of equity interest			Principal activities
		31 Dec 2024 %	31 Dec 2023 %	1 Jan 2023 %	
Held by the Company (Cont'd)					
Have Fun TPY Pte. Ltd. [(a)]	Singapore	**100**	100	40	Operation of karaoke lounges
Have Fun Yishun Pte. Ltd. [(a)]	Singapore	**100**	100	40	Operation of karaoke lounges
Have Fun Thomson Pte. Ltd. [(a)]	Singapore	**65**	65	65	Operation of karaoke lounges
Have Fun Bugis Pte. Ltd. [(a)]	Singapore	**78.83**	100	40.02	Operation of karaoke lounges and multi-entertainment venue
Have Fun Cineleisure Pte. Ltd. [(a)]	Singapore	**100**	100	–	Operation of karaoke lounges and multi-entertainment venue
Have Fun Suntec Pte. Ltd. [(a)]	Singapore	**100**	100	–	Operation of karaoke lounges
Have Fun Pasir Ris Pte. Ltd. [(a)]	Singapore	**100**	100	–	Operation of karaoke lounges
Have Fun Lite Pte. Ltd. [(a)]	Singapore	**100**	100	–	Operation of karaoke lounges (yet to commence operations)
Yakitori One Pte. Ltd. [(a)]	Singapore	**100**	100	–	Operation of restaurant
Goodwill Entertainment Malaysia Sdn. Bhd. [(b)]	Malaysia	**100**	100	–	Operation of karaoke lounges (yet to commence operations)
Have Fun Bugis Plus Pte. Ltd. [(a)]	Singapore	**100**	–	–	Operation of karaoke lounges
Open Menu Marketing Pte. Ltd. [(a)]	Singapore	**100**	–	–	Public relations, marketing, and brand consultancy services
Cookease Pte. Ltd. [(a)]	Singapore	**100**	–	–	Manufacture and sale of packaged food

(a) Audited by Foo Kon Tan LLP, Singapore

(b) Audited by Daxin KF&C PLT, Malaysia

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

6 Subsidiaries (Cont'd)

(i) Acquisition of non-controlling interests in subsidiaries without change in control

Have Fun Bugis Pte. Ltd.

During the financial year ended 31 December 2023, the Company had acquired additional 30% equity interest in the subsidiary partially from an existing shareholder for a cash consideration of S$400,000. Accordingly, the Company's equity interest in the subsidiary had increased from 40% to 70%. The financial effects are summarised as follows:

	2023 S$
Carrying amount of non-controlling interest acquired	245,856
Consideration paid to non-controlling interest	(400,000)
Decrease in equity attributable to owners of the Company	(154,144)

Share swap exercise

During the financial year ended 31 December 2023, the Company had acquired additional equity interests in certain subsidiaries through a share swap exercise, for a total consideration of S$1,075,953 which was satisfied through the issuance of 177,051 new ordinary shares in the capital of the Company to the shareholders of the subsidiaries. The non-controlling interests acquired are as follows:

Name	Equity interest acquired %
Have Fun TPY Pte. Ltd.	60
Have Fun Yishun Pte. Ltd.	60
Have Fun Bugis Pte. Ltd.	30
Have Fun Pasir Ris Pte. Ltd.	60
Have Fun Cineleisure Pte. Ltd.	49
Have Fun Suntec Pte. Ltd.	49
Have Fun Lite Pte. Ltd.	49
Yakitori One Pte. Ltd.	49

The financial effects are summarised as follows:

	2023 S$
Carrying amount of non-controlling interests acquired	737,282
Consideration paid to non-controlling interests	(1,075,953)
Decrease in equity attributable to owners of the Company	(338,671)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

6 Subsidiaries (Cont'd)

(i) Acquisition of non-controlling interests in subsidiaries without change in control (Cont'd)

7-24 Entertainment Pte. Ltd.

During the financial year ended 31 December 2024, the Company acquired an additional 8% equity interest in the subsidiary from an existing shareholder for a cash consideration of S$200,000. Accordingly, the Company's equity interest in the subsidiary increased from 77% to 85%. The financial effects are summarised as follows:

	2024 S$
Carrying amount of non-controlling interest acquired	**171,122**
Consideration paid to non-controlling interest	**(200,000)**
Decrease in equity attributable to owners of the Company	**(28,878)**

Open Menu Marketing Pte. Ltd.

On 30 December 2024, the Company acquired the remaining 5,000 ordinary shares from a third party for a cash consideration of S$5,000. Accordingly, the Company's equity interest in the subsidiary increased from 50% to 100%. The financial effects are summarised as follows:

	2024 S$
Carrying amount of non-controlling interest acquired	**5,000**
Consideration paid to non-controlling interest	**(5,000)**
Decrease in equity attributable to owners of the Company	**–**

(ii) Incorporation of subsidiaries with non-controlling interests

During the financial year ended 31 December 2023, the Company had incorporated Have Fun Cineleisure Pte. Ltd., Have Fun Suntec Pte. Ltd., Have Fun Lite Pte. Ltd. and Yakitori One Pte. Ltd. (then known as Have Fun PLQ Pte. Ltd.), holding 51% equity interest in each of the subsidiaries. The subsidiaries were incorporated with an aggregate share capital of S$400,002, with S$196,001 contributed by non-controlling interests.

On 2 April 2024, Open Menu Marketing Pte. Ltd. was incorporated with an issued and paid-up capital of S$10,000, comprising 10,000 ordinary shares of S$1 each, with 5,000 ordinary shares held by the Company, representing 50% equity interest.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

6 Subsidiaries (Cont'd)

(iii) Incorporation of subsidiaries without non-controlling interests

On 28 November 2023, Goodwill Entertainment Malaysia Sdn. Bhd. was incorporated with an issued and paid-up capital of RM10,000 (S$2,861), comprising 10,000 ordinary shares of RM1 each, with 10,000 ordinary shares held by the Company, representing 100% equity interest.

On 31 January 2024, Have Fun Bugis Plus Pte. Ltd. was incorporated with an issued and paid-up capital of S$10,000, comprising 10,000 ordinary shares of S$1 each, with 10,000 ordinary shares held by the Company, representing 100% equity interest. On 5 April 2024, the subsidiary issued 40,000 ordinary shares of S$1 each to the Company, amounting to S$40,000. The Company's equity interest in the subsidiary remained at 100%.

On 5 April 2024, Cookease Pte. Ltd. was incorporated with an issued and paid-up capital of S$50,000, comprising 50,000 ordinary shares of S$1 each, with 50,000 ordinary shares held by the Company, representing 100% equity interest.

(iv) Capital contribution by a non-controlling interest in a subsidiary

Have Fun Bugis Pte. Ltd.

The Company had held 2,501 ordinary shares in the capital of the subsidiary, representing 100% equity interest. During the financial year ended 31 December 2023, the subsidiary had received a deposit of S$900,000 from a third party, Hezong Pte. Ltd. ("Hezong"), for the purpose of investing in a live performance venue to be operated by the subsidiary (Note 18). During the financial year ended 31 December 2024, the Company received the balance amount of S$900,000 from Hezong. Following the receipt of the balance amount, 4,200 and 1,800 ordinary shares in the capital of the subsidiary were issued to the Company and Hezong Pte. Ltd., for a consideration of S$4,200,000 and S$1,800,000, respectively, which relate to equity interest in a live performance venue operated by the subsidiary. Consequently, the Company held an aggregate 78.83% equity interest in the subsidiary.

(v) Capital contributions in subsidiaries

On 25 April 2024, Have Fun Lite Pte. Ltd. issued 199,999 ordinary shares of S$1 each to the Company, amounting to S$199,999. The Company's equity interest in the subsidiary remained at 100%.

On 25 April 2024, Have Fun Pasir Ris Pte. Ltd. issued 149,999 ordinary shares of S$1 each to the Company, amounting to S$149,999. The Company's equity interest in the subsidiary remained at 100%.

On 25 April 2024, Yakitori One Pte. Ltd. issued 299,999 ordinary shares of S$1 each to the Company, amounting to S$299,999. The Company's equity interest in the subsidiary remained at 100%.

(vi) Impairment testing of investments in subsidiaries

In view of the losses incurred by certain subsidiaries for the financial years ended 31 December 2024 and 31 December 2023, management has assessed that there are indications of impairment of the Company's investments in subsidiaries. Accordingly, the assets are tested for impairment.

The recoverable amounts of the investments in subsidiaries are based on the higher of value in use and fair value less costs of disposal.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

6 Subsidiaries (Cont'd)

(vi) Impairment testing of investments in subsidiaries (Cont'd)

The recoverable amounts are determined by management from value in use calculations based on cash flow projections from formally approved financial budgets and forecasts covering a five-year period. The cash flows for the subsequent years are extrapolated from the fifth-year cash flow using a 1.96% (2023: 1.96%) terminal growth rate, and discounted using a pre-tax discount rate of 11.8% (2023: 10.7%). The discount rate reflects current market assessments of the time value of money and the risks specific to the cash-generating units.

Based on the recoverable amounts, no impairment losses are recognised for the financial year ended 31 December 2024. An impairment loss of S$1,000,000 was recognised by the Company to fully impair its investment in a subsidiary, Have Fun Serangoon Pte. Ltd., for the financial year ended 31 December 2023, based on the recoverable amount of the investment. The subsidiary is under liquidation (Note 27), and the investment with cost of S$1,000,000 is fully written off against the allowance for impairment loss of S$1,000,000 for the financial year ended 31 December 2024.

(vii) Subsidiaries with material non-controlling interests

The following summarises the financial information of each of the Company's subsidiaries with material non-controlling interests based on their respective financial statements prepared in accordance with SFRS(I)s. The information is before intra-group eliminations. The subsidiaries with material non-controlling interests are as follows:

Name	Proportion of effective interests held by non-controlling interests		
	31 December 2024	31 December 2023	1 January 2023
	%	%	%
7-24 Entertainment Pte. Ltd. ("7-24")	**15**	23	23
HF Chinatown Pte. Ltd. ("Chinatown")	**30**	30	30
Have Fun TPY Pte. Ltd. ("TPY")	**–**	–	60
Have Fun Yishun Pte. Ltd. ("Yishun")	**–**	–	60
Have Fun Thomson Pte. Ltd. ("Thomson")	**35**	35	35
Have Fun Bugis Pte. Ltd. ("Bugis")	**21.17**	–	59.98

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

6 Subsidiaries (Cont'd)

(vii) Subsidiaries with material non-controlling interests (Cont'd)

Summarised statements of financial position

As at 31 December 2024	7-24 S$	Chinatown S$	Thomson S$	Bugis S$	Total S$
Assets and liabilities					
Current assets	**3,389,153**	**863,233**	**79,612**	**6,476,363**	**10,808,361**
Non-current assets	**2,302,650**	**737,251**	**496,910**	**7,772,830**	**11,309,641**
Total assets	**5,691,803**	**1,600,484**	**576,522**	**14,249,193**	**22,118,002**
Current liabilities	**2,053,399**	**285,452**	**1,689,084**	**4,649,822**	**8,677,757**
Non-current liabilities	**1,201,528**	**34,584**	**88,210**	**2,528,814**	**3,853,136**
Total liabilities	**3,254,927**	**320,036**	**1,777,294**	**7,178,636**	**12,530,893**
Net assets/(liabilities)	**2,436,876**	**1,280,448**	**(1,200,772)**	**7,070,557**	**9,587,109**
Net assets/(liabilities) attributable to non-controlling interests	**365,531**	**384,134**	**(401,898)**	**1,822,577**	**2,170,344**
Dividend to a non-controlling interest	**–**	**–**	**–**	**1,050,000**	**1,050,000**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

6 Subsidiaries (Cont'd)

(vii) Subsidiaries with material non-controlling interests (Cont'd)

Summarised statements of financial position (Cont'd)

	7-24		Chinatown		TPY	Yishun	Thomson		Bugis	Total	
	As at 31 December 2023	As at 1 January 2023	As at 31 December 2023	As at 1 January 2023	As at 1 January 2023	As at 1 January 2023	As at 31 December 2023	As at 1 January 2023	As at 1 January 2023	As at 31 December 2023	As at 1 January 2023
	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$
Assets and liabilities											
Current assets	4,283,409	3,922,991	840,662	526,546	225,749	295,683	262,062	132,605	330,821	5,386,133	5,434,395
Non-current assets	3,293,344	81,728	1,175,050	1,619,905	1,518,914	2,167,189	827,798	1,293,116	3,222,696	5,296,192	9,903,548
Total assets	7,576,753	4,004,719	2,015,712	2,146,451	1,744,663	2,462,872	1,089,860	1,425,721	3,553,517	10,682,325	15,337,943
Current liabilities	3,503,771	1,879,075	595,081	864,150	716,614	1,607,195	1,804,854	1,287,770	693,766	5,903,706	7,048,570
Non-current liabilities	2,016,175	5,889	251,569	552,650	659,294	1,025,132	426,164	740,994	2,040,234	2,693,908	5,024,193
Total liabilities	5,519,946	1,884,964	846,650	1,416,800	1,375,908	2,632,327	2,231,018	2,028,764	2,734,000	8,597,614	12,072,763
Net assets/(liabilities)	2,056,807	2,119,755	1,169,062	729,651	368,755	(169,455)	(1,141,158)	(603,043)	819,517	2,084,711	3,265,180
Net assets/(liabilities) attributable to non-controlling interests	473,066	487,544	350,718	218,895	221,253	(101,673)	(381,032)	(192,722)	491,546	442,752	1,124,843
Dividend to a non-controlling interest	230,000	–	–	–	–	–	–	–	–	230,000	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

6 Subsidiaries (Cont'd)

(vii) Subsidiaries with material non-controlling interests (Cont'd)

Summarised statements of profit or loss and other comprehensive income

	7-24		Chinatown		Thomson		Bugis	Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	**2024**	2023
	S$	S$	**S$**	S$	**S$**	S$	**S$**	**S$**	S$
Revenue	**2,976,598**	4,605,919	**1,377,748**	1,849,661	**867,402**	979,799	**25,126,184**	**30,347,932**	7,435,379
Expenses	**(2,596,529)**	(3,668,867)	**(1,266,362)**	(1,410,250)	**(927,016)**	(1,517,914)	**(21,056,831)**	**(25,846,738)**	(6,597,031)
Profit/(Loss) for the year	**380,069**	937,052	**111,386**	439,411	**(59,614)**	(538,115)	**4,069,353**	**4,501,194**	838,348
Profit/(Loss) and total comprehensive income/(loss) attributable to non-controlling interests	**63,589**	215,522	**33,416**	131,823	**(20,865)**	(188,340)	**1,072,574**	**1,148,714**	159,005
Other subsidiaries								**-**	176,041
								1,148,714	335,046

Summarised statements of cash flows

	7-24		Chinatown		Thomson		Bugis	Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	**2024**	2023
	S$	S$	**S$**	S$	**S$**	S$	**S$**	**S$**	S$
Cash flows from:									
- operating activities	**1,392,816**	284,085	**605,148**	507,153	**180,600**	443,573	**8,450,685**	**10,629,249**	1,234,811
- investing activities	**951,791**	(2,900)	**(10,699)**	(6,000)	**151,070**	(5,950)	**(4,046,561)**	**(2,954,399)**	(14,850)
- financing activities	**(2,169,057)**	(826,206)	**(501,430)**	(294,095)	**(359,591)**	(382,688)	**(1,131,121)**	**(4,161,199)**	(1,502,989)
	175,550	(545,021)	**93,019**	207,058	**(27,921)**	54,935	**3,273,003**	**3,513,651**	(283,028)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

7 Deferred taxation

The Group	**2024 S$**	2023 S$ (Restated)
At 1 January	**211,957**	189,637
Recognised in profit or loss (Note 24)	**(532,116)**	22,320
At 31 December	**(320,159)**	211,957
The Company		
At 1 January	**12,794**	132,063
Recognised in profit or loss	**756**	(119,269)
At 31 December	**13,550**	12,794

Deferred taxation comprises the following:

	The Group			The Company		
	31 December 2024 S$	31 December 2023 S$ (Restated)	1 January 2023 S$ (Restated)	**31 December 2024 S$**	31 December 2023 S$ (Restated)	1 January 2023 S$ (Restated)
Deferred tax assets	**52,791**	231,093	239,543	**13,550**	12,794	132,063
Deferred tax liabilities	**(372,950)**	(19,136)	(49,906)	**–**	–	–
	(320,159)	211,957	189,637	**13,550**	12,794	132,063

Deferred tax assets are attributable to the following:

The Group	Unused tax losses S$	Lease liabilities S$	Total S$
At 1 January 2023, as restated	220,373	841,743	1,062,116
Recognised in profit or loss	(139,425)	1,317,240	1,177,815
At 31 December 2023, as restated	80,948	2,158,983	2,239,931
Recognised in profit or loss	**58,196**	**(231,448)**	**(173,252)**
At 31 December 2024	**139,144**	**1,927,535**	**2,066,679**
The Company			
At 1 January 2023, as restated	132,063	–	132,063
Recognised in profit or loss	(119,269)	–	(119,269)
At 31 December 2023, as restated	12,794	–	12,794
Recognised in profit or loss	**756**	**–**	**756**
At 31 December 2024	**13,550**	**–**	**13,550**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

7 Deferred taxation (Cont'd)

Deferred tax liabilities are attributable to the following:

The Group	Plant and equipment S$	Right-of-use assets S$	Total S$
At 1 January 2023, as restated	76,274	796,205	872,479
Recognised in profit or loss	(628)	1,156,123	1,155,495
At 31 December 2023, as restated	75,646	1,952,328	2,027,974
Recognised in profit or loss	**555,788**	**(196,924)**	**358,864**
At 31 December 2024	**631,434**	**1,755,404**	**2,386,838**

8 Trade and other receivables

	The Group			The Company		
	31 December 2024 S$	31 December 2023 S$ (Restated)	1 January 2023 S$ (Restated)	**31 December 2024 S$**	31 December 2023 S$ (Restated)	1 January 2023 S$ (Restated)
Trade receivables						
- Third parties	**611,056**	751,693	297,433	**14,250**	–	10,700
- Subsidiaries	**-**	–	–	**-**	–	622,052
- Related companies	**-**	–	59,963	**-**	–	58,799
	611,056	751,693	357,396	**14,250**	–	691,551
Amounts due from subsidiaries (non-trade)	**-**	–	–	**12,073,034**	12,859,463	1,834,767
Less: Allowance for impairment losses	**-**	–	–	**(145,300)**	(134,543)	(134,543)
	-	–	–	**11,927,734**	12,724,920	1,700,224
Long-term deposits	**2,981,704**	3,012,509	732,193	**-**	–	–
Short-term deposits	**276,168**	114,586	251,773	**16,966**	18,317	–
	3,257,872	3,127,095	983,966	**16,966**	18,317	–
Amounts due from related companies (non-trade)	**-**	168,958	11,942	**-**	–	–
Dividend receivable	**-**	–	–	**490,000**	770,000	–
Other receivables	**361,060**	66,841	7,590	**248,460**	29,160	–
Financial assets at amortised cost	**4,229,988**	4,114,587	1,360,894	**12,697,410**	13,542,397	2,391,775
Net input taxes	**33,340**	762,409	20,409	**-**	–	–
Total trade and other receivables	**4,263,328**	4,876,996	1,381,303	**12,697,410**	13,542,397	2,391,775
Represented by:						
- Non-current	**2,981,704**	3,012,509	732,193	**-**	–	–
- Current	**1,281,624**	1,864,487	649,110	**12,697,410**	13,542,397	2,391,775
	4,263,328	4,876,996	1,381,303	**12,697,410**	13,542,397	2,391,775

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

8 Trade and other receivables (Cont'd)

Trade receivables mainly relate to outstanding balances due from third-party merchant payment platforms. Trade receivables are unsecured and non-interest bearing. Due to the nature of the business, the Group and the Company generally do not extend credit period to customers, except for certain corporate customers for which credit period of 30 days is given. Amounts are deemed to be collectible on issuance of invoices. The Group and the Company actively review the trade receivable balances and follow up on outstanding debts with the customers.

