




STGROUP

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED

(Company Registration No.: 201801590R)
(Incorporated in the Republic of Singapore on 11 January 2018)

Placement of 30,077,000 Placement Shares at S$0.26 each, payable in full on application.

Sponsor and Issue Manager and Placement Agent

UOB 大华银行

UNITED OVERSEAS BANK LIMITED
(Company Registration No.:193500026Z)
(Incorporated in the Republic of Singapore)






OFFER DOCUMENT DATED 26 JUNE 2019
(Registered by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), acting as agent on behalf of the Monetary Authority of Singapore (the "**Authority**") on 26 June 2019)

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

United Overseas Bank Limited (the "**Sponsor and Issue Manager and Placement Agent**") has on behalf of ST Group Food Industries Holdings Limited (the "**Company**") made an application to the SGX-ST for permission to deal in, and for quotation of, all the ordinary shares (the "**Shares**") in the capital of the Company already issued, the new Shares (the "**Placement Shares**") which are the subject of the Placement (as defined herein), the Cornerstone Shares (as defined herein) and the new Shares which may be issued pursuant to the ST Group Performance Share Plan (the "**Award Shares**") on Catalist (as defined herein).

Concurrently but separate from the Placement, each of Chikaranomoto Global Holdings Pte. Ltd. and Hyein Foods Co., Ltd. (collectively, the "**Cornerstone Investors**") has entered into a cornerstone subscription agreement with the Company (collectively, the "**Cornerstone Subscription Agreements**") to subscribe for an aggregate of 6,923,000 new Shares at the Issue Price (as defined herein) (the "**Cornerstone Shares**") conditional upon, among other things, the Placement Agreement (as defined herein) having been entered into and not having been terminated on or prior to the Settlement Date (as defined herein).

Acceptance of applications for the Placement Shares will be conditional upon, *inter alia*, the issue of the Placement Shares and permission being granted by the SGX-ST for the listing and quotation of all our existing issued Shares, the Placement Shares, the Cornerstone Shares and the Award Shares on Catalist. Monies paid in respect of any application accepted will be returned at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed, and you will have no claims against us and/or the Sponsor and Issue Manager and Placement Agent. The dealing in and quotation of our existing issued Shares, the Placement Shares, the Cornerstone Shares and the Award Shares will be in Singapore dollars.

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

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

A copy of this Offer Document has been lodged with and registered by the SGX-ST, acting as agent on behalf of the Authority. Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor and Issue Manager confirming that our Company is suitable to be listed and complies with the Catalist Rules (as defined herein). Neither the Authority nor the SGX-ST has in any way considered the merits of our existing issued Shares, the Placement Shares, the Cornerstone Shares or the Award Shares, as the case may be, being offered for investment. The registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, or requirements under the Catalist Rules, have been complied with.

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

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

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

Business Overview

An F&B Group with a Diversified Portfolio of Internationally Popular Brands

With a history dating back to 2011, we are an established F&B group headquartered in Australia, which owns exclusive franchise and licence rights to the following **6** internationally popular F&B brands or concepts in various territories in Australia, New Zealand, Malaysia and England, United Kingdom – "PappaRich", "NeNe Chicken", "Hokkaido Baked Cheese Tart", "Gong Cha", "IPPUDO" and "iDarts". We have also developed **2** of our own brands – "PAFU" and "KURIMU".

Our Key Business Segments

i) F&B retail sales under the various brands through outlets owned and operated by our Group
ii) Sub-franchising and sub-licensing of brands to our sub-franchisees and sub-licensees
iii) Sale of F&B ingredients and other supplies to our franchise network through our Central Kitchen
iv) Receipt of machine income from electronic darts machines installed at sub-franchised "iDarts" outlets

38
Group-Owned Outlets

63
Sub-Franchised / Sub-Licensed Outlets

4
Geographical Markets

Our Network of Outlets

		Our Geographical Reach	Number of Outlets		Total Number of Outlets
Exclusive Franchise and Licence Rights	PappaRich	Australia and New Zealand	6	26	32
	NeNe Chicken	Australia and Malaysia	7	18	25
	Hokkaido Baked Cheese Tart	Australia and New Zealand	11	7	18
	Gong Cha	New Zealand and England, United Kingdom*	6	3	9
	IPPUDO	Western Australia, Queensland Australia and New Zealand	2	-	2
	iDarts	Australia	-	5	5
Own Brand Concepts	PAFU	Australia	6	4	10
	KURIMU	Australia Opening in July 2019	-	-	-
		Total Number of Outlets	101		

Our Franchise Network



80
Outlets



13
Outlets



8
Outlets

*Our first "Gong Cha" outlet in England, United Kingdom commenced operations in City Tower, Manchester, England in June 2019