The ageing analysis of trade receivables from third parties is as follows:

	31 December 2024	31 December 2023	1 January 2023
The Group	**S$**	S$	S$
Not past due	**–**	25,841	32,804
Past due 1 to 30 days	**604,702**	725,852	264,629
Past due more than 30 days	**6,354**	–	–
	611,056	751,693	297,433
The Company			
Not past due	**–**	–	10,700
Past due 1 to 30 days	**14,250**	–	–
	14,250	–	10,700

Based on historical default rates, the Group and the Company believe that no impairment allowance is necessary in respect of trade receivables as they mainly arise from customers that have a good credit record with the Group and the Company.

The related companies are companies of which the Executive Director and Chief Executive Officer of the Company is a director or controlling shareholder.

The non-trade amounts due from subsidiaries and related companies, which represent advances to and payments on behalf of the subsidiaries and related companies, are unsecured, interest-free and repayable on demand.

The movement in allowance for impairment losses on non-trade amounts due from subsidiaries during the financial year is as follows:

	2024	2023
The Company	**S$**	S$
At 1 January	**134,543**	134,543
Allowance made	**10,757**	–
At 31 December	**145,300**	134,543

Deposits mainly relate to security deposits for rental of outlets.

Other receivables mainly relate to marketing incentives from brand owners.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

8 Trade and other receivables (Cont'd)

Trade and other receivables (excluding net input taxes) are denominated in the following currencies:

	The Group			The Company		
	31 December 2024	31 December 2023	1 January 2023	**31 December 2024**	31 December 2023	1 January 2023
	S$	S$	S$	**S$**	S$	S$
		(Restated)	(Restated)		(Restated)	(Restated)
Singapore dollar	**4,227,505**	4,114,587	1,360,894	**12,697,410**	13,542,397	2,391,775
Malaysia ringgit	**2,483**	–	–	**–**	–	–
	4,229,988	4,114,587	1,360,894	**12,697,410**	13,542,397	2,391,775

9 Inventories

	The Group			The Company		
	31 December 2024	31 December 2023	1 January 2023	**31 December 2024**	31 December 2023	1 January 2023
	S$	S$	S$	**S$**	S$	S$
		(Restated)	(Restated)		(Restated)	(Restated)
Beverages and liquors, at cost	**1,428,520**	430,727	206,077	**742,735**	177,658	8,230
Packaged food, at cost	**57,860**	–	–	**–**	–	–
	1,486,380	430,727	206,077	**742,735**	177,658	8,230

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

10 Prepayments

	The Group			The Company		
	31 December 2024	31 December 2023	1 January 2023	**31 December 2024**	31 December 2023	1 January 2023
	S$	S$	S$	**S$**	S$	S$
		(Restated)	(Restated)		(Restated)	(Restated)
Advances to suppliers	**99,090**	318,419	30,137	**9,507**	43,079	–
Advertising fees	**45,004**	60,736	–	**–**	–	–
Insurance premiums	**17,716**	41,944	16,950	**1,058**	5,462	5,604
License fees	**171,078**	15,553	–	**–**	2,893	–
Professional fees	**23,560**	–	–	**13,800**	–	–
Other prepayments	**17,262**	25,053	13,903	**2,303**	5,871	5,277
	373,710	461,705	60,990	**26,668**	57,305	10,881

11 Cash and bank deposits

	The Group			The Company		
	31 December 2024	31 December 2023	1 January 2023	**31 December 2024**	31 December 2023	1 January 2023
	S$	S$	S$	**S$**	S$	S$
		(Restated)	(Restated)		(Restated)	(Restated)
Cash on hand	**22,940**	20,419	17,357	**–**	–	–
Cash at banks	**18,784,397**	2,822,604	2,123,076	**9,976,376**	283,636	161,093
Fixed deposits	**–**	–	369,005	**–**	–	369,005
	18,807,337	2,843,023	2,509,438	**9,976,376**	283,636	530,098

Cash at banks is held in current accounts and is non-interest bearing.

As at 1 January 2023, fixed deposits were placed for a tenure of one to three years and bore interest at 0.1% per annum. The fixed deposits were pledged as security for rental deposits.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

11 Cash and bank deposits (Cont'd)

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

The Group	**31 December 2024 S$**	31 December 2023 S$	1 January 2023 S$
Cash on hand	**22,940**	20,419	17,357
Cash at banks	**18,784,397**	2,822,604	2,123,076
Fixed deposits	**–**	–	369,005
Cash and bank deposits	**18,807,337**	2,843,023	2,509,438
Less:			
Bank deposit pledged	**(450,000)**	–	–
Fixed deposits pledged	**–**	–	(369,005)
	18,357,337	2,843,023	2,140,433

As at 31 December 2024, bank deposit pledged relates to a bank loan obtained by the Group and the Company (Note 15).

Cash and bank deposits are denominated in the following currencies:

	The Group			The Company		
	31 December 2024 S$	31 December 2023 S$ (Restated)	1 January 2023 S$ (Restated)	**31 December 2024 S$**	31 December 2023 S$ (Restated)	1 January 2023 S$ (Restated)
Singapore dollar	**18,796,931**	2,843,023	2,509,438	**9,976,376**	283,636	530,098
Malaysia ringgit	**10,406**	–	–	**–**	–	–
	18,807,337	2,843,023	2,509,438	**9,976,376**	283,636	530,098

12 Share capital

The Group and the Company	**2024**	2023	**2024**	2023
	Number of ordinary shares		**S$**	S$
Issued and fully paid, with no par value				
At 1 January	**942,628**	565,577	**8,895,953**	5,820,000
Issuance of shares	**43,250,000**	377,051	**8,109,421**	3,075,953
Share split	**355,807,372**	–	**–**	–
At 31 December	**400,000,000**	942,628	**17,005,374**	8,895,953

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12 Share capital (Cont'd)

On 15 December 2023, the Company had issued 177,051 new ordinary shares for the acquisition of shares held by non-controlling interests in its subsidiaries for a total consideration of S$1,075,953. On 15 December 2023, the Company had also issued 200,000 new ordinary shares for a total consideration of S$2,000,000 which was satisfied through the offsetting of a loan from a shareholder (Note 15).

On 25 October 2024, the Company conducted a share split. Under the share split, 942,628 ordinary shares in the capital of the Company were sub-divided into 356,750,000 ordinary shares. Pursuant to the share split, the issued and paid-up share capital of the Group remained at S$8,895,953, comprising 356,750,000 ordinary shares.

On 15 November 2024, the Company issued 43,250,000 ordinary shares at S$0.20 per share through the Company's initial public offering. The cash consideration for 42,500,000 ordinary shares was S$8,500,000. The remaining 750,000 ordinary shares were issued to the Company's sponsor and joint placement agent as commission shares, amounting to S$150,000. Share issuance costs amounted to S$540,579.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

13 Other reserves

	The Group			The Company		
	31 December 2024	31 December 2023	1 January 2023	**31 December 2024**	31 December 2023	1 January 2023
	S$	S$	S$	**S$**	S$	S$
		(Restated)	(Restated)			
Capital reserve	**731,436**	760,314	1,253,129	**–**	–	–
Foreign currency translation reserve	**3,778**	7	–	**–**	–	–
Hedging reserve	**(102,314)**	–	–	**(102,314)**	–	–
	632,900	760,321	1,253,129	**(102,314)**	–	–

Capital reserve

Capital reserve represents the effects of changes in ownership interests in subsidiaries where there is no change in control.

Foreign currency translation reserve

Foreign currency translation reserve represents the 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.

Hedging reserve

Hedging reserve arises from the fair value gain or loss on derivative financial instrument.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

14 Lease liabilities

	The Group			The Company		
	31 December 2024	31 December 2023	1 January 2023	**31 December 2024**	31 December 2023	1 January 2023
	S$	S$	S$	**S$**	S$	S$
		(Restated)	(Restated)		(Restated)	(Restated)
Undiscounted lease payments due:						
- Year 1	**7,243,283**	6,300,128	2,034,062	**54,000**	12,372	12,372
- Year 2	**4,824,117**	6,564,034	2,005,261	**54,000**	8,230	12,372
- Year 3	**1,740,659**	4,455,913	1,856,888	**13,500**	–	8,230
- Year 4	**1,004,534**	1,282,724	728,814	**–**	–	–
- Year 5	**–**	983,790	542,527	**–**	–	–
- Year 6 and onwards	**–**	63,880	219,257	**–**	–	–
	14,812,593	19,650,469	7,386,809	**121,500**	20,602	32,974
Less: Unearned interest cost	**(955,223)**	(1,601,735)	(747,368)	**(6,978)**	(968)	(2,378)
	13,857,370	18,048,734	6,639,441	**114,522**	19,634	30,596
Represented by:						
- Non-current	**7,188,463**	12,528,072	4,901,128	**65,247**	8,061	19,620
- Current	**6,668,907**	5,520,662	1,738,313	**49,275**	11,573	10,976
	13,857,370	18,048,734	6,639,441	**114,522**	19,634	30,596

The lease liabilities relate to the Group's and the Company's outlets, leasehold properties and motor vehicle, which are secured by the lessors' title to the leased assets.

Interest expense on lease liabilities of S$855,534 (2023: S$657,725) (Note 23) is recognised in profit or loss for the financial year ended 31 December 2024 under finance costs.

Lease payments not included in the measurement of lease liabilities but recognised within operating lease expenses in profit or loss are set out below:

	2024	2023
The Group	**S$**	S$
Short-term leases	**17,965**	57,600
Variable lease payments	**1,809,374**	746,703

At the end of the reporting period, the Group's short-term lease commitments are not substantially dissimilar to those giving rise to the Group's short-term lease expense for the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

14 Lease liabilities (Cont'd)

The leases for certain outlets contain variable lease payments that are based on a percentage of sales generated by the outlets, on top of fixed payments. The Group negotiates variable lease payments for a variety of reasons, including minimising the fixed costs for newly established outlets. Such variable lease payments are recognised in profit or loss when incurred.

Total cash outflow for leases amounted to S$8,837,826 (2023: S$4,054,381), comprising lease liabilities, short-term leases and variable lease payments of S$7,010,487 (2023: S$3,250,078), S$17,965 (2023: S$57,600) and S$1,809,374 (2023: S$746,703), respectively, for the financial year ended 31 December 2024.

Lease liabilities are denominated in the following currencies:

	The Group			**The Company**		
	31 December 2024	31 December 2023	1 January 2023	**31 December 2024**	31 December 2023	1 January 2023
	S$	S$	S$	**S$**	S$	S$
		(Restated)	(Restated)		(Restated)	(Restated)
Singapore dollar	**13,845,906**	18,048,734	6,639,441	**114,522**	19,634	30,596
Malaysia ringgit	**11,464**	–	–	**–**	–	–
	13,857,370	18,048,734	6,639,441	**114,522**	19,634	30,596

15 Borrowings

	The Group			**The Company**		
	31 December 2024	31 December 2023	1 January 2023	**31 December 2024**	31 December 2023	1 January 2023
	S$	S$	S$	**S$**	S$	S$
		(Restated)	(Restated)		(Restated)	
Non-current						
Bank loans	**5,707,232**	1,770,407	–	**4,096,601**	370,327	–
Loan from a third party	**–**	–	27,078	**–**	–	–
	5,707,232	1,770,407	27,078	**4,096,601**	370,327	–
Current						
Bank loans	**3,219,132**	1,380,158	1,364,700	**2,421,331**	88,208	–
Loans from shareholders	**–**	1,980,000	–	**–**	1,980,000	–
Loan from a third party	**–**	27,078	94,077	**–**	–	–
	3,219,132	3,387,236	1,458,777	**2,421,331**	2,068,208	–
	8,926,364	5,157,643	1,485,855	**6,517,932**	2,438,535	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

15 Borrowings (Cont'd)

The terms and conditions of borrowings at the end of the reporting period are as follows:

The Group	Currency	Nominal interest rate	Year of maturity	Carrying amount S$
31 December 2024				
Bank loans	**SGD**	**2.6% - 8%**	**2025 - 2029**	**8,926,364**
31 December 2023				
Bank loans	SGD	3% - 8%	2025 - 2028	3,150,565
Loan from a shareholder	SGD	10%	2024	500,000
Loan from a shareholder	SGD	*	*	1,480,000
Loan from a third party	SGD	10%	2024	27,078
				5,157,643
1 January 2023				
Bank loans	SGD	3%	2025	1,364,700
Loan from a third party	SGD	10%	2024	121,155
				1,485,855

The Company				
31 December 2024				
Bank loans	**SGD**	**5.35% - 8%**	**2027 - 2029**	**6,517,932**
31 December 2023				
Bank loans	SGD	8%	2028	458,535
Loan from a shareholder	SGD	10%	2024	500,000
Loan from a shareholder	SGD	*	*	1,480,000
				2,438,535

* Interest-free and repayable on demand

Bank loans

The bank loans are secured by corporate guarantees from the Company or certain subsidiaries, personal guarantees from the Executive Director and Chief Executive Officer of the Company, and/or a bank deposit of the Group and the Company (Note 11).

The Group had breached certain financial covenants in respect of its bank loans amounting to S$858,972 and S$1,364,700 as at 31 December 2023 and 1 January 2023, respectively. Accordingly, the bank loans became repayable on demand and were classified as current. During the financial year ended 31 December 2024, the Group obtained waiver of financial covenants in respect of these bank loans. Consequently, these bank loans are no longer repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

15 Borrowings (Cont'd)

Loans from shareholders

During the financial year ended 31 December 2023, a loan of S$3,480,000 was obtained by the Company from a shareholder of the Company. The loan was unsecured, interest-free and repayable on demand. On 15 December 2023, the loan was partially settled by S$2,000,000 through the issuance of 200,000 new ordinary shares in the capital of the Company to the shareholder (Note 12). The loan was fully repaid by the Company on 7 August 2024.

During the financial year ended 31 December 2023, a loan of S$500,000 was obtained by the Company from another shareholder of the Company. The loan was unsecured, bore interest at 10% per annum, and was repayable on a monthly basis over a period of three months. The loan was fully repaid by the Company on 28 February 2024.

Loan from a third party

During the financial year ended 31 December 2022, a loan of S$200,000 was obtained from a third party. The loan bore interest at 9% per annum. The loan was repayable through 24 monthly instalments of S$9,167. The loan was secured by personal guarantees from the Executive Director and Chief Executive Officer of the Company and other shareholders of a subsidiary. The loan was fully repaid on 1 March 2024.

Carrying amounts and fair values

The carrying amounts of short-term borrowings approximate their fair values. The carrying amounts and fair values of long-term borrowings at the end of the reporting period are as follows:

	Carrying amount	Fair value
The Group	S$	S$
31 December 2024		
Bank loans	**8,926,364**	**9,099,910**
31 December 2023		
Bank loans	2,291,593	2,416,974
1 January 2023		
Loan from a third party	121,155	132,805
The Company		
31 December 2024		
Bank loans	**6,517,932**	**6,558,491**
31 December 2023		
Bank loans	458,535	488,719

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For the financial year ended 31 December 2024

15 Borrowings (Cont'd)

Carrying amounts and fair values (Cont'd)

The fair values are determined from the discounted cash flow analysis, using the discount rates based on the borrowing rates which management expects would be available to the Group and the Company at the end of the reporting period, as follows:

	The Group			The Company		
	31 December 2024	31 December 2023	1 January 2023	**31 December 2024**	31 December 2023	1 January 2023
	%	%	%	**%**	%	%
Bank loans	**5.25**	5.25	–	**5.25**	5.25	–
Loan from a third party	**–**	–	5.25	**–**	–	–

16 Provision for restoration costs

The Group	**2024**	2023
	S$	S$
		(Restated)
At 1 January	**899,389**	471,013
Provision made	**193,377**	410,300
Provision reversed	**(53,692)**	–
Unwinding of discount (Note 23)	**45,190**	18,076
At 31 December	**1,084,264**	899,389

The Group	**31 December 2024**	31 December 2023	1 January 2023
	S$	S$	S$
		(Restated)	(Restated)
Represented by:			
- Non-current	**885,662**	899,389	347,839
- Current	**198,602**	–	123,174
	1,084,264	899,389	471,013

The provision for restoration costs relates to the present value of the estimated cost of reinstating the leased outlets to their original condition upon termination of the leases.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17 Derivative financial instrument

The Group and the Company	**2024** **S$**	2023 S$
At 1 January	**–**	–
Fair value loss recognised in other comprehensive income	**102,314**	–
At 31 December	**102,314**	–
Represented by:		
- Non-current	**102,314**	–

The interest rate swap is designated as a cash flow hedge in respect of the Group's bank loan (Note 15).

The fair value of the derivative financial instrument is as follows:

	Contractual notional amount S$	Fair value S$
31 December 2024		
Cash flow hedge		
- Interest rate swap	**5,000,000**	**102,314**
Represented by:		
- Non-current	**5,000,000**	**102,314**

Derivative financial instrument is denominated in Singapore dollar.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

18 Trade and other payables

	The Group			The Company		
	31 December 2024	31 December 2023	1 January 2023	**31 December 2024**	31 December 2023	1 January 2023
	S$	S$	S$	**S$**	S$	S$
		(Restated)	(Restated)		(Restated)	(Restated)
Trade payables to third parties	**1,748,519**	981,388	332,432	**218,789**	181,360	25,440
Amount due to a director (non-trade)	**47,954**	146,419	301,585	**–**	100,000	–
Amounts due to non-controlling interests (non-trade)	**320,122**	297,581	63,181	**–**	–	–
Amounts due to subsidiaries (non-trade)	**–**	–	–	**7,336,194**	7,985,316	3,441,737
Amounts due to related companies (non-trade)	**–**	1,752,445	923,537	**–**	–	27,343
Accrued expenses	**2,161,435**	1,423,377	572,445	**283,133**	370,290	183,133
Deposits received	**28,874**	901,508	–	**–**	–	–
Dividend payable to a non-controlling interest	**210,000**	230,000	–	**–**	–	–
Other payables	**862,388**	216,769	88,783	**109,058**	175,242	33,533
Financial liabilities at amortised cost	**5,379,292**	5,949,487	2,281,963	**7,947,174**	8,812,208	3,711,186
Advances from customers	**298,759**	46,940	60,144	**226,246**	5,028	5,028
Net output taxes	**635,369**	199,839	265,915	**54,050**	16,735	25,673
Total trade and other payables	**6,313,420**	6,196,266	2,608,022	**8,227,470**	8,833,971	3,741,887

Trade and other payables are non-interest bearing and have credit period of 30 to 60 days (2023: 30 to 60 days).