PappaRich MALAYSIAN DELIGHTS
NENE CHICKEN Happy Choice!
HOKKAIDO BAKED CHEESE TART
Gong cha
IPPUDO
iDarts Australia www.idarts.com.au
PAFU パフ
クリーム KURIMU JAPANESE CREAM CHOUX

Owned Sub-Franchised / Sub-Licensed

Information as at 31 May 2019

Competitive Strengths

Entrepreneurial and Dedicated Management Team

- Led by the Group's Executive Chairman and CEO, Mr Saw Tatt Ghee, who has over **17** years of experience in the F&B industry
- Supported by a team of professional, experienced and dedicated Executive Officers and employees

Able to Identify New Trends and Adapt to Changing Consumer Preferences to Grow a Diversified Portfolio of Brands

- We constantly monitor market trends and customers' preferences closely and seek new brands and food concepts, which we observe to be popular in other international markets, to identify and introduce new brands to cater to consumers' tastes and preferences
- Our diversified brand portfolio captures a wider group of consumer segments, reduces reliance on any particular brand and increases the resilience of our business

Established Franchise System and Good Working Relationships with Major Landlords

- Our franchise system, which is supported by our Central Kitchen and logistics system, enables us to open restaurants and kiosks in a relatively short time and introduce new brands to the market
- Approximately **52%** of our outlets in Australia and New Zealand are leased from landlords of major shopping centres

Established Track Record and Strong Network of Sub-Franchisees

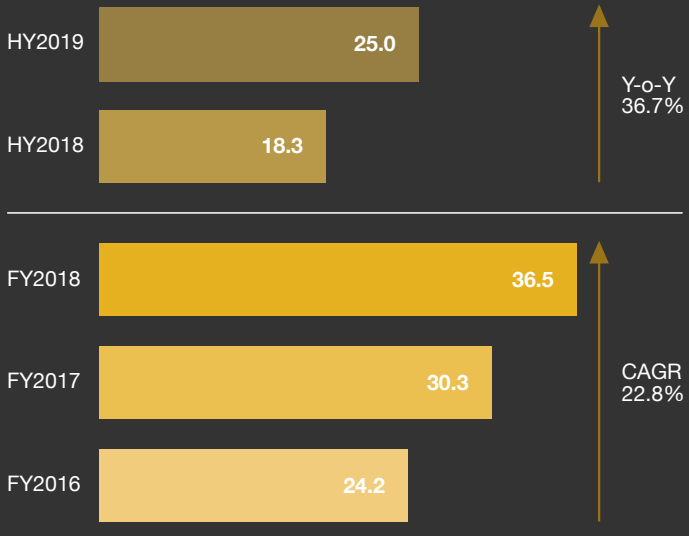
- We believe we have established a reputation as a successful master franchisee or master licensee in our key markets in Australia, New Zealand and Malaysia
- We place strong emphasis in ensuring the success of our sub-franchisees and sub-licensees, and we leverage on their understanding of local consumers' tastes and preferences in various regions to grow our business

Central Kitchen Enables Us to Maintain High Standard of Food Consistency and Quality, as Well as Lower Our Operating and Labour Costs

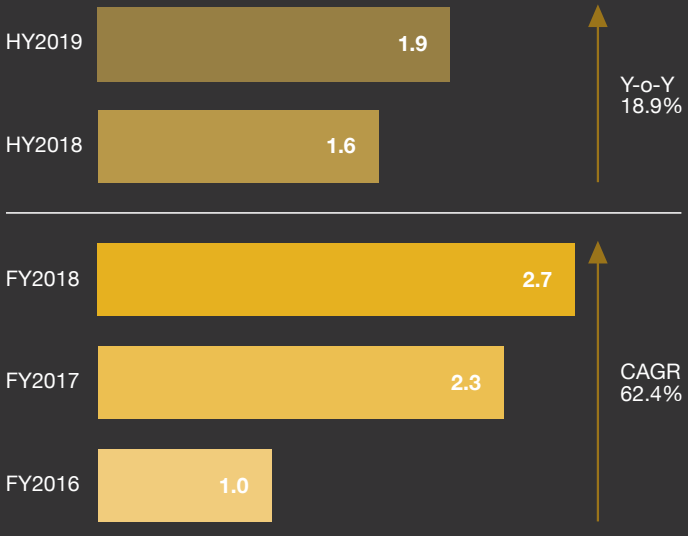
- We have a Central Kitchen in Melbourne, Australia with a total floor area of approximately 3,000 sq m to support the operations of our franchise network in Australia and New Zealand
- Our Central Kitchen is HACCP (Hazard Analysis and Critical Control Points) compliant since 2014 and ISO 9001:2015 Quality Management System certified since 2015
- Centralising our food production processes of all our brands in our Central Kitchen enables us to achieve scalability and maintain a high standard of consistency and food quality
- Lowers operating and labour costs and improves productivity at restaurants and kiosks in our franchise network
- Enables us to leverage on our existing knowledge and expertise in food production to introduce new brands and food concepts within a shorter span of time and at lower cost