The related companies are companies of which the Executive Director and Chief Executive Officer or the Vice Chairman and Non-Executive Director of the Company is a director or controlling shareholder.

The non-trade amounts due to a director, non-controlling interests, subsidiaries and related companies, which represent advances from and payments on behalf by the director, non-controlling interests, subsidiaries and related companies, are unsecured, interest-free and repayable on demand.

Deposits received as at 31 December 2023 comprised an amount of S$900,000 received from a third party, Hezong Pte. Ltd., for the purpose of investing in a live performance venue to be operated by a subsidiary, Have Fun Bugis Pte. Ltd. The deposit was fully utilised as contribution in the capital of the subsidiary during the financial year ended 31 December 2024 (Note 6(iv)).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

18 Trade and other payables (Cont'd)

Other payables mainly relate to amounts owing to vendors for renovation works and marketing fees.

Trade and other payables (excluding advances from customers and net output taxes) are denominated in the following currencies:

	The Group			The Company		
	31 December 2024	31 December 2023	1 January 2023	**31 December 2024**	31 December 2023	1 January 2023
	S$	S$	S$	**S$**	S$	S$
		(Restated)	(Restated)		(Restated)	(Restated)
Singapore dollar	**5,369,977**	5,949,487	2,281,963	**7,947,174**	8,812,208	3,711,186
Malaysia ringgit	**9,315**	–	–	**–**	–	–
	5,379,292	5,949,487	2,281,963	**7,947,174**	8,812,208	3,711,186

19 Revenue

The Group	**2024**	2023
	S$	S$
		(Restated)
Revenue from contracts with customers		
- Sale of food and beverages	**33,018,855**	13,124,486
- Karaoke room charges	**10,294,041**	8,632,283
- Service charges	**4,315,047**	2,173,805
- Rendering of live performance services	**5,332,352**	–
- Sale of packaged food	**26,293**	–
	52,986,588	23,930,574
Timing of transfer of goods and services in respect of revenue from contracts with customers		
At a point in time	**52,986,588**	23,930,574

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

20 Other income

The Group	**2024** **S$**	2023 S$ (Restated)
Government grants	**311,346**	230,095
Insurance claims received	**3,416**	143,553
Interest income on fixed deposits	**–**	163
Liquidated damages	**–**	169,252
Marketing incentives	**335,989**	–
Miscellaneous income	**138,336**	18,339
	789,087	561,402

21 Staff costs

The Group	**2024** **S$**	2023 S$ (Restated)
Directors' fees	**37,500**	–
Directors' remuneration other than fees		
- Salaries and other related costs	**532,500**	507,954
- Contributions to defined contribution plan	**17,340**	18,292
	587,340	526,246
Key management personnel (other than directors)		
- Salaries and other related costs	**362,884**	116,065
- Contributions to defined contribution plan	**29,952**	13,816
	392,836	129,881
Total key management personnel compensation	**980,176**	656,127
Other than key management personnel		
- Salaries and other related costs	**12,458,005**	5,185,182
- Contributions to defined contribution plan	**766,242**	498,772
	13,224,247	5,683,954
Total staff costs	**14,204,423**	6,340,081

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

22 Other operating expenses

Other operating expenses include the following items:

The Group	2024 S$	2023 S$ (Restated)
Advertising expenses	**3,528**	11,601
Amortisation of intangible assets (Note 5)	**1,643**	1,642
Bad debts	**19,669**	–
Credit card and payment service fees	**1,104,732**	478,255
Entertainment expenses	**95,892**	49,855
Fines and penalties	**2,805**	–
Freight and delivery charges	**83,286**	9,703
General expenses	**37,183**	15,985
Internet and networking charges	**71,658**	42,144
Legal and professional fees	**242,588**	134,038
Licensing fees	**505,689**	210,253
Listing expenses	**1,123,153**	310,105
Marketing expenses	**2,170,971**	285,079
Plant and equipment written off	**–**	33,489
Repairs and maintenance expenses	**640,257**	576,126
Travel expenses	**35,777**	262,570
Upkeep of motor vehicle	**6,253**	8,295
Utilities	**1,487,943**	607,336

23 Finance costs

The Group	2024 S$	2023 S$ (Restated)
Interest expense on:		
- lease liabilities (Note 14)	**855,534**	657,725
- bank loans	**507,148**	138,564
- loans from shareholders	**9,483**	4,167
- loan from a third party	**422**	6,756
	1,372,587	807,212
Unwinding of discount on provision for restoration costs (Note 16)	**45,190**	18,076
	1,417,777	825,288

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

24 Taxation

The Group	2024 S$	2023 S$ (Restated)
Current taxation		
- Current year	**999,016**	468,421
- Changes in estimates in respect of prior years	**(139,514)**	–
	859,502	468,421
Deferred taxation (Note 7)		
- Origination and reversal of temporary differences	**323,296**	(22,320)
- Changes in estimates in respect of prior years	**208,820**	–
	532,116	(22,320)
	1,391,618	446,101

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on profit before taxation as a result of the following:

The Group	2024 S$	2023 S$ (Restated)
Profit before taxation	**6,950,149**	3,685,332
Tax at Singapore statutory rate of 17%	**1,181,525**	626,507
Effect of different tax rates in foreign jurisdictions	**(3,283)**	(65)
Tax effect on non-deductible expenses	**590,453**	136,152
Tax exemptions and rebates	**(418,284)**	(371,212)
Deferred tax assets on temporary differences not recognised	**10,417**	61,397
Changes in estimates of current taxation in respect of prior years	**(139,514)**	–
Changes in estimates of deferred taxation in respect of prior years	**208,820**	–
Others	**(38,516)**	(6,678)
	1,391,618	446,101

Non-deductible expenses mainly relate to depreciation of non-qualifying plant and equipment.

Singapore

The corporate income tax rate applicable to the Company and its Singapore-incorporated subsidiaries is 17% (2023: 17%) for the financial year ended 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

24 Taxation (Cont'd)

Malaysia

The corporate income tax rate applicable to Goodwill Entertainment Malaysia Sdn. Bhd. is 24% (2023: 24%) for the financial year ended 31 December 2024.

As at 31 December 2024, the Group has unused tax losses of approximately S$1,755,659 (2023: S$2,807,589) which are allowed to be carried forward and used to offset against future taxable profits of the subsidiaries in which the tax losses arose, subject to agreement by the tax authority and compliance with the applicable tax regulations in Singapore in which the Company and its subsidiaries operate. Deferred tax assets have not been recognised due to the uncertainty whether future taxable profits will be available against which the Company and its subsidiaries can utilise the benefits. The unused tax losses have no expiry date.

25 Earnings per share

The calculation of basic and diluted earnings per share is based on the profit or loss attributable to ordinary shareholders, as follows:

	2024	2023
	S$	S$
Profit attributable to ordinary shareholders	**4,409,817**	2,904,185

Weighted average number of ordinary shares (basic and diluted)

The weighted average number of ordinary shares outstanding during the financial years ended 31 December 2024 and 31 December 2023 was adjusted for the effect of the sub-division of ordinary shares, as disclosed in Note 12 to the financial statements.

	2024	2023
Issued ordinary shares at beginning of year	**356,750,000**	214,050,076
Effect of ordinary shares issued during the year	**5,435,792**	6,255,339
Weighted average number of ordinary shares	**362,185,792**	220,305,415

The diluted earnings per share is the same as the basic earnings per share as the Group does not have dilutive potential ordinary shares during the financial years ended 31 December 2024 and 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

26 Significant related party transactions

Other than as disclosed elsewhere in the financial statements, transactions with related parties based on terms agreed between parties are as follows:

The Group	**2024** **S$**	2023 S$
Sale of goods to related companies	**19,520**	3,360
Purchase of goods and services from related companies	**(19,358)**	(85,482)
Liquidated damages from a related company	**–**	169,252
Purchase of right-of-use assets from a related company	**(412,500)**	–
Rental expenses paid/payable to a related company	**(62,283)**	(51,600)

The related companies are companies of which the Executive Director and Chief Executive Officer or the Vice Chairman and Non-Executive Director of the Company is a director or controlling shareholder.

The directors are of the opinion that the related party transactions have been entered in normal course of businesses and have been established on terms and conditions that are not materially different from those obtainable in transactions with third parties.

27 Contingent liabilities

On 1 December 2021, Have Fun Serangoon Pte. Ltd. ("HF Serangoon"), a formerly wholly-owned subsidiary of the Company, received a letter of claim from the former landlord against HF Serangoon pursuant to rent in arrears and other amounts owing. Follow-up letters were received by HF Serangoon on 6 January 2022, 13 January 2022, 21 January 2022 and 15 July 2022. Based on the letter of claim dated 15 July 2022, the former landlord had demanded a sum of S$821,029 pursuant to rent in arrears, loss and damages and other amounts owing pursuant to the breach of lease agreement. HF Serangoon has vacated the premises since 21 January 2022. No payment has been made by HF Serangoon or the Group pursuant to the letter of claim, and no further letters have been received by HF Serangoon or the Group from the former landlord. Management has assessed that no provision is required as it is not probable that any significant outflow of resources embodying economic benefits will be required to settle the obligation, due to the significant net liabilities and lack of funds of the subsidiary. On 21 May 2024, the Company appointed liquidators and commenced a creditors' voluntary winding-up of HF Serangoon. On 4 April 2025, the Company received a notice from the liquidators that the final general meeting in respect of the liquidation will be convened on 7 May 2025.

28 Leases

Where the Group and the Company are the lessee,

The Group leases outlets for the purpose of operation of karaoke lounges, multi-entertainment venues and restaurant. The leases typically run for a period of two to six years, with option to renew the leases. Lease payments are renegotiated every few years to reflect market rentals. There are no externally imposed covenants on the lease arrangements. The Group also leases two property units for its food manufacturing factory for a period of approximately three years.

The Company leases a property unit for its office premises for a period of three years. In addition, the Company leases a motor vehicle under hire purchase arrangement with a lease period of seven years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

28 Leases (Cont'd)

Where the Group and the Company are the lessee, (Cont'd)

Information about leases for which the Group and the Company are a lessee is presented in Note 4 and Note 14 to the financial statements.

Amounts recognised in profit or loss under SFRS(I) 16 are as follows:

	2024	2023
The Group	**S$**	S$
Interest expense on lease liabilities (Note 23)	**855,534**	657,725

29 Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different marketing strategies.

For each of the strategic business unit, the Company's Executive Director and Chief Executive Officer, who is the chief operating decision maker, monitors the operating results for the purpose of making decisions about resource allocation and performance assessment. The Company's Executive Director and Chief Executive Officer reviews internal management reports at least on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

(i) Karaoke segment comprises the operation of karaoke lounges and a multi-entertainment venue, which includes karaoke room and service charges and related sale of food and beverages.

(ii) Live show segment comprises the operation of multi-entertainment concept of a mega live performance venue.

(iii) Food and beverages segment comprises the operation of a Japanese restaurant.

(iv) Manufacturing segment comprises the operation of a central kitchen which procures, processes and prepares key ingredients and products for supply to third-party food outlets.

There are no operating segments that have been aggregated to form the above reportable operating segments.

Other operations relate to general corporate activities and others.

Information regarding the results of each reportable segment is included in the following tables. Performance is measured based on segment profit or loss (before taxation and unallocated expenses), as included in the internal management reports that are reviewed by the Company's Executive Director and Chief Executive Officer, which in certain respects, as explained in the following tables, is different from profit or loss in the consolidated financial statements. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The Group's income taxes are not allocated to operating segments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

29 Operating segments (Cont'd)

	Karaoke		Live show		Food and beverages		Manufacturing		Others (unallocated)		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	S$	S$	**S$**	S$	**S$**	S$	**S$**	S$	**S$**	S$	**S$**	S$
Segment revenue												
External revenue	**28,305,136**	23,930,574	**24,501,273**	–	**153,886**	–	**26,293**	–	**-**	–	**52,986,588**	23,930,574
Results												
Segment results	**4,012,511**	4,609,329	**5,937,530**	(98,709)	**(191,360)**	–	**(267,602)**	–	**(1,123,153)**	–	**8,367,926**	4,510,620
Finance costs	**(727,351)**	(664,002)	**(159,471)**	(26,630)	**(12,504)**	–	**(1,398)**	–	**(517,053)**	(134,656)	**(1,417,777)**	(825,288)
Profit/(Loss) before taxation	**3,285,160**	3,945,327	**5,778,059**	(125,339)	**(203,864)**	–	**(269,000)**	–	**(1,640,206)**	(134,656)	**6,950,149**	3,685,332
Taxation											**(1,391,618)**	(446,101)
Profit for the year											**5,558,531**	3,239,231
Non-cash items												
Amortisation of intangible assets	**1,643**	1,642	**-**	–	**-**	–	**-**	–	**-**	–	**1,643**	1,642
Depreciation of plant and equipment	**2,890,420**	1,714,160	**871,992**	–	**9,955**	–	**20,709**	–	**-**	–	**3,793,076**	1,714,160
Depreciation of right-of-use assets	**5,370,075**	3,643,036	**605,168**	98,709	**74,745**	–	**57,821**	–	**-**	–	**6,107,809**	3,741,745
Segment assets	**39,169,840**	33,803,988	**11,865,158**	4,958,078	**1,712,184**	–	**1,126,937**	–	**52,791**	231,093	**53,926,910**	38,993,159
Additions to non-current assets *	**2,809,504**	20,138,350	**3,319,695**	5,056,787	**1,509,564**	–	**1,054,414**	–	**-**	–	**8,693,177**	25,195,137
Segment liabilities	**13,830,735**	22,008,426	**5,832,819**	3,135,963	**1,293,097**	–	**298,403**	–	**10,397,975**	5,694,298	**31,653,029**	30,838,687

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

29 Operating segments (Cont'd)

	Karaoke	Live show	Food and beverages	Manufacturing	Others (unallocated)	Total
	S$	S$	S$	S$	S$	S$
1 January 2023						
Segment assets	14,583,493	–	–	–	239,543	14,823,036
Additions to non-current assets *	6,012,548	–	–	–	–	6,012,548
Segment liabilities	9,718,476	–	–	–	1,755,327	11,473,803

* Comprise plant and equipment, right-of-use assets and intangible assets, and exclude deferred tax assets and long-term deposits

Reconciliation of segment amounts to financial statements

	2024	2023
	S$	S$
Revenue		
Total revenue for reportable segments	**52,986,588**	23,930,574
Consolidated revenue	**52,986,588**	23,930,574
Profit or loss before taxation		
Total profit before taxation for reportable segments	**8,590,355**	3,819,988
Other corporate expenses	**(1,640,206)**	(134,656)
Consolidated profit before taxation	**6,950,149**	3,685,332

	31 December 2024	31 December 2023	1 January 2023
	S$	S$	S$
Assets			
Total assets for reportable segments	**53,874,119**	38,762,066	14,583,493
Other unallocated assets	**52,791**	231,093	239,543
Consolidated total assets	**53,926,910**	38,993,159	14,823,036
Liabilities			
Total liabilities for reportable segments	**21,255,054**	25,144,389	9,718,476
Unallocated borrowings	**8,926,364**	5,157,643	1,485,855
Other unallocated liabilities	**1,471,611**	536,655	269,472
Consolidated total liabilities	**31,653,029**	30,838,687	11,473,803

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

29 Operating segments (Cont'd)

Geographical information

The Group's revenue arises from external customers located in Singapore. Non-current assets comprise plant and equipment, right-of-use assets and intangible assets, and exclude deferred tax assets and long-term deposits. Non-current assets are shown by the geographical area in which the assets are located.

	Non-current assets		
	31 December 2024	31 December 2023	1 January 2023
The Group	**S$**	S$	S$
Principal markets			
Singapore	**28,854,356**	30,149,615	10,425,685
Malaysia	**89,008**	–	–
	28,943,364	30,149,615	10,425,685

Major customers

Due to the diverse base of individual customers to which the Group sells products and renders services in each reporting period, the Group is not reliant on any customer for its revenue and no single customer has accounted for ten percent or more of the Group's total revenue for each reporting period.

30 Financial risk management objectives and policies

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. Market risk exposures are measured using sensitivity analysis for interest rate risk (Note 30.3) and foreign currency risk (Note 30.4).

The Group does not hold or issue derivative financial instruments for trading purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30 Financial risk management objectives and policies (Cont'd)

30.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group and the Company to incur a financial loss. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Group and the Company adopt the practice of dealing only with customers of appropriate credit history. For other financial assets, the Group and the Company adopt the policy of dealing only with high credit quality counterparties.

The Group's and the Company's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group and the Company have established a credit policy under which the creditworthiness of each new customer is evaluated individually before the Group and the Company grant credit to the customer. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the director. Payments will be required to be made upfront by customers which do not meet the Group's and the Company's credit requirements.

Amounts due from customers are closely monitored and reviewed on a regular basis to identify any non-payment or delay in payment, and to understand the reasons, so that appropriate actions can be taken promptly. Through on-going credit monitoring and existing collection procedures in place, credit risk is mitigated substantially.

Amount not paid after the credit period granted will be considered past due. The credit terms granted to customers are based on the Group's and the Company's assessment of their creditworthiness and in accordance with the Group's and the Company's policy.

The Group and the Company have trade and other receivables and cash and bank deposits that are subject to impairment under the expected credit loss ("ECL") model. While other receivables and cash and bank deposits are subject to the impairment requirements of SFRS(I) 9 *Financial Instruments*, the identified impairment loss is insignificant.

Trade receivables

The Group and the Company apply the SFRS(I) 9 simplified approach to measuring ECLs which uses a lifetime ECL allowance for all trade receivables.

To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade receivables. The Group and the Company have identified the gross domestic product of the countries in which they operate to be the most relevant factors and accordingly adjust the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Group and the Company.

Deposits

Security deposits for rental of outlets and utilities are placed with landlords and service providers which are creditworthy. At the end of the reporting period, no loss allowance for deposits is required.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30 Financial risk management objectives and policies (Cont'd)

30.1 Credit risk (Cont'd)

Other receivables

Loss allowance for other receivables is measured at an amount equal to 12-month ECLs. The ECLs on other receivables are estimated by reference to the payment history and the track record of the counterparties, their businesses and financial condition where information is available, and knowledge of any events or circumstances impeding recovery of the amount, and assessment of the current and future wider economic condition and outlook of the industry in which the counterparty operates. At the end of the reporting period, no loss allowance for other receivables is required.

Amounts due from subsidiaries (non-trade)

The non-trade amounts due from subsidiaries are considered to have low credit risk as the Company has control over the operating, investing and financing activities of its subsidiaries. The use of advances to assist with the subsidiaries' cash flow management is in line with the Group's capital management. There has been no significant increase in the credit risk of the non-trade amounts due from subsidiaries since initial recognition.

In determining the ECLs, management has taken into account the financial position of the subsidiaries and a forward-looking analysis of the financial performance of operations of the subsidiaries. In respect of the non-trade amounts due from subsidiaries which are repayable on demand, management has considered the availability of accessible and highly liquid assets of the subsidiaries for repayment if they are demanded at the end of the reporting period. Management has assessed that the Company is not exposed to significant credit losses in respect of the non-trade amounts due from subsidiaries.

Cash and bank deposits

Bank deposits are held with banks which are regulated. Impairment on cash and bank deposits has been measured on the 12-month ECL basis and reflects the short maturities of the exposures. The Group and the Company consider that their cash and bank deposits have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and bank deposits is negligible.