Financial Highlights FYE 30 June

Revenue (A$'million)



Profit Attributable to Equity Holders of the Company (A$'million)



Business Strategies and Future Plans

Expand Our Franchise Network and Introduce New Brands and Concepts

- Leverage our established market presence and market recognition of our portfolio of brands, the experience of our management team and network of sub-franchisees and sub-licensees to further expand our network of restaurants and kiosks in our existing key markets of Australia, New Zealand and Malaysia
- Grow our brand portfolio and expand our geographical presence by identifying suitable brands and food concepts to introduce in both new and existing markets

Acquire New Equipment and Machinery and Expand Our Existing Central Kitchen and Corporate Office in Australia

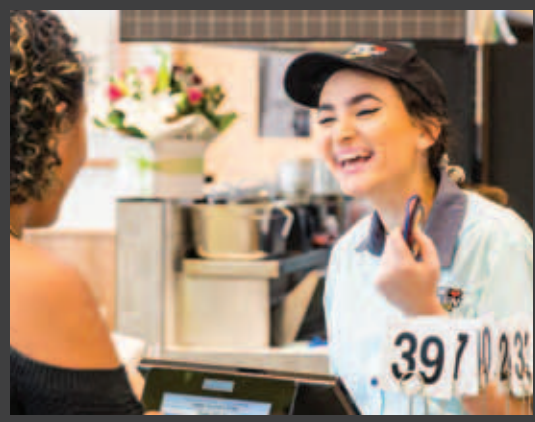
- Automate certain food production and packaging processes and increase our operational efficiency
- Acquire new packaging equipment which can maintain the freshness of our ingredients for a longer period of time, to improve the quality of the supplies which are distributed from our Central Kitchen to the outlets across our franchise network
- Expand our existing corporate office and upgrade our technology to increase operational efficiency

Establish a Central Kitchen and Corporate Office in Malaysia

- Establish another central kitchen in Malaysia, strategically located to perform central procurement, processing and supply of food ingredients and products for our franchise network in the region
- Reduce production costs and realise operational efficiencies







Prospects and Trends

Positive Economic Outlook and Growth in Population and GDP

- The general economic outlook of our key geographical markets of Australia, New Zealand and Malaysia are positive

Increase in Consumer Affluence and Willingness to Spend on Food

- With the general trend of increase in dual-income families and growing affluence, we believe the trend of busy consumers relying on food-service is expected to continue in the key geographical markets in which we operate

Large Immigrant Population in Australia

- In 2016, 83% of the overseas-born population lived in a capital city, compared with 61% of the people born in Australia
- Our restaurants and kiosks, which are mostly situated centrally within capital cities, are strategically located to capture our targeted customer base

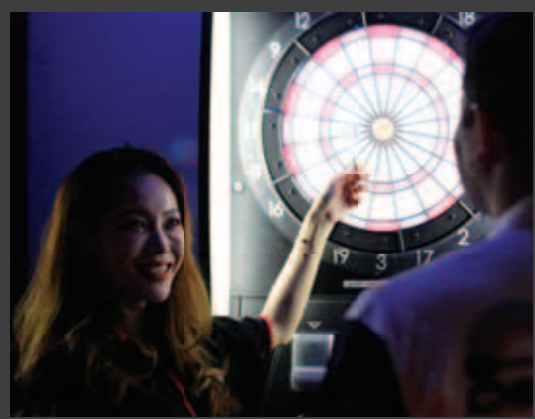
Increasing Popularity of Convenience and Food Delivery Services

- We observed a growing trend of convenience and food delivery service, with many consumers now opting for delivery of high-quality food and beverages to the comfort of their own home

Growth in Tourism and Hospitality Industry

- Robust and continued growth is forecasted for the tourism industries of our key geographical markets – Australia, New Zealand and Malaysia





Information as at 31 May 2019

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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Mr. Saw Tatt Ghee (Executive Chairman and CEO) Ms. Saw Lee Ping (Executive Director and CAO) Mr. Chan Wee Kiang (Lead Independent Director) Mr. Peter Sim Swee Yam (Independent Director) Mr. Yap Zhi Chau (Independent Director)
COMPANY SECRETARY	:	Ms. Toh Li Ping, Angela (Singapore Association of the Institute of Chartered Secretaries and Administrators)
REGISTERED OFFICE	:	50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
PRINCIPAL PLACE OF BUSINESSES	:	120-130 Turner Street Port Melbourne Victoria 3207 Australia
SPONSOR AND ISSUE MANAGER AND PLACEMENT AGENT	:	**United Overseas Bank Limited** 80 Raffles Place UOB Plaza Singapore 048624
SOLICITORS TO THE PLACEMENT AND LEGAL ADVISERS TO OUR COMPANY AS TO SINGAPORE LAW	:	**Rajah & Tann Singapore LLP** 9 Battery Road #25-01 Singapore 049910
SOLICITORS TO THE SPONSOR AND ISSUE MANAGER AND PLACEMENT AGENT	:	**Dentons Rodyk & Davidson LLP** 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
LEGAL ADVISERS TO OUR COMPANY AS TO AUSTRALIA LAW	:	**Maddocks** Collins Square, Tower Two Level 25 727 Collins Street Melbourne Victoria 3008 Australia
LEGAL ADVISERS TO OUR COMPANY AS TO NEW ZEALAND LAW	:	**Anthony Harper** Level 6, Chorus House 66 Wyndham Street PO Box 2646 Auckland 1140 New Zealand

LEGAL ADVISERS TO OUR COMPANY AS TO MALAYSIA LAW	:	**Wong Beh & Toh** Peti # 30 Level 19 West Block Wisma Golden Eagle Realty (formerly known as Wisma Selangor Dredging) 142-C Jalan Ampang 50450 Kuala Lumpur Malaysia
LEGAL ADVISERS TO OUR COMPANY AS TO THE LAWS OF ENGLAND AND WALES	:	**JMW Solicitors LLP** No.1 Byrom Place Spinningfields Manchester M3 3HG United Kingdom
INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS	:	**Baker Tilly TFW LLP** 600 North Bridge Road #05-01 Parkview Square Singapore 188778 Partner-in-charge: Joshua Ong Kian Guan (a member of the Institute of Singapore Chartered Accountants)
PRINCIPAL BANKER	:	**Westpac Banking Corporation** Level 1, 365 Ferntree Gully Road Mount Waverly, Victoria 3149 Australia
RECEIVING BANK	:	**United Overseas Bank Limited** 80 Raffles Place UOB Plaza Singapore 048624
SHARE REGISTRAR AND SHARE TRANSFER OFFICE	:	**Boardroom Corporate & Advisory Services Pte. Ltd.** 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

DEFINITIONS

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

Group Companies

"Company"	:	ST Group Food Industries Holdings Limited
"Group"	:	Our Company and our subsidiaries

Other Corporations and Agencies

"Authority" or *"MAS"*	:	The Monetary Authority of Singapore
"CDP"	:	The Central Depository (Pte) Limited
"Independent Auditors and Reporting Accountants"	:	Baker Tilly TFW LLP
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Registrar"	:	Boardroom Corporate & Advisory Services Pte. Ltd.
"Sponsor and Issue Manager", "Placement Agent", "Receiving Bank" or *"UOB"*	:	United Overseas Bank Limited

General

"Application Form"	:	The printed application form to be used for the purpose of the Placement and which forms part of this Offer Document
"Application List"	:	The list of applications for subscription of the Placement Shares

"associate"	:	(a) in relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means – (i) his immediate family; (ii) the trustees of any trust for which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he or his immediate family together (directly or indirectly) have an interest of 30.0% or more; and (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
"Audit Committee"	:	The audit committee of our Company as at the date of this Offer Document, unless otherwise stated
"Award Shares"	:	The new Shares which may be issued pursuant to the vesting of Awards
"Awards"	:	The awards which may be granted pursuant to the Performance Share Plan
"Board" or *"Board of Directors"*	:	The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated
"Brand Holding Companies" or each a *"Brand Holding Company"*	:	The direct subsidiaries of our Company following the Restructuring Exercise, through which we hold the companies operating under the respective brands in our portfolio
"CAGR"	:	Compound annual growth rate
"Call Option Agreements"	:	The call option agreements in relation to the Cash Consideration Call Options, the NNC Malaysia Call Options and the TGR Call Option (each as amended, modified or supplemented from time to time), details of which are set out in the section entitled "Restructuring Exercise – Exercise of Call Options" of this Offer Document
"CAO"	:	Chief Administrative Officer