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except for letters of financial support and corporate guarantees issued by the Company to and on behalf of subsidiaries.

The current interest rates charged by the banks on the borrowings of the subsidiaries are at market rates and are consistent with the borrowing costs of the subsidiaries without any corporate guarantee.

There has been no default in repayment or terms and conditions since the utilisation of the banking facilities. At the end of the reporting period, the Company does not consider it probable that a claim will be made against it under the corporate guarantees.

To mitigate credit risk arising from corporate guarantees, management continually monitors the risk and has established processes including performing credit evaluations of the parties for which the Group provides corporate guarantees. Corporate guarantees are only for intra-group financing purposes and given by the Company on behalf of its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30 Financial risk management objectives and policies (Cont'd)

30.1 Credit risk (Cont'd)

Exposure to credit risk (Cont'd)

The Group's and the Company's major classes of financial assets are trade and other receivables (excluding net input taxes) and cash and bank deposits. Cash is held with established financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 9.

30.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

	Carrying amount	Contractual undiscounted cash flows	Less than 1 year	Between 1 and 5 years	More than 5 years
The Group	S$	S$	S$	S$	S$
31 December 2024					
Non-derivative financial liabilities					
Lease liabilities (Note 14)	**13,857,370**	**14,812,593**	**7,243,283**	**7,569,310**	**–**
Borrowings (Note 15)	**8,926,364**	**9,835,162**	**3,704,851**	**6,130,311**	**–**
Trade and other payables * (Note 18)	**5,379,292**	**5,379,292**	**5,379,292**	**–**	**–**
	28,163,026	**30,027,047**	**16,327,426**	**13,699,621**	**–**
31 December 2023					
Non-derivative financial liabilities					
Lease liabilities (Note 14)	18,048,734	19,650,469	6,300,128	13,286,461	63,880
Borrowings (Note 15)	5,157,643	5,563,073	3,554,152	2,008,921	–
Trade and other payables * (Note 18)	5,949,487	5,949,487	5,949,487	–	–
	29,155,864	31,163,029	15,803,767	15,295,382	63,880

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30 Financial risk management objectives and policies (Cont'd)

30.2 Liquidity risk (Cont'd)

The Group	Carrying amount S$	Contractual undiscounted cash flows S$	Less than 1 year S$	Between 1 and 5 years S$	More than 5 years S$
1 January 2023					
Non-derivative financial liabilities					
Lease liabilities (Note 14)	6,639,441	7,386,809	2,034,062	5,133,490	219,257
Borrowings (Note 15)	1,485,855	1,523,569	1,496,069	27,500	–
Trade and other payables * (Note 18)	2,281,963	2,281,963	2,281,963	–	–
	10,407,259	11,192,341	5,812,094	5,160,990	219,257
The Company					
31 December 2024					
Non-derivative financial liabilities					
Lease liabilities (Note 14)	**114,522**	**121,500**	**54,000**	**67,500**	**–**
Borrowings (Note 15)	**6,517,932**	**7,084,523**	**2,751,500**	**4,333,023**	**–**
Trade and other payables * (Note 18)	**7,947,174**	**7,947,174**	**7,947,174**	**–**	**–**
	14,579,628	**15,153,197**	**10,752,674**	**4,400,523**	**–**
Intra-group financial guarantees	**1,600,559**	**1,840,906**	**584,472**	**1,256,434**	**–**
31 December 2023					
Non-derivative financial liabilities					
Lease liabilities (Note 14)	19,634	20,602	12,372	8,230	–
Borrowings (Note 15)	2,438,535	2,535,839	2,110,001	425,838	–
Trade and other payables * (Note 18)	8,812,208	8,812,208	8,812,208	–	–
	11,270,377	11,368,649	10,934,581	434,068	–
Intra-group financial guarantees	1,590,402	1,730,506	1,047,772	682,734	–

* Excluding advances from customers and net output taxes

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30 Financial risk management objectives and policies (Cont'd)

30.2 Liquidity risk (Cont'd)

The Company	Carrying amount S$	Contractual undiscounted cash flows S$	Less than 1 year S$	Between 1 and 5 years S$	More than 5 years S$
1 January 2023					
Non-derivative financial liabilities					
Lease liabilities (Note 14)	30,596	32,974	12,372	20,602	–
Trade and other payables* (Note 18)	3,711,186	3,711,186	3,711,186	–	–
	3,741,782	3,744,160	3,723,558	20,602	–
Intra-group financial guarantees	1,364,700	1,395,236	1,395,236	–	–

* Excluding advances from customers and net output taxes

It is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

The Group and the Company ensure that there are adequate funds to meet all their obligations in a timely and cost-effective manner. The Group and the Company maintain sufficient levels of cash and bank deposits and have available amount of committed credit facilities from banks to meet their working capital requirements.

The table below analyses the derivative financial instrument of the Group and the Company and its contractual undiscounted cash flows based on the remaining period from the end of the reporting period to the contractual maturity date.

The Group and the Company	Between 1 and 5 years S$
31 December 2024	
Net settled liability	
Interest rate swap	**102,314**

30.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from a bank loan at floating rate. The Group and the Company manage the interest rate risk using a floating-to-fixed interest rate swap. Lease liabilities and certain borrowings bear interest at fixed rates. All other financial assets and liabilities are interest-free.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30 Financial risk management objectives and policies (Cont'd)

30.3 Interest rate risk (Cont'd)

At the end of the reporting period, the carrying amount of the interest-bearing financial instruments is as follows:

	The Group			The Company		
	31 December 2024	31 December 2023	1 January 2023	**31 December 2024**	31 December 2023	1 January 2023
	S$	S$	S$	**S$**	S$	S$
Fixed rate instruments						
Financial liabilities						
- lease liabilities	**(13,857,370)**	(18,048,734)	(6,639,441)	**(114,522)**	(19,634)	(30,596)
- borrowings	**(3,926,364)**	(3,677,643)	(1,485,855)	**(1,517,932)**	(958,535)	–
	(17,783,734)	(21,726,377)	(8,125,296)	**(1,632,454)**	(978,169)	(30,596)
Variable rate instruments						
Financial liabilities						
- bank loan	**(5,000,000)**	–	–	**(5,000,000)**	–	–

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not have any fixed rate financial assets or liabilities at FVTPL. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Group and the Company manage their exposure to change in interest rate on a bank loan by entering into an interest rate swap to exchange the variable interest rate to fixed rate. As at 31 December 2024, the interest rate swap has a contractual notional amount of S$5,000,000, whereby it pays fixed interest and receives variable interest pegged to the Singapore Overnight Rate Average. The Group and the Company classify the interest rate swap as a cash flow hedge. The interest rate swap matures in three years. The notional amount and maturity of the interest rate swap are the same as the bank loan.

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular, foreign currency rates, remain constant.

The Group's and the Company's policy is to obtain the most favourable interest rates available without increasing their interest rate exposure.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30 Financial risk management objectives and policies (Cont'd)

30.4 Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises when transactions are denominated in foreign currencies.

As there are no significant transactions that are denominated in a currency other than the respective functional currencies of group entities, namely Singapore dollar for the Company and its subsidiaries incorporated in Singapore and Malaysia ringgit for its subsidiary incorporated in Malaysia, the Group and the Company are not exposed to any significant foreign currency risk.

30.5 Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group and the Company do not hold any quoted or marketable financial instruments, hence, are not exposed to any movement in market prices.

31 Financial instruments

Accounting classifications of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

The Group	Financial assets at amortised cost S$	Financial liabilities at amortised cost S$	Cash flow hedging instrument at fair value S$	Total S$
31 December 2024				
Financial assets				
Trade and other receivables* (Note 8)	**4,229,988**	**–**	**–**	**4,229,988**
Cash and bank deposits (Note 11)	**18,807,337**	**–**	**–**	**18,807,337**
	23,037,325	**–**	**–**	**23,037,325**
Financial liabilities				
Lease liabilities (Note 14)	**–**	**13,857,370**	**–**	**13,857,370**
Borrowings (Note 15)	**–**	**8,926,364**	**–**	**8,926,364**
Derivative financial instrument (Note 17)	**–**	**–**	**102,314**	**102,314**
Trade and other payables # (Note 18)	**–**	**5,379,292**	**–**	**5,379,292**
	–	**28,163,026**	**102,314**	**28,265,340**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31 Financial instruments (Cont'd)

Accounting classifications of financial assets and financial liabilities (Cont'd)

The Group	Financial assets at amortised cost S$	Financial liabilities at amortised cost S$	Cash flow hedging instrument at fair value S$	Total S$
31 December 2023				
Financial assets				
Trade and other receivables* (Note 8)	4,114,587	–	–	4,114,587
Cash and bank deposits (Note 11)	2,843,023	–	–	2,843,023
	6,957,610	–	–	6,957,610
Financial liabilities				
Lease liabilities (Note 14)	–	18,048,734	–	18,048,734
Borrowings (Note 15)	–	5,157,643	–	5,157,643
Trade and other payables # (Note 18)	–	5,949,487	–	5,949,487
	–	29,155,864	–	29,155,864
1 January 2023				
Financial assets				
Trade and other receivables* (Note 8)	1,360,894	–	–	1,360,894
Cash and bank deposits (Note 11)	2,509,438	–	–	2,509,438
	3,870,332	–	–	3,870,332
Financial liabilities				
Lease liabilities (Note 14)	–	6,639,441	–	6,639,441
Borrowings (Note 15)	–	1,485,855	–	1,485,855
Trade and other payables # (Note 18)	–	2,281,963	–	2,281,963
	–	10,407,259	–	10,407,259

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31 Financial instruments (Cont'd)

Accounting classifications of financial assets and financial liabilities (Cont'd)

The Company	Financial assets at amortised cost S$	Financial liabilities at amortised cost S$	Cash flow hedging instrument at fair value S$	Total S$
31 December 2024				
Financial assets				
Trade and other receivables* (Note 8)	**12,697,410**	**–**	**–**	**12,697,410**
Cash and bank deposits (Note 11)	**9,976,376**	**–**	**–**	**9,976,376**
	22,673,786	**–**	**–**	**22,673,786**
Financial liabilities				
Lease liabilities (Note 14)	**–**	**114,522**	**–**	**114,522**
Borrowings (Note 15)	**–**	**6,517,932**	**–**	**6,517,932**
Derivative financial instrument (Note 17)	**–**	**–**	**102,314**	**102,314**
Trade and other payables# (Note 18)	**–**	**7,947,174**	**–**	**7,947,174**
	–	**14,579,628**	**102,314**	**14,681,942**
31 December 2023				
Financial assets				
Trade and other receivables* (Note 8)	13,542,397	–	–	13,542,397
Cash and bank deposits (Note 11)	283,636	–	–	283,636
	13,826,033	–	–	13,826,033
Financial liabilities				
Lease liabilities (Note 14)	–	19,634	–	19,634
Borrowings (Note 15)	–	2,438,535	–	2,438,535
Trade and other payables# (Note 18)	–	8,812,208	–	8,812,208
	–	11,270,377	–	11,270,377

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31 Financial instruments (Cont'd)

Accounting classifications of financial assets and financial liabilities (Cont'd)

The Company	Financial assets at amortised cost S$	Financial liabilities at amortised cost S$	Cash flow hedging instrument at fair value S$	Total S$
1 January 2023				
Financial assets				
Trade and other receivables* (Note 8)	2,391,775	–	–	2,391,775
Cash and bank deposits (Note 11)	530,098	–	–	530,098
	2,921,873	–	–	2,921,873
Financial liabilities				
Lease liabilities (Note 14)	–	30,596	–	30,596
Trade and other payables # (Note 18)	–	3,711,186	–	3,711,186
	–	3,741,782	–	3,741,782

* Excluding net input taxes

Excluding advances from customers and net output taxes

Fair value hierarchy

Financial assets and financial liabilities measured or disclosed at fair value in the statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Fair values

The face value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, comprising trade and other receivables (excluding net input taxes), cash and bank deposits, lease liabilities, borrowings (which are short-term or repayable on demand), and trade and other payables (excluding advances from customers and net output taxes), are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group and the Company for similar financial instruments.

The fair value disclosure of lease liabilities is not required.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31 Financial instruments (Cont'd)

Fair values (Cont'd)

Fair values of financial instruments

The Group and the Company	Level 1 S$	Level 2 S$	Level 3 S$	Total S$
31 December 2024				
Financial liabilities				
Derivative financial instrument	**–**	**102,314**	**–**	**102,314**

The following table shows the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Derivative financial instrument (Level 2) The fair value of the interest rate swap is determined from information provided by a financial institution based on the quoted forward interest rate.	Not applicable	Not applicable

Financial assets and liabilities not measured at fair value but for which fair values are disclosed*

The Group	Level 1 S$	Level 2 S$	Level 3 S$	Total S$
31 December 2024				
Bank loans	–	**9,099,910**	–	**9,099,910**
31 December 2023				
Bank loans	–	2,416,974	–	2,416,974
1 January 2023				
Loan from a third party	–	132,805	–	132,805
The Company				
31 December 2024				
Bank loans	–	**6,558,491**	–	**6,558,491**
31 December 2023				
Bank loans	–	488,719	–	488,719

* Exclude financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term or repayable on demand nature and where the effect of discounting is immaterial

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31 Financial instruments (Cont'd)

Fair values (Cont'd)

The carrying amounts of interest-bearing loans that reprice within six months of the end of the reporting period approximate their fair values. The fair values of all other interest-bearing loans are calculated based on discounted expected future principal and interest cash flows.

32 Capital management

The Group's and the Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's ability to continue as going concern;

(b) To support the Group's and the Company's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group and the Company actively and regularly review and manage their capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company, and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are not subject to externally imposed capital requirements.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises borrowings, lease liabilities and trade and other payables, less cash and bank deposits. Total capital represents equity attributable to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32 Capital management (Cont'd)

	The Group			The Company		
	31 December 2024	31 December 2023	1 January 2023	**31 December 2024**	31 December 2023	1 January 2023
	S$	S$	S$	**S$**	S$	S$
		(Restated)	(Restated)		(Restated)	(Restated)
Lease liabilities (Note 14)	**13,857,370**	18,048,734	6,639,441	**114,522**	19,634	30,596
Borrowings (Note 15)	**8,926,364**	5,157,643	1,485,855	**6,517,932**	2,438,535	–
Trade and other payables (Note 18)	**6,313,420**	6,196,266	2,608,022	**8,227,470**	8,833,971	3,741,887
Total debt	**29,097,154**	29,402,643	10,733,318	**14,859,924**	11,292,140	3,772,483
Less:						
Cash and bank deposits (Note 11)	**(18,807,337)**	(2,843,023)	(2,509,438)	**(9,976,376)**	(283,636)	(530,098)
Net debt	**10,289,817**	26,559,620	8,223,880	**4,883,548**	11,008,504	3,242,385
Equity attributable to owners of the Company	**20,103,537**	7,711,720	2,224,390	**18,796,275**	7,826,530	3,738,829
Total capital and net debt	**30,393,354**	34,271,340	10,448,270	**23,679,823**	18,835,034	6,981,214
Gearing ratio	**34%**	77%	79%	**21%**	58%	46%

33 Prior year adjustments

The corresponding figures relating to the statutory financial statements for the financial year ended 31 December 2023 were audited by another firm of chartered accountants, prior to the Company's listing on the Catalist of the SGX-ST.

Adjustments have been made retrospectively, resulting in the restatement of various financial statement line items in the statutory financial statements for the financial year ended 31 December 2023, including the opening balances as at 1 January 2023.

The prior year adjustments mainly relate to the following:

(i) Adjustments to the carrying amounts of right-of-use assets and lease liabilities based on the applicable incremental borrowing rates.

(ii) Recognition of deferred tax assets arising from unused tax losses and reclassification of deferred tax assets from deferred tax liabilities arising therefrom.

(iii) Classification of long-term deposits from current to non-current.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

33 Prior year adjustments (Cont'd)

(iv) Separate classification of prepayments from trade and other receivables and classification of trade and other receivables from trade and other payables.

(v) Adjustments to capital reserve and non-controlling interests arising from changes in net assets of subsidiaries.

(vi) Recognition of provision for restoration costs.

(vii) Adjustment to current tax payable arising from changes in taxable profits of certain subsidiaries.

Other than the effects of the prior year adjustments above on the Group's profit or loss, the Group also changed its presentation of the consolidated statement of profit or loss and other comprehensive income, to classify expenses by nature instead of by function. The Group believes that the presentation of an analysis of expenses recognised in profit or loss using a classification based on their nature provides information that is more relevant.

The effects of the prior year adjustments on the statutory financial statements for the financial year ended 31 December 2023 are as follows:

Statements of financial position

The Group	As previously stated S$	Adjustments S$	As restated S$
As at 31 December 2023			
Plant and equipment	13,475,128	40,649	13,515,777
Right-of-use assets	16,448,122	181,199	16,629,321
Deferred tax assets	17,872	213,221	231,093
Long-term deposits	–	3,012,509	3,012,509
Trade and other receivables	5,656,873	(3,792,386)	1,864,487
Prepayments	–	461,705	461,705
Other reserves	718,860	41,461	760,321
Accumulated losses	(2,498,212)	553,658	(1,944,554)
Non-controlling interests	392,546	50,206	442,752
Deferred tax liabilities	109,930	(90,794)	19,136
Lease liabilities	17,968,206	80,528	18,048,734
Borrowings	5,157,603	40	5,157,643
Provision for restoration costs	829,809	69,580	899,389
Trade and other payables	6,695,178	(498,912)	6,196,266
Current tax payable	606,389	(88,870)	517,519

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

33 Prior year adjustments (Cont'd)

Statements of financial position (Cont'd)

	As previously stated	Adjustments	As restated
The Group	S$	S$	S$
As at 1 January 2023			
Plant and equipment	4,037,748	12,358	4,050,106
Right-of-use assets	6,044,918	324,502	6,369,420
Goodwill	530,354	(530,354)	–
Deferred tax assets	–	239,543	239,543
Long-term deposits	–	732,193	732,193
Trade and other receivables	1,672,491	(1,023,381)	649,110
Prepayments	–	60,990	60,990
Other reserves	1,414,759	(161,630)	1,253,129
Accumulated losses	(5,038,653)	189,914	(4,848,739)
Non-controlling interests	1,001,299	123,544	1,124,843
Deferred tax liabilities	76,639	(26,733)	49,906
Lease liabilities	6,511,789	127,652	6,639,441
Provision for restoration costs	426,058	44,955	471,013
Trade and other payables	3,023,249	(415,227)	2,608,022
Current tax payable	286,190	(66,624)	219,566
The Company			
As at 31 December 2023			
Investments in subsidiaries	5,631,777	(649,997)	4,981,780
Deferred tax assets	17,872	(5,078)	12,794
Trade and other receivables	13,599,701	(57,304)	13,542,397
Prepayments	–	57,305	57,305
Accumulated losses	(1,145,825)	76,402	(1,069,423)
Trade and other payables	9,531,226	(697,255)	8,833,971
Current tax payable	34,221	(34,221)	–
As at 1 January 2023			
Deferred tax assets	17,872	114,191	132,063
Trade and other receivables	2,402,656	(10,881)	2,391,775
Prepayments	–	10,881	10,881
Accumulated losses	(2,185,563)	104,392	(2,081,171)
Trade and other payables	3,732,088	9,799	3,741,887

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

33 Prior year adjustments (Cont'd)

Consolidated statement of profit or loss and other comprehensive income

	As previously stated	Adjustments	As restated
	S$	S$	S$
For the financial year ended 31 December 2023			
Revenue	23,930,117	457	23,930,574
Other income	594,566	(33,164)	561,402
Expenses	(20,504,722)	523,366	(19,981,356)
Finance costs	(768,143)	(57,145)	(825,288)
Profit before taxation	3,251,818	433,514	3,685,332
Taxation	(506,086)	59,985	(446,101)
Profit for the year	2,745,732	493,499	3,239,231

The classification of expenses from by function to by nature is as follows:

	2023
	S$
As previously stated (by function)	
Cost of sales	4,162,778
Administrative expenses	15,888,586
Distribution and marketing expenses	453,358
	20,504,722
As restated (by nature)	
Purchases and related costs	3,764,105
Depreciation of plant and equipment	1,714,160
Depreciation of right-of-use assets	3,741,745
Staff costs	6,340,081
Operating lease expenses	804,303
Other operating expenses	3,616,962
	19,981,356

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

33 Prior year adjustments (Cont'd)

Consolidated statement of cash flows

The Group	As previously stated S$	Adjustments S$	As restated S$
For the financial year ended 31 December 2023			
Net cash generated from operating activities	9,747,021	(1,919,466)	7,827,555
Net cash used in investing activities	(12,700,240)	1,329,904	(11,370,336)
Net cash generated from financing activities	3,655,800	589,571	4,245,371

34 Events after the reporting period

On 17 February 2025, the Company, through its wholly-owned subsidiary, Have Fun Lite Pte. Ltd. ("HF Lite"), entered into a subscription and shareholders' agreement with HF Entertainment Sdn. Bhd. in connection with the subscription of new ordinary shares in the capital of Have Fun KL Sdn. Bhd. ("HF KL"). In accordance with the terms of the subscription agreement, HF Lite will own 70% equity interest in HF KL.