"Caprice Subscription Agreement"	:	The subscription agreement entered into between our Company, Mr. Saw Tatt Ghee, Ms. Saw Lee Ping, ST Group Pty. Ltd. and Caprice Development (S) Pte. Ltd. dated 27 March 2018, in relation to the subscription of the Series 1A Preference Shares and Series 1B Preference Shares (as amended, modified or supplemented from time to time, including by the deed of variation dated 22 March 2019), details of which are set out in the section entitled "Shareholders – Pre-IPO Investors" of this Offer Document
"Cash Consideration Call Options"	:	The call options which were granted by each of Mr. Joel Teh Yi Weng and Mr. Edwin Koh Wei Min to Mr. Saw Tatt Ghee, the consideration for which shall be satisfied in cash, as described in the section entitled "Restructuring Exercise – Exercise of Call Options" of this Offer Document
"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
"CEO"	:	Chief Executive Officer
"Code of Corporate Governance"	:	The Code of Corporate Governance issued by the Authority on 6 August 2018
"Companies Act"	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"Constitution"	:	The constitution of our Company
"Controlling Shareholder"	:	As defined in the Catalist Rules: (a) a person who holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in our Company (unless otherwise determined by the SGX-ST); or (b) a person who in fact exercises control over our Company
"Cornerstone Investors"	:	Chikaranomoto Global Holdings Pte. Ltd. and Hyein Foods Co., Ltd.
"Cornerstone Shares"	:	The aggregate of 6,923,000 new Shares to be subscribed for by the Cornerstone Investors at the Issue Price pursuant to the Cornerstone Subscription Agreements

"Cornerstone Subscription Agreements"	:	The Cornerstone (IPPUDO) Subscription Agreement and the Cornerstone (NeNe) Subscription Agreement
"Cornerstone (IPPUDO) Subscription Agreement"	:	The subscription agreement dated 31 May 2019 entered into between our Company and Chikaranomoto Global Holdings Pte. Ltd. pursuant to which Chikaranomoto Global Holdings Pte. Ltd. has agreed to subscribe for 3,846,100 Cornerstone Shares conditional upon, among other things, the Placement Agreement having been entered into and not having been terminated on or prior to the Settlement Date, as amended, modified or supplemented from time to time
"Cornerstone (NeNe) Subscription Agreement"	:	The subscription agreement dated 31 May 2019 entered into between our Company and Hyein Foods Co., Ltd. pursuant to which Hyein Foods Co., Ltd. has agreed to subscribe for 3,076,900 Cornerstone Shares conditional upon, among other things, the Placement Agreement having been entered into and not having been terminated on or prior to the Settlement Date, as amended, modified or supplemented from time to time
"Directors"	:	The directors of our Company as at the date of this Offer Document, unless otherwise stated
"EPS"	:	Earnings per Share
"Executive Directors"	:	The executive Directors of our Company as at the date of this Offer Document, unless otherwise stated
"Executive Officers"	:	The executive officers of our Group as at the date of this Offer Document, unless otherwise stated
"FY"	:	Financial year ended or, as the case may be, ending 30 June
"GDP"	:	Gross domestic product
"Gong Cha Master Franchise Agreements"	:	The Gong Cha (NZ) Master Franchise Agreement and the Gong Cha (England) Master Franchise Agreement
"Gong Cha (England) Master Franchise Agreement"	:	The master franchise agreement dated 29 June 2018 between Royal Tea Taiwan Co., Ltd. and GC (England) Pte. Ltd. in respect of the exclusive rights to the "Gong Cha" brand in England, United Kingdom, as amended, modified or supplemented from time to time

"Gong Cha (NZ) Master Franchise Agreement"	:	The master franchise agreement dated 1 May 2018 between Royal Tea Taiwan Co., Ltd. and GCHA (NZ) Pty Ltd in respect of the exclusive rights to the "Gong Cha" brand in New Zealand, as amended, modified or supplemented from time to time
"GST"	:	Goods and services tax
"HBCT Master Franchise Agreements"	:	The HBCT (AU) Master Franchise Agreement and the HBCT (NZ) Master Franchise Agreement
"HBCT (AU) Master Franchise Agreement"	:	The area development agreement dated 15 August 2016 between, *inter alia*, Secret Recipe International Pte. Ltd. and HBCT (Aust) Pty Ltd in respect of the exclusive rights to the "Hokkaido Baked Cheese Tart" brand in Australia, as amended, modified or supplemented from time to time
"HBCT (NZ) Master Franchise Agreement"	:	The area development agreement dated 20 September 2016 between, *inter alia*, Secret Recipe International Pte. Ltd. and HBCT (Aust) Pty Ltd in respect of the exclusive rights to the "Hokkaido Baked Cheese Tart" brand in New Zealand, as amended, modified or supplemented from time to time
"HY"	:	The six-month financial period ended or, as the case may be, ending 31 December
"iDarts Master Franchise Agreement"	:	The master franchise agreement dated 8 February 2013 between iDarts Group Limited (which was amalgamated with Dartslive Asia Limited on 1 April 2017 pursuant to Section 680/681 of the Companies Ordinance (Cap. 622) of Hong Kong) and Idarts Australia Pty Ltd in respect of the exclusive rights to the "iDarts" brand in Australia, as amended, modified or supplemented from time to time
"Independent Directors"	:	The independent Directors of our Company as at the date of this Offer Document, unless otherwise stated
"IPPUDO Master Franchise Agreements"	:	The IPPUDO (Queensland) Master Franchise Agreement, the IPPUDO (WA) Master Franchise Agreement and the IPPUDO (NZ) Master Franchise Agreement
"IPPUDO (NZ) Master Franchise Agreement"	:	The master franchise agreement dated 31 October 2016 between Chikaranomoto Holdings Co., Ltd. and STG Food Industries 5 Pty Ltd in respect of the exclusive rights to the "IPPUDO" brand in New Zealand, as amended, modified or supplemented from time to time