The Company's Board of Directors recommended a final dividend of S$0.0075 per ordinary share amounting to S$3,000,000 in respect of the financial year ended 31 December 2024 to be approved by shareholders at the Annual General Meeting to be held on 29 April 2025.

On 18 March 2025, the Company's wholly-owned subsidiary, Yakitori One Pte. Ltd., allotted and issued 20,000 new ordinary shares to the Company and 480,000 new preference shares to third parties.

STATISTICS OF SHAREHOLDINGS

As at 26 March 2025

ISSUED AND FULLY PAID-UP CAPITAL

NUMBER OF SHARES ISSUED	:	400,000,000
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE VOTE PER ORDINARY SHARE
NO. OF TREASURY SHARES AND SUBSIDIARY HOLDINGS	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0	0	0.00
100 - 1,000	5	5.68	1,500	0.00
1,001 - 10,000	11	12.50	71,100	0.02
10,001 - 1,000,000	59	67.05	11,684,000	2.92
1,000,001 & above	13	14.77	388,243,400	97.06
TOTAL	88	100.00	400,000,000	100.00

TOP TWENTY SHAREHOLDERS

	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1	KGI SECURITIES (SINGAPORE) PTE. LTD	226,717,119	56.68
2	LU MANG	113,538,957	28.38
3	CGS INTERNATIONAL SECURITIES SINGAPORE PTE LTD	13,673,600	3.42
4	CITIBANK NOMINEES SINGAPORE PTE LTD	9,750,000	2.44
5	ASDEW ACQUISITIONS PTE LTD	5,000,000	1.25
6	ICH CAPITAL PTE LTD	4,975,000	1.24
7	DBS VICKERS SECURITIES (S) PTE LTD	4,150,000	1.04
8	WANG GUANGWU	3,638,924	0.91
9	YEAP WEN CHINQ	2,034,900	0.51
10	TEO TAT BENG	1,285,000	0.32
11	NG THIAM CHIN (HUANG TIANJIN)	1,250,000	0.31
12	CHU SWEE WAH	1,179,900	0.29
13	KHOO PER ERN	1,050,000	0.26
14	GAY SOON WATT	1,000,000	0.25
15	CHU CHEE KEONG (ZHU ZHIQIANG)	1,000,000	0.25
16	KIT HONG SENG	750,000	0.19
17	NG SEENG EENG	684,700	0.17
18	PHILLIP SECURITIES PTE LTD	542,200	0.14
19	LEE KONG ENG	500,000	0.13
20	TAN JUN WEI (CHEN JUNWEI)	500,000	0.13
		393,220,300	98.31

STATISTICS OF SHAREHOLDINGS

As at 26 March 2025

SUBSTANTIAL SHAREHOLDERS
(as shown in the Company's register of Substantial Shareholders)

NAME OF SHAREHOLDER	DIRECT INTEREST		DEEMED INTEREST	
	No. of shares	% (1)	No. of shares	% (1)
GOODWILL INVESTMENT HOLDINGS 2023 PTE. LTD.	142,699,924	35.67	–	–
LU MANG (2)	113,538,957	28.38	142,699,924	35.67
MENGKIM HOLDINGS PTE. LTD.	75,099,724	18.77	–	–
THANG TECK JONG (3)	–	–	75,099,724	18.77
KONG LINT TIN G@ KANG LING TING (4)	–	–	75,099,724	18.77

(1) The shareholding percentage is calculated based on the Company's total number of issued share capital of 400,000,000 ordinary shares.

(2) Mr. Lu Mang is the sole shareholder of Goodwill Investment Holdings 2023 Pte. Ltd. ("GIH2023"), and pursuant to Section 4 of the SFA, he deemed to be interested in the Shares held by GIH2023.

(3) Mr. Thang Teck Jong has an interest in 90.0% of the shares in Mengkim Holdings Pte. Ltd. ("Mengkim"), and pursuant to Section 4 of the SFA, he is deemed to be interested in the Shares held by Mengkim. Mr. Thang Teck Jong is the spouse of Ms. Kong Ling Ting @ Kang Ling Ting.

(4) Ms. Kong Ling Ting @ Kang Ling Ting has an interest in 10.0% of the shares in Mengkim , and pursuant to Section 4 of the SFA, she is deemed to be interested in the Shares held by Mengkim. Ms. Kong Ling Ting @ Kang Ling Ting is the spouse of Mr. Thang Teck Jong.

Public Shareholdings

Based on the information available to the Company as at 26 March 2025, approximately 15.22% of the Company's issued ordinary shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Singapore Exchange Securities Trading Limited Listing Manual Section B : Rules of Catalist.

DISCLOSURE OF INFORMATION ON THE DIRECTORS SEEKING RE-ELECTION

Key information regarding the Retiring Directors who have been nominated for re-election as Directors of the Company are set out below:

Name of Director	**Mr. Thang Teck Jong**	**Mr. Huang Junli, Christopher ("Mr. Christopher Huang")**	**Mr. Ng Tse Meng**	**Mr. Foong Daw Ching**
Date of first appointment	1 October 2024	1 October 2024	1 October 2024	1 October 2024
Date of last re-appointment (if applicable)	–	–	–	–
Age	64	39	50	74
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Thang Teck Jong as Director of the Company was recommended by the Nomination Committee ("**NC**") and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since his appointment as a Director of the Company.	The re-election of Mr. Christopher Huang as Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since his appointment as a Director of the Company. The Board considers Mr. Christopher Huang to be independent pursuant to Rule 704(7) of the Catalist Rules.	The re-election of Mr. Ng Tse Meng as Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since his appointment as a Director of the Company. The Board considers Mr. Ng Tse Meng to be independent pursuant to Rule 704(7) of the Catalist Rules.	The re-election of Mr. Foong Daw Ching as Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since his appointment as a Director of the Company. The Board considers Mr. Foong Daw Ching to be independent pursuant to Rule 704(7) of the Catalist Rules.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Vice Chairman and Non-Executive Director	Lead Independent Non-Executive Director RC Chairman Member of AC, NC and RC	Independent Non-Executive Director NC Chairman Member of AC, NC and RC	Independent Non-Executive Director AC Chairman Member of AC, NC and RC

DISCLOSURE OF INFORMATION ON THE DIRECTORS SEEKING RE-ELECTION

Name of Director	**Mr. Thang Teck Jong**	**Mr. Huang Junli, Christopher ("Mr. Christopher Huang")**	**Mr. Ng Tse Meng**	**Mr. Foong Daw Ching**
Professional qualifications	Master's Degree of Business Administration (EMBA), University of Hull, England	Bachelor of Laws (LL.B.) and Commerce (B. Com), University of Queensland, Australia	Bachelor of Business, Nanyang Technological University	Institute of Chartered Accountants in England and Wales The Institute of Singapore Chartered Accountants Certified Practising Accountants (CPA) Australia Malaysian Institute of Accountants
Working experience and occupation(s) during the past 10 years	As set out in Mr. Thang's profile write-up at page 9 of this Annual Report.	As set out in Mr. Huang's profile write-up at page 9 of this Annual Report.	As set out in Mr. Ng's profile write-up at page 10 of this Annual Report.	As set out in Mr. Foong's profile write-up at page 10 of this Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest: Nil Deemed Interest: 75,099,724	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Thang is a controlling shareholder of the Company.	Nil	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes

DISCLOSURE OF INFORMATION ON THE DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Thang Teck Jong	Mr. Huang Junli, Christopher ("Mr. Christopher Huang")	Mr. Ng Tse Meng	Mr. Foong Daw Ching
Past (for the last 5 years)	Directorships: • Delsey Singapore Pte. Ltd. Other Principal Commitments: Nil	Directorships: • Digital Crest Global Pte. Ltd. • Fund Asia Pte. Ltd. • Fund Singapore Pte. Ltd. Van Ameyde APAC Holding Pte. Ltd. Other Principal Commitments: Colin Ng & Partners LLP (April 2015 – April 2019; Partner from 2018-2019)	Directorships: • Ruifeng Wealth Management Pte. Ltd. • RF Acquisition Corp. • Hauzee Pte. Ltd. Other Principal Commitments: Nil	Directorships: • Ayondo Ltd. • Luminor Financial Holdings Limited • NUHS Fund Limited • Travelite Holdings Ltd. Other Principal Commitments: Nil
Present	Directorships: • Golden Glory Food Industries Pte Ltd • HK71 Investment Pte. Ltd. • Mengkim Holdings Pte. Ltd. • One Credit Pte. Ltd. • Singapore Crocodile (1968) Pte Ltd • Travelite Holdings Ltd. • YG Marketing Pte. Ltd. • 3BX Pte. Ltd. Other Principal Commitments: Nil	Directorships: • Aztech Global Ltd. • CHP Law LLC • DEVL Pte. Ltd. • Fu Yu Corporation Limited • Grey Ogre Games Pte. Ltd. • Vesuva Pte. Ltd. Other Principal Commitments: Nil	Directorships: • RF Acquisition Corp II • Vista Venture Holdings Pte. Ltd. • Alfa Property Management Pte. Ltd. • Jinchi International Information Technology Pte. Ltd. • Khaos Pte. Ltd. • Stepfwd Investments Pte. Limited • GCL Global Holdings Ltd (appointed on 14 Feb 2025) Other Principal Commitments: Nil	Directorships: • ABR Holdings Limited • Crestar Education Group Pte. Ltd. • St Luke's Eldercare Ltd. • St. Luke's Hospital • Suntar Eco-City Limited • Tung Ling Preschool Education Limited • Kinderland International Education Pte Ltd (appointed on 1 Dec 2024) Other Principal Commitments: Nil

DISCLOSURE OF INFORMATION ON THE DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Thang Teck Jong	Mr. Huang Junli, Christopher ("Mr. Christopher Huang")	Mr. Ng Tse Meng	Mr. Foong Daw Ching
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	Yes, refer to item (j) below
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No

DISCLOSURE OF INFORMATION ON THE DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Thang Teck Jong	Mr. Huang Junli, Christopher ("Mr. Christopher Huang")	Mr. Ng Tse Meng	Mr. Foong Daw Ching
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No

DISCLOSURE OF INFORMATION ON THE DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Thang Teck Jong	Mr. Huang Junli, Christopher ("Mr. Christopher Huang")	Mr. Ng Tse Meng	Mr. Foong Daw Ching
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of	No	No	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?				
(j) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Mr. Thang Teck Jong is the executive chairman of Travelite Holdings Ltd. In September 2009, he received a supervisory warning from the Authority for a breach of Section 137 of the SFA in connection with the failure to make timely disclosure of a change in his interest in the voting shares of the Travelite Holdings Ltd. within two (2) business days of such change. The Authority issued a supervisory warning to him to comply with the applicable laws and regulatory requirements at all times, and there was no further regulatory action in this regard.	No	No	<u>Ayondo Ltd.</u> Mr. Foong was previously an independent director of Ayondo Ltd. The trading of Ayondo Ltd.'s shares was suspended on 1 February 2019, over Ayondo Ltd.'s financial situation, business viability issues, and concerns raised over its compliance requirements in the United Kingdom Between April 2020 and September 2021, Ayondo Ltd attempted to complete a reverse take-over of Rich Glory International Investment Limited but was unable to complete the take-over within the timelines prescribed by the SGX. In or around

DISCLOSURE OF INFORMATION ON THE DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Thang Teck Jong	Mr. Huang Junli, Christopher ("Mr. Christopher Huang")	Mr. Ng Tse Meng	Mr. Foong Daw Ching
				September 2020, in his capacity as an independent director of Ayondo Ltd, Mr. Foong attended an interview conducted by the Market Conduct Investigations (Enforcement Department) of the Authority in conjunction with the Commercial Affairs Department of the Singapore Police Force in relation to an investigation into a possible offence under the Securities and Futures Act 2001. Mr. Foong has confirmed that he has not attended any further interviews following that and no restrictions or conditions were imposed on him. As of today, no charges have been made against Mr. Foong. On 20 September 2021, Ayondo Ltd. announced that it had received a notification of delisting from the Official List of the SGX-ST. Ayondo Ltd was subsequently delisted on 24 December 2021.

DISCLOSURE OF INFORMATION ON THE DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Thang Teck Jong	Mr. Huang Junli, Christopher ("Mr. Christopher Huang")	Mr. Ng Tse Meng	Mr. Foong Daw Ching
				On 7 January 2021, the independent directors of Ayondo Ltd (including Mr. Foong) filed an application to wind up Ayondo Ltd., which was granted on 28 January 2022. Ayondo Ltd. was dissolved pursuant to an order of the High Court of Singapore dated 1 July 2024. Medi-Flex Limited Mr. Foong was previously an independent director of Medi-Flex Limited ("**Medi-Flex**") from 15 September 2004 to 2 May 2014. On 14 April 2011, the SGX-ST reprimanded Medi-Flex and two of its former executive directors for breaches of the Listing Rules and failures of corporate governance in connection with the purchase of a factory equipment by a subsidiary of Medi-Flex in 2005. The Exchange noted that there were several irregularities in the conduct of the said purchase, namely,

DISCLOSURE OF INFORMATION ON THE DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Thang Teck Jong	Mr. Huang Junli, Christopher ("Mr. Christopher Huang")	Mr. Ng Tse Meng	Mr. Foong Daw Ching
				the failure to verify the existence of the supplier of the equipment and irregularities in payments made for the equipment. The Exchange found that, in breach of Listing Rules 103(5) and 720, these two directors had failed in their obligations to act in the interest of Medi-Flex's shareholders as a whole and had not demonstrated the character and integrity expected of a director of a listed issuer. Furthermore, in breach of Listing Rules 905 and 906, they did not obtain authorisation from the board of directors of Medi-Flex and did not seek approval from shareholders to carry out the said transactions. It was also highlighted that there were failures of corporate governance in the previous management due to the absence of internal controls in payment processes. As an independent director, Mr. Foong was not involved in the day-to-day affairs and management of

DISCLOSURE OF INFORMATION ON THE DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Thang Teck Jong	Mr. Huang Junli, Christopher ("Mr. Christopher Huang")	Mr. Ng Tse Meng	Mr. Foong Daw Ching
				Medi-Flex when the said transactions took place. Mr. Foong was also not a subject of any investigation or proceeding by any authority or regulatory body, nor involved or implicated in, investigated or penalised or sanctioned by any authority or regulatory body, in respect of any allegations brought against Medi-Flex. The Board and NC will continue to monitor the progress of the aforesaid matters as informed by Mr. Foong, in evaluating his continued suitability as an independent Director of the Company and compliance with the continuing listing rules.

APPENDIX

APPENDIX DATED 14 APRIL 2025

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDICATE ATTENTION. PLEASE READ IT CAREFULLY.

This Appendix is issued by Goodwill Entertainment Holding Limited (the "Company" and together with its subsidiaries, the "Group"). If you are in any doubt as to the contents of this Appendix or as to any action you should take, you should consult your broker, bank manager, accountant or other professional adviser(s) immediately.

Unless otherwise defined, capitalised terms appearing on the cover of this Appendix bear the same meanings as defined herein.

This Appendix is circulated to shareholders of the Company (the "**Shareholders**") together with the Company's annual report for the financial year ended 31 December 2024 (the "**Annual Report**"). Its purpose is to explain to Shareholders the rationale and provide information relating to, and to seek Shareholder's approval for, the proposed adoption of the Share Buyback Mandate (as defined herein) to be tabled at the AGM (as defined herein) to be held on Tuesday, 29 April 2025 at 2.30 p.m. at 8 Grange Road, #08-01 Cathay Cineleisure, Singapore 230695.

A printed copy of this Appendix and the Annual Report will NOT be despatched to Shareholders. The notice of AGM and the proxy form are enclosed with the Annual Report.

If you have sold or transferred all your issued and fully paid ordinary shares in the capital of the Company ("**Shares**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Appendix to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Appendix, together with the Annual Report, the Notice of AGM and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Evolve Capital Advisory Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

This Appendix has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

The contact person for the Sponsor is Mr Jerry Chua (Registered Professional, Evolve Capital Advisory Private Limited), 160 Robinson Road, #20-01/02, SBF Center, Singapore 068914, tel: (65) 6241 6626.

GOODWILL
ENTERTAINMENT

GOODWILL ENTERTAINMENT HOLDING LIMITED

(Company Registration No. 201633838K)
(Incorporated in the Republic of Singapore)

APPENDIX TO THE ANNUAL REPORT

IN RELATION TO

THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

APPENDIX

CONTENTS

APPENDIX

DEFINITIONS

In this Appendix, except where the context otherwise requires, the following definitions apply throughout unless otherwise stated:

"**ACRA**"	:	The Accounting and Corporate Regulatory Authority of Singapore
"**AGM**"	:	Annual general meeting of the Company to be held on Tuesday, 29 April 2025 at 2.30 p.m. at 8 Grange Road, #08-01 Cathay Cineleisure, Singapore 239695
"**Annual Report**"	:	The Company's annual report for the FY2024
"**Appendix**"	:	This appendix to the Annual Report dated 14 April 2025
"**Approval Date**"	:	Has the meaning ascribed to it in Section 2.3.1 of this Appendix
"**Board**"	:	The board of Directors of the Company for the time being
"**Catalist**"	:	the Catalist board of the SGX-ST
"**Catalist Rules**"	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Companies Act**"	:	The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time
"**Company**"	:	Goodwill Entertainment Holding Limited
"**Constitution**"	:	The constitution of the Company, as amended, modified or supplemented from time to time
"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control of the Company
"**Director**"	:	A director of the Company for the time being
"**EPS**"		Earnings Per Share
"**FY**"	:	Financial year ended, or as the case may be, ending 31 December
"**FY2024**"	:	financial year ended 31 December 2024
"**GIH2023**"	:	Goodwill Investment Holdings 2023 Pte. Ltd.

APPENDIX

"**GIH2023 Concert Party Group**"	:	Collectively refers to GIH 2023 and Mr. Flint Lu, the Executive Chairman and Chief Executive Officer of the Company
"**Group**"	:	The Company and its subsidiaries
"**Latest Practicable Date**"	:	26 March 2025, being the latest practicable date prior to the date of this Appendix
"**Market Day**"	:	A day on which the SGX-ST is open for trading in securities
"**Market Purchases**"	:	Has the meaning ascribed to it in Section 2.3.3(a) of this Appendix
"**Maximum Percentage**"	:	Has the meaning ascribed to it in Section 2.3.1 of this Appendix
"**Maximum Price**"	:	Has the meaning ascribed to it in Section 2.3.4 of this Appendix
"**Mengkim**"	:	Mengkim Holdings Pte. Ltd.
"**Mengkim Concert Party Group**"	:	Collectively refers to Mengkim, Mr. Thang Teck Jong, the Vice Chairman and Non-Executive Director of the Company, and Ms. Kong Ling Ting @ Kang Ling Ting
"**Mr. Flint Lu**"	:	Mr, Lu Mang, the Executive Chairman and Chief Executive Officer of the Company
"**NTA**"	:	Net Tangible Assets
"**Off-Market Purchases**"	:	Has the meaning ascribed to it in Section 2.3.3(b) of this Appendix
"Relevant Period"	:	The period commencing from the date on which the resolution in relation to the adoption of the Share Buyback Mandate is passed at a general meeting and expiring on the earliest of the date the next annual general meeting of the Company is held or is required by law to be held, or the date on which the Share Buyback is carried out to the full extent mandated, or the date the said mandate is revoked or varied by the Company in a general meeting
"**RF Concert Party Group**"	:	Collectively refers to RF Dynamic Fund and Mr. Ng Tse Meng, Independent Non-Executive Director of the Company
"RF Dynamic Fund"	:	RF Dynamic Fund (a sub-fund under RFWM VCC)
"**SFA**"	:	Securities and Futures Act 2001 of Singapore, as amended, supplemented or modified from time to time
"**SGXNET**"	:	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited

APPENDIX

"**Share Buyback**"	:	The purchase or acquisition of issued Share(s) by the Company pursuant to the Share Buyback Mandate
"**Share Buyback Mandate**"	:	The general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire Shares on behalf of the Company in accordance with the terms set out in this Appendix and the rules and regulations set forth in the Companies Act and the Catalist Rules
"**Shareholders**"	:	Registered holders of Shares, except where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares, mean the Depositors whose securities accounts maintained with CDP are credited with the Shares
"**Shares**"	:	Ordinary shares in the capital of the Company
"**SIC**"	:	The Securities Industry Council of Singapore
"**Sponsor**"	:	The Company's sponsor, Evolve Capital Advisory Private Limited
"**Substantial Shareholder(s)**"	:	A person who holds directly or indirectly 5% or more of the total number of voting Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company
"**Take-over Code**"	:	The Singapore Code on Take-overs and Mergers, as amended, supplemented or modified from time to time
"**TOC Appendix 2**"	:	Appendix 2 of the Take-over Code
"**treasury shares**"	:	Issued Shares of the Company which were (or are treated as having been) purchased by the Company under circumstances in which Section 76H of the Companies Act applies and have since purchase been continuously held by the Company
"S**$**" and "**cents**"	:	Singapore dollars and cents respectively
"**%**" or "**percent**"	:	Percentage or per centum

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore (as amended, supplemented or modified from time to time).

The term "**subsidiary**" shall have the same meaning ascribed to it in Section 5 of the Companies Act. The term "**treasury shares**" shall have the same meaning ascribed to it in Section 4 of the Companies Act. The term "**subsidiary holdings**" is defined in the Catalist Rules to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

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

References to persons shall include corporations.

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Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Appendix shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Appendix is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Appendix between the sum of listed amounts and the totals thereof shown are due to rounding.

APPENDIX

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Appendix are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements. Further, the Company disclaim any responsibility to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

APPENDIX

LETTER TO SHAREHOLDERS

GOODWILL ENTERTAINMENT HOLDING LIMITED
(Company Registration No. 201633838K)
(Incorporated in the Republic of Singapore)

Directors:

Mr. Flint Lu (Executive Chairman and Chief Executive Officer)
Mr. Thang Teck Jong (Vice Chairman and Non-Executive Director)
Mr. Huang Junli, Christopher (Lead Independent Non-Executive Director)
Mr. Ng Tse Meng (Independent Non-Executive Director
Mr. Foong Daw Ching (Independent Non-Executive Director)

Registered Office:

33 Ubi Avenue 3
#05-16 Vertex
Singapore 408868

14 April 2025

To: The Shareholders of Goodwill Entertainment Holding Limited

Dear Sir/Madam,

PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

1.1. The Directors refer to the Notice of AGM dated 14 April 2025 accompanying the Annual Report of the Company for FY2024, and the ordinary resolutions set out in the Notice of AGM in relation to the proposed adoption of a share buyback mandate (the "**Share Buyback Mandate**").

1.2. The purpose of this Appendix is to provide the Shareholders with the relevant information relating to, and to explain the rationale for, the proposed adoption of the Share Buyback Mandate and to seek the Shareholders' approval for the resolution in respect thereof to be tabled at the AGM to be held on Tuesday, 29 April 2025 at 2.30 p.m. at 8 Grange Road, #08-01 Cathay Cineleisure, Singapore 239695.

1.3. This Appendix has been prepared solely for the purpose set out herein and may not be relied on by any persons (other than the Shareholders) nor for any other purpose.

1.4. Icon Law LLC is the legal adviser to the Company in relation to the proposed adoption of the Share Buyback Mandate to be tabled at the AGM.

1.5. The SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements made, opinions expressed, or reports contained in this Appendix.

2. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

2.1. <u>Background</u>

Any purchase or acquisition of Shares by the Company must be made in accordance with, and in the manner prescribed by the Companies Act, the Catalist Rules, the Constitution, and such other laws and regulations as may, for the time being, be applicable.

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Regulation 13(b) of the Company's Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares on such terms as the Company may think fit, and in the manner prescribed by the Companies Act. The Company is also required to obtain approval of Shareholders at a general meeting if it wishes to purchase or acquire its own Shares. As the Company is listed on the Catalist, apart from the Companies Act and its Constitution, the Company is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares.

Accordingly, approval is being sought from Shareholders at the AGM for the proposed adoption of the Share Buyback Mandate. The Share Buyback Mandate is a general mandate to be given by Shareholders that allows the Company to purchase or acquire its issued Shares at any time during the Relevant Period and on the terms of the Share Buyback Mandate.

If the Share Buyback Mandate is approved by Shareholders at the AGM, the authority conferred by the Share Buyback Mandate will take effect from the date of the AGM at which the proposed adoption of the Share Buyback Mandate is approved and continues to be in force for the duration of the Relevant Period, which is until the earliest of the date on which the next annual general meeting of the Company is held or is required by law to be held, or when Share Buybacks pursuant to a Share Buyback Mandate are carried out to the full extent mandated, or the date the said mandate is varied or revoked by the Company in general meeting (whereupon it will lapse, unless renewed at such meeting).

2.2. <u>Rationale for the Share Buyback Mandate</u>

The proposed adoption of the Share Buyback Mandate would give the Company the flexibility to purchase or acquire Shares of the Company if and when circumstances permit, up to the 10% limit described in Section 2.3.1 below at any time as and when appropriate, subject to market conditions, during the period when the Share Buyback Mandate is in force.

The rationale for the adoption of the Share Buyback Mandate to allow the Company to undertake a purchase or acquisition of its Shares is as follows:

(a) the Share Buyback Mandate would give the Company the flexibility to undertake purchases or acquisitions of its Shares at any time, subject to market conditions, during the period when the Share Buyback Mandate is in force;

(b) the Share Buyback Mandate would provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner;

(c) the Share Buyback Mandate will allow the Directors to exercise greater control over the Company's share capital structure, dividend policy and cash reserves, with a view to enhancing the net tangible assets and/or earnings per Share; and

(d) the Share Buyback Mandate would help to mitigate short-term share price volatility by stabilising the supply and demand of issued Shares and offset the effects of short-term share price speculation, thereby supporting the fundamental value of the issued Shares and bolstering Shareholders' confidence.

The purchase or acquisition of Shares will only be undertaken if the Directors believe that it can benefit the Company and Shareholders, taking into consideration factors such as the amount of surplus cash available and the prevailing market conditions. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out at all, or to the full 10% limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity of Shares or the financial position of the Company and the Group or result in the Company being delisted.

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The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

It should be noted that there can be no assurance that the proposed Share Buyback Mandate will achieve any desired effect, and there can be no assurance that such effect (if achieved) can be sustained in the longer term.

2.3. Authority and Limits of the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate, if approved at the AGM, are as follows.

2.3.1. **Maximum Number of Shares**

The Company may only purchase or acquire Shares which are issued and fully paid-up. The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to the number of Shares representing not more than 10% of the issued Shares (excluding any treasury shares and subsidiary holdings) ("**Maximum Percentage**") as at the date of the forthcoming AGM at which the proposed adoption of the Share Buyback Mandate is approved (the "**Approval Date**"), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered. Any Shares which are held as treasury shares will be disregarded for the purpose of computing the 10% limit.

For illustrative purposes only, based on the issued share capital of the Company as at the Latest Practicable Date of 400,000,000 Shares (excluding treasury shares and subsidiary holdings), and assuming that the number of Shares (excluding treasury shares and subsidiary holdings) of the Company remains unchanged up to the date of the AGM, not more than 40,000,000 Shares, representing 10% of the issued Shares (excluding treasury shares and subsidiary holdings) as at that date, may be purchased or acquired by the Company pursuant to the Share Buyback Mandate. As at the Latest Practicable Date, the Company does not have any treasury shares and subsidiary holdings.

The Company may not acquire its own Shares if as a result thereof, the issued share capital of the Company would be reduced below the minimum subscribed capital specified in the Constitution, or if the Share Buyback is carried out to such an extent that it affects the listing status of the Company on the Catalist or causes the Company to be unable to meet the minimum free float requirement as set out in Section 2.8.2 of this Appendix.

Based on the total number of issued Shares held by the public as at the Latest Practicable Date of 60,872,471 Shares representing approximately 15.22% of the total number of issued Shares of the Company (there being no treasury shares held by the Company as at the Latest Practicable Date), the maximum number of Shares that the Company may acquire or purchase pursuant to the Share Buyback Mandate in order to remain compliant with the minimum free float requirement (of not less than 10%) would be 20,000,000, representing not more than approximately 5% of the issued and paid-up share capital of the Company.

2.3.2. **Duration of Authority**

Purchases or acquisitions of Shares may be made, at any time and from time to time, from the Approval Date up to the earliest of:

(a) the date on which the next annual general meeting of the Company is held or required by law to be held;

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(b) the date on which purchases or acquisitions have been carried out to the full extent of the Share Buyback Mandate; or

(c) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by an ordinary resolution of Shareholders in a general meeting.

The authority conferred on the Directors by the Share Buyback Mandate may be renewed at each subsequent annual general meeting or other general meeting(s) of the Company.

When seeking the approval of Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase or acquisition price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions of Shares, as well as any other requirements prescribed under the Catalist Rules.

2.3.3. **Manner of Share Buybacks**

Purchases or acquisitions of Shares may be made by way of:

(a) on-market purchases ("**Market Purchases**") transacted on the SGX-ST transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(b) off-market purchases ("**Off-Market Purchases**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the directors of the Company as they consider fit, such scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules.

Under the Companies Act, an Off-Market Purchase must satisfy all the following conditions:

(i) offers for the purchase or acquisition of issued shares shall be made to every person who holds issued shares to purchase or acquire the same percentage of their issued shares;

(ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(iii) the terms of all the offers are the same, except that there shall be disregarded, where applicable:

(1) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;

(2) (if applicable) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and

(3) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, Rule 870 of the Catalist Rules provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders, which must contain at least the following information:

(A) the terms and conditions of the offer;

(B) the period and procedures for acceptances;

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(C) the reasons for the proposed purchase or acquisition of Shares;

(D) the consequences, if any, of Share Buyback by the Company that will arise under the Take-over Code or other applicable take-over rules;

(E) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;

(F) details of any purchase or acquisition of Shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(G) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

2.3.4. **Maximum Purchase or Acquisition Price**

The purchase or acquisition price (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share purchased or acquired pursuant to the Share Buyback Mandate will be determined by the Directors, provided that such purchase price must not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares,

(the "**Maximum Price**") in either case, excluding brokerage, stamp duties, applicable goods and services tax and other related expenses of the purchase and acquisition.

For the above purposes of determining the Maximum Price:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in Shares were recorded, immediately preceding the day of the Market Purchase by the Company; or, as the case may be, the day of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five (5) Market Day period;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4. Status of Purchased or Acquired Shares under the Share Buyback Mandate

Under the Companies Act, any Share which is purchased or acquired by the Company is deemed cancelled immediately on such purchase or acquisition (and all rights and privileges attached to that Share will expire on such cancellation) unless such Share is held by the Company as a treasury share.

At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or held as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time

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2.4.1. **Cancelled Shares**

Where Shares purchased or acquired by the Company are cancelled, the Company shall:

(a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;

(b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or

(c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and not held as treasury shares.

2.4.2. **Treasury Shares**

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. According to the key provisions on treasury shares under the Companies Act:

(a) Maximum Holdings

Under the Companies Act, the number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

In the event that the Company holds more than 10% of the total number of its issued Shares as treasury shares, the Company shall dispose of or cancel the excess treasury shares in the manner set out under Section 2.4.2(c) below within six (6) months beginning with the day on which that contravention occurs, or such further period as the Registrar of Companies may allow.

The Company has no Shares held as treasury shares as at the Latest Practicable Date.

(b) Voting and Other Rights

If the Company holds Shares as treasury shares, the Company shall be entered in the register of members as the member holding the Shares. However, the Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at general meetings and for the purposes of the Companies Act, the 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 the Company's assets (including any distributions of assets to members on a winding up) may be made to the Company in respect of treasury shares.

However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

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(c) Disposal and Cancellation

Pursuant to Section 76K of the Companies Act, where Shares are held as treasury shares, the Company may at any time, but subject always to the Take-over Code:

(i) sell the treasury shares (or any of them) for cash;

(ii) transfer the treasury shares for the purposes of or pursuant to any share scheme, performance share plan or share incentive scheme of the Company then in force, whether for employees, directors or other persons;

(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 may be prescribed by the Minister for Finance of Singapore.

Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of Treasury Shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of shares outstanding in a class that is listed before and after the usage and the value of the treasury shares comprised in the usage.

2.5. Reporting Requirements

Within 30 days of the passing of the Shareholders' resolution to approve any purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA. The Company shall notify ACRA within 30 days of a purchase or acquisition of Shares on the Catalist or otherwise. Such notification shall include details of the purchase, including the date of the purchase or acquisition, the total number of Shares purchased or otherwise acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase or acquisition of Shares and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of the profits or the capital of the Company and such other particulars as may be required by ACRA.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form.

In addition, under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as:

(a) the date of the sale, transfer, cancellation and/or use of such treasury shares;

(b) the purpose of such sale, transfer, cancellation and/or use of such treasury shares;

(c) the number of treasury shares which have been sold, transferred, cancelled and/or used;

(d) the number of treasury shares before and after such sale, transfer, cancellation and/or use;

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(e) the percentage of the number of treasury shares against the total number of issued Shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use; and

(f) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

Further to these reporting obligations, the Catalist Rules specifies that a listed company shall announce on the SGXNET all purchases or acquisitions of its shares no later than 9.00 a.m.:

(i) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and

(ii) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

Such announcement shall be in the form of Appendix 8D (Daily Share Buyback Notice) prescribed by the Catalist Rules. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the necessary announcements.

2.6. <u>Source of Funds</u>

In purchasing or acquiring Shares under the Share Buyback Mandate, the Company may only apply funds legally available for such purchase in accordance with its Constitution and the applicable laws in Singapore. The Company may not purchase or acquire Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Catalist Rules.

The Companies Act permits the Company to purchase or acquire its Shares out of capital or distributable profits so long as the Company is solvent. Pursuant to Section 76F(4) of the Companies Act, the Company is solvent if at the date of the payment for the Shares purchased or acquired, the following conditions are satisfied:

(a) there is no ground on which the Company could be found to be unable to pay its debts;

(b) if (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and

(c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the purchase or acquisition of Shares, become less than the value of its liabilities (including contingent liabilities).

The Company will use internal sources of funds, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its Shares pursuant to the Share Buyback Mandate.

The Directors will only make purchases or acquisitions pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

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2.7. Financial Effects of the Share Buyback Mandate

Shareholders should note that the financial effects illustrated set out in Section 2.7 herein are based on certain assumptions and purely for illustrative purposes only. In particular, it is important to note that the financial analyses set out below are based on the audited accounts of the Company and the Group for FY2024 and are not necessarily representative of the Company's actual financial position or future financial performance of the Company or the Group.

Although the Share Buyback Mandate would authorise the Company to buy back up to 10% of the Company's issued Shares, the Company may not necessarily buy back or be able to buy back the entire 10% of the issued Shares subject to the minimum free float requirement as set out in Section 2.8.2 of this Appendix. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions that may be made pursuant to the Share Buyback Mandate on the Company and Group's NTA and EPS as the resultant effect would depend on factors such as the aggregate numbers of Shares purchased or otherwise acquired, whether the purchase or acquisition is made out of capital or profits, the purchase price paid for such Shares and the amount (if any) borrowed by the Company to fund the purchase or acquisition and whether the Shares purchased or otherwise acquired are cancelled or held as treasury shares.

2.7.1. **Purchase or Acquisition made out of capital and/or profits**

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of distributable profits, such consideration (including related brokerage, commission, goods and services tax, stamp duties, clearance fees and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration (including related brokerage, commission, goods and services tax, stamp duties, clearance fees and other related expenses) will not affect the amount available for distribution in the form of cash dividends by the Company.

In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations of assets or estimates of liabilities. In determining the value of the contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

2.7.2. **Number of Shares purchased or acquired**

As at the Latest Practicable Date, based on the issued and paid-up share capital of the Company of 400,000,000 Shares, and assuming no further Shares are issued on or prior to the AGM and that the Company has sufficient free float of at least 10%, the purchase or acquisition by the Company of not more than the Maximum Percentage will result in the purchase or acquisition of 40,000,000 Shares.

The aforesaid Maximum Percentage does not take into account the current level of free float of the Company of approximately 15.22%, and is on the assumption that the Company's current level of free float has increased to allow for Share Buybacks up to the Maximum Percentage of 10%. For the avoidance of doubt, Shareholders should note that the total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the issued Shares, subject to the free float requirement as set out in Section 2.8.2 of this Appendix.