"IPPUDO (Queensland) Master Franchise Agreement"	:	The master franchise agreement dated 31 December 2016 between Chikaranomoto Holdings Co., Ltd. and STG Food Industries 5 Pty Ltd in respect of the exclusive rights to the "IPPUDO" brand in Queensland, Australia, as amended, modified or supplemented from time to time
"IPPUDO (WA) Master Franchise Agreement"	:	The master franchise agreement dated 31 December 2016 between Chikaranomoto Holdings Co., Ltd. and STG Food Industries 5 Pty Ltd in respect of the exclusive rights to the "IPPUDO" brand in Western Australia, as amended, modified or supplemented from time to time
"Issue Price"	:	S$0.26 for each Placement Share
"Latest Practicable Date"	:	31 May 2019, being the latest practicable date for the purposes of lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority
"Licensor"	:	Hyein Foods Co., Ltd., the licensor under the NeNe Chicken Licence Agreement in respect of the "NeNe Chicken" brand in Malaysia
"Listing"	:	The proposed listing and quotation of all our Shares on Catalist
"Listing Date"	:	The date of admission of our Company to Catalist
"Lower Tier Restructuring"	:	The acquisition of the shareholding interests in certain Outlet Companies by our Purchasing Subsidiaries pursuant to the Restructuring Exercise as described in the section entitled "Restructuring Exercise" and Appendix H to this Offer Document
"Lower Tier Share Sale Agreements"	:	The share sale agreements dated on or about 10 September 2018 entered into between the shareholders of certain Outlet Companies and our Purchasing Subsidiaries in connection with the Lower Tier Restructuring
"Management and Sponsorship Agreement"	:	The management and sponsorship agreement dated 26 June 2019 entered into between our Company and the Sponsor and Issue Manager pursuant to which the Sponsor and Issue Manager agreed to manage and sponsor the Placement, details as described in the section entitled "Plan of Distribution – Management and Placement Arrangements" of this Offer Document
"Market Day"	:	A day on which the SGX-ST is open for trading in securities

"Master Franchise Agreements"	:	The PappaRich Master Franchise Agreement, the NeNe Chicken (AUS) Master Franchise Agreement, the HBCT Master Franchise Agreements, the Gong Cha Master Franchise Agreements, the IPPUDO Master Franchise Agreements and the iDarts Master Franchise Agreement
"Master Franchisors"	:	(a) Roti Roti International Sdn Bhd, the master franchisor under the PappaRich Master Franchise Agreement in respect of the "PappaRich" brand in Australia and New Zealand; (b) Hyein Foods Co., Ltd., the master franchisor under the NeNe Chicken (AUS) Master Franchise Agreement in respect of the "NeNe Chicken" brand in Australia; (c) Secret Recipe International Pte. Ltd., the master franchisor under the HBCT Master Franchise Agreements in respect of the "Hokkaido Baked Cheese Tart" brand in Australia and New Zealand; (d) Royal Tea Taiwan Co., Ltd., the master franchisor under the Gong Cha Master Franchise Agreements in respect of the "Gong Cha" brand in New Zealand and England, United Kingdom; (e) Chikaranomoto Holdings Co., Ltd., the master franchisor under the IPPUDO Master Franchise Agreements in respect of the "IPPUDO" brand in Western Australia, Queensland, Australia, and New Zealand; and (f) iDarts Group Limited (which was amalgamated with Dartslive Asia Limited on 1 April 2017 pursuant to Section 680/681 of the Companies Ordinance (Cap. 622) of Hong Kong), the master franchisor under the iDarts Master Franchise Agreement in respect of the "iDarts" brand in Australia
"NAV"	:	Net asset value
"NeNe Chicken Licence Agreement"	:	The licence agreement dated 19 June 2017 between Hyein Foods Co., Ltd. and NNC Food Industries Malaysia Sdn Bhd in respect of licence rights to operate chicken specialty stores or restaurants under the "NeNe Chicken" brand in Malaysia, as amended, modified or supplemented from time to time