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2.7.3. **Maximum Price paid for Shares purchased or acquired**

Assuming that the Company purchases or acquires or makes an offer to 40,000,000 Shares, the maximum amount of funds (excluding related expenses of the purchase or acquisition) required for the purchase or acquisition of the 40,000,000 Shares, representing 10% of its issued Shares as at the Latest Practicable Date:

(a) in the case of Market Purchases, assuming that the Company purchases or acquires 40,000,000 Shares at the Maximum Price of S$0.170 for each Share (being 105% of the Average Closing Price of the Shares over the last five (5) Market Days on which the Shares are transacted on the SGX-ST immediately preceding the Latest Practicable Date) and accordingly the maximum amount of funds required for effecting such On-Market Purchases (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses), would amount to approximately S$6,800,000; and

(b) in the case of Off-Market Purchases, assuming that the Company purchases or acquires 40,000,000 Shares at the Maximum Price of S$0.194 for each Share (being 120% of the Average Closing Price of the Shares over the last five (5) Market Days on which the Shares are transacted on the SGX-ST immediately preceding the Latest Practicable Date) and accordingly the maximum amount of funds required for effecting such Off-Market Purchases (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses), would amount to approximately S$7,760,000.

the financial effects of Share Buyback by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial statements of the Group for the FY2024, are set out below.

2.7.4. **Illustrative Financial Effects**

The financial effects of the purchases and acquisitions of Shares as set out below are purely for illustrative purposes only and do not reflect the actual financial performance or position of the Group. In particular, it is important to note that the financial analysis set out below are based on the audited consolidated financial statements for FY2024 and are not necessarily representative of the future financial performance of the Group.

The financial effects of the acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, for illustrative purposes, only the financial effects of the acquisition of Shares pursuant to the Share Buyback Mandate by way of purchases made out of capital are set out in this Appendix.

On the basis of the key assumptions set out in the Sections 2.7.1, 2.7.2 and 2.7.3 above and assuming the following:

(a) the purchase or acquisition of Shares is made entirely out of capital and financed solely by internal sources of funds;

(b) the Share Buyback Mandate had been effective on 1 January 2024;

(c) the Company had purchased or acquired 40,000,000 Shares (representing 10% of its issued Shares (excluding treasury shares and subsidiary holdings) at the Latest Practicable Date) on 1 January 2024; and

(d) transaction and finance costs are assumed to be insignificant and have thus been ignored for the purpose of computing the financial effects;

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the financial effects of:

(i) Market Purchase of 40,000,000 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and held as treasury shares;

(ii) Market Purchase of 40,000,000 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and cancelled;

(iii) Off-Market Purchase of 40,000,000 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and held as treasury shares; and

(iv) Off-Market Purchase of 40,000,000 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and cancelled,

on the audited financial statements of the Company and the Group for FY2024 pursuant to the Share Buyback Mandate and on the assumption that the Company has sufficient free float of at least 10%, in a Market Purchase or Off-Market Purchase pursuant to the Share Buyback Mandate, are summarised in the following tables:

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(1) Market Purchase or Off-Market Purchases made entirely out of capital and held as treasury shares

As at 31 December 2024	Group			Company		
	Before Share Buyback	After Market Purchase	After Off-Market Purchase	Before Share Buyback	After Market Purchase	After Off-Market Purchase
	($'000)	($'000)	($'000)	($'000)	($'000)	($'000)
Profit attributable to the owners of the Company	4,410	4,410	4,410	2,108	2,108	2,108
Share capital	17,005	17,005	17,005	17,005	17,005	17,005
Other reserves	633	633	633	(102)	(102)	(102)
Treasury shares	–	(6,800)	(7,760)	–	(6,800)	(7,760)
Retained earnings	2,465	2,465	2,465	2,039	2,039	2,039
Shareholders' funds/ Total Equity	20,103	13,303	12,343	18,942	12,142	11,182
NTA(1)	20,100	13,300	12,340	18,939	12,139	11,179
Current assets	23,931	17,131	16,171	23,588	16,788	15,828
Current liabilities	17,396	17,396	17,396	10,731	10,731	10,731
Working capital	6,535	(265)	(1,225)	12,857	6,057	5,097
Total liabilities	31,653	31,653	31,653	14,995	14,995	14,995
Total borrowing(2)	22,784	22,784	22,784	6,633	6,633	6,633
Cash and cash equivalents	18,807	25,607	26,567	9,976	3,176	2,216
Number of Shares ('000)	400,000	400,000	400,000	400,000	400,000	400,000
Number of Treasury Shares ('000)	–	40,000	40,000	–	40,000	40,000
Number of Shares Excluding Treasury Shares ('000)	400,000	360,000	360,000	400,000	360,000	360,000
Weighted Average Number of Shares ('000)	362,187	322,187	322,187	362,187	322,187	322,187
Financial Ratios						
NTA per Share(1) (cents)	5.03	3.69	3.43	4.73	3.37	3.11
Gearing ratio(3) (times)	1.13	1.71	1.85	0.35	0.55	0.59
Current ratio(4) (times)	1.38	0.98	0.93	2.20	1.56	1.47
Basic EPS(5) (cents)	1.22	1.37	1.37	0.58	0.65	0.65

Notes:

(1) NTA equals total equity less intangible assets and non-controlling interests. NTA per Share equals NTA divided by the number of Shares (excluding treasury shares) as at 31 December 2024.

(2) Total borrowings comprise of external bank borrowings and lease liabilities as at 31 December 2024.

(3) Gearing ratio equals total borrowings divided by shareholders' funds (excluding non-controlling interest).

(4) Current ratio equals current assets divided by current liabilities.

(5) Basic EPS equals profit attributable to owners of the Group and Company divided by the weighted average number of Shares (excluding treasury shares) as at 31 December 2024.

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(2) Market Purchase or Off-Market Purchase of Shares and cancelled

As at 31 December 2024	Group			Company		
	Before Share Buyback	After Market Purchase	After Off-Market Purchase	Before Share Buyback	After Market Purchase	After Off-Market Purchase
	($'000)	($'000)	($'000)	($'000)	($'000)	($'000)
Profit Attributable to the Owners of the Company	4,410	4,410	4,410	2,108	2,108	2,108
Share Capital	17,005	10,205	2,445	17,005	10,205	9,245
Other Reserves	633	633	633	633	633	633
Treasury Shares	–	–	–	–	–	–
Retained Earnings	2,466	2,466	2,466	2,040	2,040	2,040
Shareholders' Funds/ Total Equity	20,104	13,304	5,544	19,678	12,878	11,918
NTA[(1)]	20,101	12,341	12,341	19,675	11,915	11,915
Current assets	23,931	17,131	16,171	23,588	16,788	15,828
Current liabilities	17,396	17,396	17,396	10,731	10,731	10,731
Working capital	6,535	(265)	(1,225)	12,857	6,057	5,097
Total liabilities	31,653	31,653	31,653	14,995	14,995	14,995
Total borrowing[(2)]	22,784	22,784	22,784	6,633	6,633	6,633
Cash and cash equivalents	18,807	12,007	11,047	9,976	3,176	2,216
Number of Shares[(2)] ('000)	400,000	360,000	360,000	400,000	360,000	360,000
Number of Treasury Shares ('000)	–	–	–	–	–	–
Number of Shares Excluding Treasury Shares ('000)	400,000	360,000	360,000	400,000	360,000	360,000
Weighted Average Number of Shares ('000)	362,187	322,187	322,187	362,187	322,187	322,187
Financial Ratios						
NTA per Share[(1)] (cents)	5.03	3.43	3.43	4.92	3.31	3.31
Gearing ratio[(3)] (times)	0.44	0.67	1.61	0.33	0.51	0.55
Current ratio[(4)] (times)	1.38	0.98	0.93	2.20	1.56	1.47
Basic EPS[(5)] (cents)	1.22	1.37	1.37	0.58	0.65	0.65

Notes:

(1) NTA equals total equity less intangible assets and non-controlling interests. NTA per Share equals NTA divided by the number of Shares (excluding treasury shares) as at 31 December 2024.

(2) Computed based on the total number of 360,000,000 Shares following the Share Buyback by the Company.

(3) Gearing ratio equals total borrowings divided by shareholders' funds (excluding non-controlling interest).

(4) Current ratio equals current assets divided by current liabilities.

(5) Basic EPS equals profit attributable to owners of the Group and Company divided by the weighted average number of Shares (excluding treasury shares) as at 31 December 2024.

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The actual impact will depend on the number and price of the Shares bought back. The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect to the financial position of the Company or the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buyback taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as trading liquidity, share market conditions and performance of the Shares).

2.8. Other Applicable Catalist Rules and Legislation

2.8.1. Restrictions of Share Buybacks

While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced.

In particular, in observing the best practices recommended in the Catalist Rules on dealings in securities, the Company will not purchase or acquire any Shares pursuant to the proposed Share Buyback Mandate during the period commencing two (2) weeks immediately preceding the announcement of the Company's financial statements for each of the first three quarters of its financial year and one (1) month immediately preceding the announcement of the Company's financial statements of its full-year and ending on the date of the announcement of the relevant results.

2.8.2. Free Float

The Company is required under Rule 723 of the Catalist Rules to ensure that at least 10% of its issued Shares (excluding treasury shares and subsidiary holdings, if any) are in the hands of the public, and "public" is defined as persons other than the Directors, Chief Executive Officer, Substantial Shareholders and Controlling Shareholders of the Company or its subsidiaries, as well as the associates (as defined in the Catalist Rules) of such persons.

As at the Latest Practicable Date, there were approximately 60,872,471 issued Shares in the hands of the public (as defined above), representing approximately 15.22% of the total number of issued Shares of the Company (there being no treasury shares held by the Company as at the Latest Practicable Date). In the event that the Company purchases the maximum of 10% limit pursuant to the Share Buyback Mandate from such public Shareholders, the resultant percentage of the issued Shares held by the public Shareholders would be reduced to approximately 5.22%.

Having regard to the current level of free float of the Company of approximately 15.22%, the Company shall only undertake Share Buybacks up to the Maximum Percentage of 10% if and when the Company's level of free float subsequently increases to allow for the Company to maintain at least 10% of its listed securities in the hands of public Shareholders and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading. In particular, during the Relevant Period, in the event the Company undertakes Share Buybacks up to 5% of the issued Shares as at the Approval Date (and assuming the current level of free float of the Company of approximately 15.22%, remains unchanged), any further Share Buybacks shall only be undertaken upon the prior approval and written confirmation of the Board that the Company has sufficient free float subsequent to such Share Buyback.

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The Directors will at all times ensure that when purchasing any Shares pursuant to the Share Buyback Mandate, the Company will not carry out any purchase or acquisition of Shares unless at least 10% of its listed securities can be maintained in the hands of public Shareholders and that the number of Shares remaining in the hands of the public will not fall to such a level as to affect the listing status of the Company, cause market illiquidity of the Shares or to affect orderly trading of the Shares.

The Company will ensure that, during the Relevant Period, in the event the Company undertakes Share Buybacks up to 5% of the issued Shares as at the Approval Date (and assuming no change in the current free float of approximately 15.22%), any further Share Buybacks shall only be undertaken upon the prior approval and written confirmation of the Board that the Company has sufficient free float subsequent to such Share Buyback.

2.9. Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share Buyback by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.10. Interested Persons

The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is, a Director, the chief executive officer of the Company or Substantial Shareholder of the Company or any of their associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

2.11. Implications of the Take-Over Code

The TOC Appendix 2 contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.11.1. **Obligation to Make a Take-over Offer**

Rule 14 of the Take-over Code provides that unless exempted (or if exempted, such exemption is subsequently revoked), any person will incur an obligation to make a take-over offer if, as a result of a purchase of Shares by the Company:

(a) the percentage of voting rights held by such person (taken together with shares held or acquired by persons acting in concert with him) in the Company increases to 30% or more; or

(b) if they together hold between 30% and 50% of the Company's voting rights, their voting rights increase by more than 1% in any period of six (6) months.

If as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change in control, or as a result of such increase a Shareholder or group of Shareholders acting in concert obtain or consolidate control, it may in certain circumstances give rise to an obligation on the part of such Shareholder or Shareholders to make a take-over offer under Rule 14 of the Take-over Code.

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2.11.2. **Persons Acting in Concert**

Under the Take-over Code, persons acting in concert ("**concert parties**") comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control of that company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert:

(a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;

(b) a company with any of its directors (together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trust);

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;

(f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

(h) an individual, his close relatives, his related trusts, any person who is accustomed to act in accordance with the instructions of the individual, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of 20% but not more than 50% of the equity share capital of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and their concert parties respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares are set out in TOC Appendix 2.

2.11.3. **Effect of Rule 14 and TOC Appendix 2**

In general terms, the effect of Rule 14 of the Take-over Code and TOC Appendix 2 is that, unless exempted, Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of any purchase or acquisition by the Company of its Shares, the voting rights of such Directors and their concert parties respectively would increase to 30% or more, or if the voting rights of such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

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Under TOC Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

The details of the shareholdings of the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date are set out in Section 3 below. Save as disclosed in Section below, the Directors and the Substantial Shareholders of the Company do not have any interest, whether direct or indirect, in the Shares.

2.11.4. **Exemption under TOC Appendix 2 and conditions for exemption from having to make a general offer under Rule 14 of the Take-Over Code**

Section 3(a) of TOC Appendix 2 sets out the following conditions for exemption from the obligation to make a general offer under Rule 14 of the Take-over Code in the case of directors and persons acting in concert with them incurring such an obligation as a result of a market acquisition under Section 76E of the Companies Act or an off-market acquisition on an equal access scheme under Section 76C of the Companies Act:

(a) the circular to shareholders on the resolution to authorise a buy-back to contain advice to the effect that by voting for the buy-back resolution, shareholders are waiving their right to a general offer at the required price from directors and parties acting in concert with them who, as a result of the company buying back its shares, would increase their voting rights to 30% or more, or, if they together hold between 30% and 50% of the company's voting rights, would increase their voting rights by more than 1% in any period of six (6) months; and the names of such directors and persons acting in concert with them, their voting rights at the time of the resolution and after the proposed buy-back to be disclosed in the same circular;

(b) the resolution to authorise a share buy-back to be approved by a majority of those shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the share buy-back;

(c) directors and/or persons acting in concert with them to abstain from voting for and/or recommending shareholders to vote in favour of the resolution to authorise the share buy-back;

(d) within seven (7) days after the passing of the resolution to authorise a buy-back, each of the directors to submit to the SIC a duly signed form as prescribed by the SIC;

(e) directors and/or persons acting in concert with them not to have acquired and not to acquire any shares between the date on which they know that the announcement of the share buy-back proposal is imminent and the earlier of: (i) the date on which the authority of the share buy-back expires; and (ii) the date on which the company announces it has bought back such number of shares as authorised by shareholders at the latest general meeting or it has decided to cease buying back its shares, as the case may be, if such acquisitions, taken together with the buy-back, would cause their aggregate voting rights to increase to 30% or more; and

(f) directors and/or persons acting in concert with them, together holding between 30% and 50% of the company's voting rights, not to have acquired and not to acquire any shares between the date on which they know that the announcement of the share buy-back proposal is imminent and the earlier of: (i) the date on which the authority of the share buy-back expires; and (ii) the date on which the company announces it has bought back such number of shares as authorised by shareholders at the latest general meeting or it has decided to cease buying back its shares, as the case may be, if such acquisitions, taken together with the buy-back, would cause their aggregate voting rights to increase by more than 1% in the preceding six (6) months.

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It follows that where the aggregate voting rights held by a director and persons acting in concert with him increase by more than 1% solely as a result of the share buy-back and none of them has acquired any shares during the relevant six (6) months period, then such director and/or persons acting in concert with him would be eligible for the SIC's exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where already exempted, would continue to be exempted.

2.11.5. **Application of the Take-over Code**

As at the Latest Practicable Date, the following parties are presumed to be acting in concert with the Directors:

(a) GIH2023 Concert Party Group

As at the Latest Practicable Date, GIH2023 is a controlling Shareholder of the Company holding 35.67% of the issued share capital of the Company, for which Mr. Flint Lu, the Executive Chairman and Chief Executive Officer of the Company, is deemed interested in pursuant to Section 4 of the SFA. In addition, Mr. Flint Lu has a direct interest in 28.38% of the issued share capital of the Company. As such, GIH2023 and Mr. Flint Lu are deemed parties acting in concert with each other under the Take-over Code, with a total aggregate of 256,238,881 Shares, representing 64.05% of the issued share capital of the Company.

As GIH2023 and Mr. Flint Lu have an aggregate shareholding interest of more than 50% in the Company, the increase in the shareholding of the GIH2023 Concert Party Group in the event that the Company purchases the maximum number of Shares permissible under the Share Buyback Mandate **will not** require a general offer to be made under Rule 14 of the Take-over Code.

(b) Mengkim Concert Party Group

As at the Latest Practicable Date, Mengkim holds 18.77% of the issued share capital of the Company for which Mr. Thang Teck Jong, the Vice Chairman and Non-Executive Director, is deemed interested pursuant to Section 4 of the SFA. As such, Mengkim is presumed to be acting in concert with Mr. Thang Teck Jong, with a total aggregate of 75,099,724 Shares, representing 18.77% of the issued share capital of the Company.

Assuming that the Company purchases the maximum of 40,000,000 Shares (being 10% of its issued Shares excluding treasury shares and subsidiary holdings) pursuant to the Share Buyback Mandate and that such Shares are cancelled upon purchase, and assuming further that there is no change in the number of Shares held by Mengkim, the aggregate interests of Mengkim Concert Party Group would increase from 18.77% to 20.86% of the issued share capital of the Company. Accordingly, under the Take-over Code, the increase in the shareholding of the Mengkim Concert Party Group in the event that the Company purchases the maximum number of Shares permissible under the Share Buyback Mandate **will not** require a general offer to be made under Rule 14 of the Take-over Code.

(c) RF Concert Party Group

RF Dynamic Fund holds in aggregate 4,150,000 Shares, representing 1.04% of the of the Company's voting rights. Mr. Ng Tse Meng, the Independent Non-Executive Director of the Company, is the sibling of the executive director of RFWM VCC and Ruifeng Wealth Management Pte. Ltd., the fund manager of RF Dynamic Fund. Mr. Ng Tse Meng does not have any direct or deemed interest in RFWM VCC and Ruifeng Wealth Management Pte. Ltd.

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Assuming that the Company purchases the maximum of 40,000,000 Shares (being 10% of its issued Shares excluding treasury shares and subsidiary holdings) pursuant to the Share Buyback Mandate and that such Shares are cancelled upon purchase, and assuming further that there is no change in the number of Shares held by RF Dynamic Fund, the aggregate interests of RF Concert Party Group would increase from 1.04% to 1.15% of the issued share capital of the Company. Accordingly, under the Take-over Code, the increase in the shareholding of the RF Concert Party Group in the event that the Company purchases the maximum number of Shares permissible under the Share Buyback Mandate **will not** require a general offer to be made under Rule 14 of the Take-over Code.