"NeNe Chicken (AUS) Master Franchise Agreement"	:	The master franchise agreement dated 21 May 2014 between Hyein Foods Co., Ltd. and Nene Chicken (Australia) Pty Ltd in respect of the exclusive rights to the "NeNe Chicken" brand in Australia, as amended, modified or supplemented from time to time
"NNC Malaysia Call Options"	:	The call options which were granted by the NNC Malaysia Selling Shareholders to STG Food Industries Malaysia Sdn Bhd as described in the section entitled "Restructuring Exercise – Exercise of Call Options" of this Offer Document
"NNC Malaysia Selling Shareholders"	:	Mr. Lee Ji Yang, Mr. Joel Teh Yi Weng and Mr. Edwin Koh Wei Min
"Nominating Committee"	:	The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated
"Non-Executive Directors"	:	The non-executive Directors of our Company (including Independent Directors) as at the date of this Offer Document, unless otherwise stated
"Offer Document"	:	This offer document dated 26 June 2019 issued by our Company in respect of the Placement
"Outlet Companies" or each an *"Outlet Company"*	:	Our subsidiaries through which the outlets owned and operated by our Group are held and whose shares were acquired by our Brand Holding Companies, as described in the section entitled "Restructuring Exercise" and Appendix H to this Offer Document
"PappaRich Master Franchise Agreement"	:	The master franchise agreement dated 28 September 2011 between Roti Roti International Sdn Bhd and Papparich Australia Pty Ltd in respect of the exclusive rights to the "PappaRich" brand in Australia and New Zealand, as amended, modified or supplemented from time to time
"PER"	:	Price earnings ratio
"Performance Share Plan"	:	The ST Group Performance Share Plan, the terms of which are set out in Appendix G to this Offer Document
"Period Under Review"	:	The period which comprises FY2016, FY2017, FY2018 and HY2019
"Placement"	:	The placement of the Placement Shares by the Placement Agent on behalf of our Company for subscription at the Issue Price, subject to and on the terms and conditions of this Offer Document

"Placement Agreement"	:	The placement agreement dated 26 June 2019 entered into between our Company and the Placement Agent, details as described in the section entitled "Plan of Distribution – Management and Placement Arrangements" of this Offer Document
"Placement Shares"	:	The 30,077,000 Shares which are the subject of the Placement
"Pre-IPO Investors"	:	Collectively, the Series 1A Pre-IPO Investors and Caprice Development (S) Pte. Ltd.
"Preference Shares"	:	The Series 1A Preference Shares and/or the Series 1B Preference Shares, as the case may be
"Principal Subsidiaries"	:	Subsidiaries of our Group whose latest audited consolidated pre-tax profits (excluding the minority interest relating to that subsidiary) as compared with the latest audited consolidated pre-tax profits of our Group (excluding the minority interest relating to that subsidiary) accounts for 20% or more of such pre-tax profits of our Group. In determining profits, exceptional and extraordinary items are to be excluded
"Pro Forma Financial Information"	:	Comprises the "Unaudited Pro Forma Combined Financial Information for the Financial Year ended 30 June 2018 and Six-Month Period Ended 31 December 2018" as set out in Appendix C to this Offer Document
"Purchasing Subsidiaries" or each a *"Purchasing Subsidiary"*	:	Our subsidiaries which acquired the shareholding interests in certain Outlet Companies pursuant to the Lower Tier Restructuring, as set out in the section entitled "Restructuring Exercise" and Appendix H to this Offer Document
"Remuneration Committee"	:	The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated
"Restructuring Exercise"	:	The corporate restructuring exercise undertaken in connection with the Placement, as described in the section entitled "Restructuring Exercise" of this Offer Document
"Securities Account"	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
"Securities and Futures Act" or *"SFA"*	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time