Accordingly, the present total shareholding of each of the GIH2023 Concert Party Group, Mengkim Concert Party Group, and RF Concert Party Group as at the Latest Practicable Date would not require each of Mr. Flint Lu, Mr. Thang Teck Jong, and Mr. Ng Tse Meng and their concert parties (including the GIH2023 Concert Party Group, Mengkim Concert Party Group, and RF Concert Party Group) to make a general offer under Rule 14 of the Take-over Code as a result of the Company purchasing or acquiring the maximum of Shares (being 10% of its issued Shares excluding treasury shares and subsidiary holdings) pursuant to the Share Buyback Mandate.

To the best of the Directors' knowledge, save as disclosed above, there are no persons who may incur an obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate as a result of Share Buybacks up to the Maximum Percentage as at the Latest Practicable Date. Further details of the interests of the Directors and Substantial Shareholders of the Company in Shares as at the Latest Practicable Date are set out in Section 3 of this Appendix.

Shareholders should note that the statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Buyback Mandate are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity.

2.12. Share Buyback in the Previous 12 Months

The Company does not currently have in force a Share Buyback Mandate and accordingly, has not made any purchase or acquisition of Shares in the 12 months preceding the Latest Practicable Date.

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3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the share capital of the Company, as extracted from the Register of Directors' Shareholdings and the Register of Substantial Shareholders kept by the Company, are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%[1]	No. of Shares	%[1]	No. of Shares	%[1]
Directors						
Mr. Flint Lu [2]	113,538,957	28.38	142,699,924	35.67	256,238,881	64.05
Mr.Thang Teck Jong [3]	–	–	75,099,724	18.77	75,099,724	18.77
Mr. Huang Junli, Christopher	–	–	–	–	–	–
Mr. Ng Tse Meng	–	–	–	–	–	–
Mr. Foong Daw Ching	–	–	–	–	–	–
Substantial Shareholders (other than Directors)						
GIH 2023	142,699,924	35.67	–	–	142,699,924	35.67
Mengkim	75,099,724	18.77	–	–	75,099,724	18.77
Ms. Kong Ling Ting @ Kang Ling Ting[4]	–	–	75,099,724	18.77	75,099,724	18.77

Notes:

(1) The percentages of issued share capital are calculated based on 400,000,000 Shares in the capital of the Company as at the Latest Practicable Date.

(2) Mr. Flint Lu is the sole shareholder of GIH2023, and pursuant to Section 4 of the SFA, he deemed to be interested in the Shares held by GIH2023.

(3) Mr. Thang Teck Jong has an interest in 90.0% of the shares in Mengkim, and pursuant to Section 4 of the SFA, he is deemed to be interested in the Shares held by Mengkim. Mr. Thang Teck Jong is the spouse of Ms. Kong Ling Ting @ Kang Ling Ting.

(4) Ms. Kong Ling Ting @ Kang Ling Ting has an interest in 10% of the shares in Mengkim, and pursuant to Section 4 of the SFA, she is deemed to be interested in the Shares held by Mengkim. Ms. Kong Ling Ting @ Kang Ling Ting is the spouse of Mr. Thang Teck Jong.

Save as disclosed in this Appendix, other than through their respective shareholdings in the Company, none of the Directors, Controlling Shareholder and, as far as the Directors are aware, the Substantial Shareholders, has any interest, direct or indirect, in the proposed adoption of the Share Buyback Mandate.

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4. DIRECTORS' RECOMMENDATION

Having fully considered, *inter alia*, the rationale, benefit and the information relating to the proposed adoption of the Share Buyback Mandate (including the terms and the rationale thereof as set out in this Appendix), the Directors are of the opinion that the proposed adoption of Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution set out in the Notice of AGM relating to the proposed adoption of Share Buyback Mandate.

5. ANNUAL GENERAL MEETING

The AGM, notice of which is set out in the Annual Report of the Company, will be held on Tuesday, 29 April 2025 at 2.30 p.m. at 8 Grange Road, #08-01 Cathay Cineleisure, Singapore 239695 for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolution relating to the proposed adoption of the Share Buyback Mandate as set out in the Notice of AGM.

6. NO DESPATCH OF PRINTED COPIES OF THE APPENDIX AND THE ANNUAL REPORT

Printed copies of this Appendix and the Annual Report will NOT be despatched to Shareholders. Copies of this Appendix and the Annual Report have been uploaded on SGXNet and are also available on the Company's website at the URL https://goodwill.sg.

A Shareholder will need an Internet browser and PDF reader to view these documents on SGXNet and the Company's designated website. Shareholders are advised to read this Appendix carefully in order to decide whether they should vote in favour of or against the resolution to be proposed at the AGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should note that the AGM will be convened in a physical format only. Shareholders will not be able to participate electronically in any manner whatsoever. Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the Proxy Form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of Company's Share Registrar, B.A.C.S. Private Limited, located at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, or if submitted electronically, be submitted via email to the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com, not less than 72 hours before the time fixed for the AGM. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the AGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the AGM.

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8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed adoption of the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 33 Ubi Avenue 3, #05-16 Vertex, Singapore 408868 during normal business hours from the date of this Appendix up to the date of the AGM:

(a) the Annual Report; and

(b) the Constitution.

This Appendix, Annual Report and the Constitution of the Company are available for inspection at the registered office of the Company at 33 Ubi Avenue 3 #05-16 Vertex Singapore 408868, during normal business hours from the date of this Appendix up to and including the date of the AGM.

Yours faithfully

For and on behalf of the Board of Directors of
GOODWILL ENTERTAINMENT HOLDING LIMITED

Mr. Flint Lu
Executive Chairman and Chief Executive Officer

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Goodwill Entertainment Holding Limited (the "**Company**") will be held at 8 Grange Road, #08-01 Cathay Cineleisure, Singapore 239695 on Tuesday, 29 April 2025 at 2.30 p.m. for the following purposes:

As Ordinary Business

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Directors' Statement and Independent Auditors' Report thereon. **(Resolution 1)**

2. To declare a final dividend (one-tier tax exempt) of S$0.0075 per ordinary share for the financial year ended 31 December 2024. **(Resolution 2)**

3. To approve the payment of Directors' fees of S$37,500 for the financial year ended 31 December 2024 and Directors' fees of S$150,000 for the financial year ending 31 December 2025, payable quarterly in arrears. **(Resolution 3)**

4. To re-elect Mr. Thang Teck Jong who will be retiring pursuant to Regulation 103 of the Constitution of the Company **(Resolution 4)**

   Mr. Thang Teck Jong will, upon re-election as a Director of the Company, remain as Vice Chairman and Non-Executive Director of the Company. Please refer to the section entitled "Disclosure of Information on the Directors Seeking Re-Election" in the Annual Report for the detailed information required pursuant to Rule 720(5) and Appendix 7F of the Catalist Rules.

5. To re-elect Mr. Huang Junli, Christopher ("**Mr. Christopher Huang**") who will be retiring pursuant to Regulation 103 of the Constitution of the Company **(Resolution 5)**

   Mr. Christopher Huang will, upon re-election as a Director of the Company, remain as Lead Independent Non-Executive Director of the Company, Chairman of Remuneration Committee, a member of the Audit and Nominating Committees. Mr. Christopher Huang will be considered independent pursuant to Rule 704(7) of the Catalist Rules. Please refer to the section entitled "Disclosure of Information on the Directors Seeking Re-Election" in the Annual Report for the detailed information required pursuant to Rule 720(5) and Appendix 7F of the Catalist Rules.

6. To re-elect Mr. Ng Tse Meng who will be retiring pursuant to Regulation 103 of the Constitution of the Company **(Resolution 6)**

   Mr. Ng Tse Meng will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director of the Company, Chairman of the Nominating Committee, a member of the Audit and Remuneration Committees. Mr. Ng Tse Meng will be considered independent pursuant to Rule 704(7) of the Catalist Rules. Please refer to the section entitled "Disclosure of Information on the Directors Seeking Re-Election" in the Annual Report for the detailed information required pursuant to Rule 720(5) and Appendix 7F of the Catalist Rules.

NOTICE OF THE ANNUAL GENERAL MEETING

7. To re-elect Mr. Foong Daw Ching who will be retiring pursuant to Regulation 103 of the Constitution of the Company **(Resolution 7)**

   Mr. Foong Daw Ching will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director of the Company, Chairman of the Audit Committee, a member of the Nominating and Remuneration Committees. Mr. Foong Daw Ching will be considered independent pursuant to Rule 704(7) of the Catalist Rules. Please refer to the section entitled "Disclosure of Information on the Directors Seeking Re-Election" in the Annual Report for the detailed information required pursuant to Rule 720(5) and Appendix 7F of the Catalist Rules.

8. To re-appoint Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 8)**

9. To transact any other ordinary business which may properly be transacted at an AGM.

As Special Business

To consider and if deemed fit to pass the following Ordinary Resolutions with or without modifications:

10. **Authority to allot and issue shares** **(Resolution 9)**

    That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and Rule 806 of the Catalist Rules authority be and is hereby given to the Directors of the Company to:

    (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

    (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instruments convertible into Shares;

    at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit; and,

    (b) notwithstanding the authority conferred by this Resolution, issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

    PROVIDED ALWAYS THAT:

NOTICE OF THE ANNUAL GENERAL MEETING

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred percent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuant of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date of this resolution in force;

(2) subject to such calculation and adjustments as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercising of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution for the time being of the Company; and

(d) such authority conferred by this Resolution shall, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier, unless revoked or varied by the Company in a general meeting.

[Explanatory Note (i)]

11. **Proposed Adoption of the Share Buyback Mandate** **(Resolution 10)**

That:

(a) for the purposes of the Catalist Rules and the Companies Act, and such other laws and regulations as may for the time being be applicable, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

NOTICE OF
THE ANNUAL GENERAL MEETING

(i) on-market purchases (each a "**Market Purchase**") transacted on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the directors of the Company as they consider fit, such scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules,

and otherwise in accordance with all other laws, regulations, including but not limited to, the provisions of the Companies Act and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution relating to the Share Buyback Mandate and expiring on the earliest of:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held;

(ii) the date on which Share Buybacks have been carried out to the full extent of the Share Buyback Mandate; or

(iii) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting;

(c) in this Resolution relating to the Share Buyback Mandate:

"**Prescribed Limit**" means that number of Shares representing not more than 10% of the total number of issued ordinary Shares (excluding treasury shares and subsidiary holdings, if any) of the Company as at the date of the passing of this Resolution in relation to the Share Buyback Mandate;

"**Maximum Price**" in relation to a Share to be purchased, means the purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase: 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme: 120% of the Average Closing Price;

NOTICE OF THE ANNUAL GENERAL MEETING

"**Average Closing Price**" is the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-market day period;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

(d) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors of the Company; either be cancelled or held in treasury and dealt with in accordance with the Companies Act; and

(e) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including without limitation, executing such documents as may be required and to approve any amendments, alteration or modifications to any documents) as they may consider desirable, expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution in relation to the Share Buyback Mandate.

[Explanatory Note (ii)]

BY ORDER OF THE BOARD

Katherine Tan Jing Yu
Company Secretary

14 April 2025
Singapore

Explanatory Notes:

(i) Resolution 9 above, If passed, will empower the Directors of the Company, effective from the date of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue shares pursuant to such Instruments, up to a number not exceeding in total, one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), of which the total number of Shares issued other than a pro rata basis to existing Shareholders of the Company, shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any).

(ii) Resolution 10 above, if passed, will empower the Directors of the Company during the Relevant Period to purchase or otherwise acquire by way of Market Purchases or Off-Market Purchases, Shares up to the Maximum Percentage of Shares, subject always to the free float requirements being complied with and on the terms of the Share Buyback Mandate as set out in Resolution 10. The rationale for the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the illustration on the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate based on the audited financial statements of the Group for the financial year ended 31 December 2024 is set out in the Appendix to the annual report for the financial year ended 31 December 2024 dated 14 April 2025. (the "**Appendix**").

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. The members of the Company are invited to attend physically at the Annual General Meeting. There will be no option for shareholders to participate virtually. Printed copies of this notice of AGM, the Proxy Form, and the Request Form (to request for the Annual Report and the Appendix) will be sent by post to members. This notice, the Proxy Form and the Annual Report and Appendix are also available on the Company's corporate website (www.goodwillsg.com) and the SGXNet (www.sgx.com/securities/company-announcements). A member will need an internet browser and PDF reader to view these documents.

2. Please bring along your NRIC/passport so as to enable the Company to verify your identity.

3. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") and wishes to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes at least seven (7) working days before the Annual General Meeting. (i.e. 2.30 p.m. on 17 April 2025).

4. (i) A member who is not a Relevant Intermediary, entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead at the Annual General Meeting of the Company. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the form of proxy. A proxy need not be a member of the Company.

   (ii) A member who is a Relevant Intermediary may appoint one or more proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.

   *A Relevant Intermediary is:

   (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

6. A member can appoint the Chairman of the Annual General Meeting as his/her/its proxy but this is not mandatory.

   If a member wishes to appoint the Chairman of the Annual General Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Annual General Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the Annual General Meeting as proxy for that resolution will be treated as invalid.

   The instrument appointing a proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the proxy form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. The instrument appointing a proxy must be submitted to the Company in the following manner:

   (a) if sent personally or by post, be deposited at the office of Company's Share Registrar, B.A.C.S. Private Limited, located at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,

   in either case, by 2.30 p.m. on Saturday, 26 April 2025, no later than seventy-two (72) hours before the time appointed for holding the Annual General Meeting, and in default the instrument of proxy shall not be treated as valid.

   Members are strongly encouraged to submit completed proxy forms electronically via email.

NOTICE OF THE ANNUAL GENERAL MEETING

8. **Submission of questions prior to the AGM**

A member may ask question relating to the item on the agenda of the Annual General Meeting:-

(a) at the Annual General Meeting;

(b) submitting question via mail to the Company's registered office at 33 Ubi Avenue 3, #05-16 Vertex Tower, Singapore 048868; or

(c) submitting question via email to events@goodwillsg.com.

All questions must be submitted within seven (7) calendar days from the date of this Notice (i.e., by 5.00 p.m. on Tuesday, 22 April 2025) ("**Cut-Off Time**").

Shareholders submitting questions are required to state: (a) their full name; and (b) their identify cation/registration number, and (c) the manner in which his/her/its shares in the Company are held (e.g. via CDP, CPF, SRS and/or scrip), failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.

Shareholders are encouraged to submit their questions before the Cut-Off Time as this will allow the Company sufficient time to address and respond to these questions. The responses will be published on (i) the SGX's website; and (ii) the Company's corporate website, or if answered during the AGM, will be included in the minutes of the AGM which shall be published on the SGXNet and the Company's website within one month after the date of AGM.

Personal data privacy:

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM of the Company in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of the Chairman as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions, (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities, and (v) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*This notice has been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").*

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

The details of the contact person for the Sponsor are:

Name: Mr Jerry Chua (Registered Professional, Evolve Capital Advisory Private Limited)
Address: 160 Robinson Road, SBF Center, #20-01/02, Singapore 068914
Tel: (65) 6241 6626

GOODWILL ENTERTAINMENT HOLDING LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 201633838K)

IMPORTANT:
1. A Relevant Intermediary* may appoint more than two (2) proxies to attend the AGM and vote.
2. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") and wishes to appoint the Chairman of the Meeting as proxy should inform their respective SRS Operators to submit their votes at least 7 working days before the AGM (i.e. 2.30 p.m. on 17 April 2025).
3. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

(Please see notes overleaf before completing this Form)

*I/We ____________________ (Name),*NRIC/Passport No. ____________________

of ____ (Address)

being *a member/members of GOODWILL ENTERTAINMENT HOLDING LIMITED (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing *him/her/them, the Chairman of the Meeting as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Annual General Meeting ("**AGM**") of the Company to be held at 8 Grange Road, #08-01 Cathay Cineleisure, Singapore 239695, on Tuesday, 29 April 2025 at 2.30 p.m. and at any adjournment thereof.

*I/we direct *my/our *proxy/proxies to vote for, against or abstain the Resolutions to be proposed at the AGM as indicated hereunder. If no specified direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at his/her/their discretion.
(*Please indicate your vote "For", "Against" or "Abstain" with an "X" within the box provided).

No.	Resolutions relating to:	For*	Against*	Abstain*
AS ORDINARY BUSINESS				
Resolution 1	To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Directors' Statement and Independent Auditors' Report thereon.			
Resolution 2	To declare a final dividend (one-tier tax exempt) of S$0.0075 per ordinary share for the financial year ended 31 December 2024.			
Resolution 3	To approve the payment of Directors' fees of S$37,500 for the financial year ending 31 December 2024 and Directors' fees of S$150,000 for the financial year ending 31 December 2025, payable quarterly in arrears.			
Resolution 4	To re-elect Mr. Thang Teck Jong who will be retiring pursuant to Regulation 103 of the Constitution of the Company.			
Resolution 5	To re-elect Mr. Christopher Huang who will be retiring pursuant to Regulation 103 of the Constitution of the Company.			
Resolution 6	To re-elect Mr. Ng Tse Meng who will be retiring pursuant to Regulation 103 of the Constitution of the Company.			
Resolution 7	To re-elect Mr. Foong Daw Ching who will be retiring pursuant to Regulation 103 of the Constitution of the Company.			
Resolution 8	To re-appoint Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.			
AS SPECIAL BUSINESS				
Resolution 9	To approve general authority to allot and issue shares			
Resolution 10	To approve the Proposed Adoption of the Share Buyback Mandate			

Date this __________ day of ________________ 2025

Total Number of Shares held in:	
CDP Register	
Register of Members	

____
Signature(s) of members(s) and
Common Seal of Corporate Shareholder

**Delete where applicable*

IMPORTANT: PLEASE READ THE NOTES BELOW

NOTES:

1. Please insert the total number of Shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. (i) A member (who is not a relevant intermediary) of the Company entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint not more than two proxies to attend, speak and vote on his behalf and where a member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Member Proxy Form. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.

   (ii) A member (who is a relevant intermediary) of the Company entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint more than two proxies to attend, speak and vote on his behalf, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   *A Relevant Intermediary is:

   (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

   (b) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. A proxy need not be a member of the Company. A member can appoint the Chairman of the Annual General Meeting as his/her/its proxy but this is not mandatory.

4. If the instrument appointing a proxy is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he thinks fit.

5. If the instrument appointing a proxy is returned without the name of the proxy indicated, the instrument appointing a proxy shall be invalid.

6. If the appointor is an individual, the instrument appointing a proxy shall be signed by the appointor or his attorney.

7. If the appointor is a corporation, the instrument appointing a proxy shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act.

8. The signature on the instrument appointing a proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing a proxy, failing which the instrument may be treated as invalid.

9. The instrument appointing a proxy must be submitted to the Company in the following manner:

   (a) if sent personally or by post, be deposited at the office of Company's Share Registrar, B.A.C.S. Private Limited, located at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,

   in either case, by 2.30 p.m. on Saturday, 26 April 2025, no later than seventy-two (72) hours before the time appointed for holding the Annual General Meeting, and in default the instrument of proxy shall not be treated as valid.

   Members are strongly encouraged to submit completed proxy forms electronically via email.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 April 2025.

GOODWILL
ENTERTAINMENT

GOODWILL ENTERTAINMENT HOLDING LIMITED

(Company Registration No: 201633838K)
(Incorporated in the Republic of Singapore)

33 Ubi Avenue 3
#05-16 Vertex Tower B
Singapore 408868