"Series 1A Preference Shares"	:	The Series 1A preference shares issued by our Company to (i) the Series 1A Pre-IPO Investors pursuant to the Series 1A Subscription Agreements and (ii) Caprice Development (S) Pte. Ltd. pursuant to the Caprice Subscription Agreement
"Series 1A Pre-IPO Investors"	:	Multi Ride Pte. Ltd., Kaginic Capital Pte. Ltd., Mr. Quek Wei Hua, MRW Capital Sdn Bhd, Mr. Lim Tze Yen, Alpine Investments Pty Ltd, Mr. Howard Leigh, Mr. Ng Ji Pin, Mr. Ang Kay Tiong, Gaden Investment and Trade Pty Ltd, Mr. Lim Jet Li, Ms. Salbiah Binti Shuib and Butter And Flour Pty Ltd
"Series 1A Subscription Agreements"	:	The subscription agreements entered into between our Company, Mr. Saw Tatt Ghee, Ms. Saw Lee Ping, ST Group Pty Ltd and each of the Series 1A Pre-IPO Investors dated between 27 March 2018 and 21 May 2018, in relation to the subscription of the Series 1A Preference Shares (each as amended, modified or supplemented from time to time, including by the deeds of variation dated between 8 March 2019 and 22 March 2019) details of which are set out in the section entitled "Restructuring Exercise" of this Offer Document
"Series 1B Preference Shares"	:	The Series 1B preference shares issued by our Company to Caprice Development (S) Pte. Ltd. pursuant to the Caprice Subscription Agreement
"Service Agreements"	:	The service agreements entered into between our Company and each of our Executive Directors, Mr. Saw Tatt Ghee and Ms. Saw Lee Ping as set out in the section entitled "Directors, Executive Officer and Employees – Service Agreements" of this Offer Document
"Settlement Date"	:	The date on which the Placement Shares are issued as settlement under the Placement
"SFR"	:	Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore, as amended, modified or supplemented from time to time
"SFRS"	:	Singapore Financial Reporting Standards
"SFRS(I)"	:	Singapore Financial Reporting Standards (International)
"SGXNET"	:	Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of information and announcements by listed companies

"Share Split"	:	The sub-division of 60,209,965 Shares in the capital of our Company into 209,000,000 Shares, which was effected on 18 June 2019
"Share(s)"	:	Ordinary share(s) in the capital of our Company
"Shareholder(s)"	:	Registered holder(s) of Shares in the register of members of our Company, or where CDP is the registered holder, the term "Shareholders" shall, in relation to such Shares, mean Depositors whose Securities Accounts are credited with Shares
"Subscription Agreements"	:	The Series 1A Subscription Agreements and the Caprice Subscription Agreement
"Substantial Shareholders"	:	Persons who have an interest in our Shares, the total votes attached to which is not less than 5.0% of the total votes attached to all the voting shares (excluding treasury shares) of our Company
"TGR Call Option"	:	The call option which was granted by RCC Capital Sdn Bhd to STG Food Industries Malaysia Sdn Bhd as described in the section entitled "Restructuring Exercise – Exercise of Call Options" of this Offer Document
"Top Tier Restructuring"	:	The acquisition of the shareholding interests in certain Brand Holding Companies by our Company pursuant to the Restructuring Exercise as described in the section entitled "Restructuring Exercise" and Appendix I to this Offer Document
"Top Tier Share Sale Agreements"	:	The share sale agreements dated on or about 11 September 2018 entered into between the Brand Holding Companies and our Company in connection with the Top Tier Restructuring

Currencies, Units and Others

"%" or *"per cent."*	:	Per centum or percentage
"A$" or *"AUD"*	:	Australian dollars, the lawful currency of Australia
"JPY"	:	Japanese yen, the lawful currency of Japan
"KRW"	:	Korean won, the lawful currency of Korea
"m"	:	Metres
"NZ$" or *"NZD"*	:	New Zealand dollars, the lawful currency of New Zealand

"RM" or *"MYR"*	:	Malaysian Ringgit, the lawful currency of Malaysia
"S$" or *"SGD"* and *"cent"*	:	Singapore dollars and cents respectively, the lawful currency of Singapore
"sq ft"	:	Square feet
"sq m"	:	Square metre
"US$" or *"USD"*	:	United States dollars, the lawful currency of the United States of America

The expressions "associated company", "associated entity", "related corporation", "related entity", "entity at risk", "interested person", "interested person transaction", "subsidiary", "subsidiary entity" and "substantial interest-holder" shall have the meanings ascribed to them respectively in the SFA, the SFR, the Companies Act and/or the Catalist Rules, as the case may be.

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

Any word defined under the Companies Act, the SFA, the SFR, the Catalist Rules or any statutory modification thereof and used in this Offer Document and the Application Form shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the SFR, the Catalist Rules or any statutory modification thereto, as the case may be.

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

Any reference in this Offer Document and the Application Form to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted.

Any reference in this Offer Document and the Application Form to Shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Any reference to a time of day in this Offer Document and the Application Form shall be a reference to Singapore time unless otherwise stated.

Any reference in this Offer Document to Appendix or Appendices are references to an appendix or appendices respectively to this Offer Document.

References in this Offer Document to "our Group", "we", "our", and "us" or any other grammatical variations thereof shall unless otherwise stated, mean our Company, our Group or any member of our Group as the context requires.

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

The information on our website or any website directly or indirectly linking to such websites does not form part of this Offer Document and should not be relied on.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of our Group, the following glossary contains an explanation and description of certain terms used in this Offer Document in connection with our Group. The terms and their assigned meanings may not correspond to standard industry or common meanings, as the case may be, or usage of these terms.

"App"	:	An abbreviated form of the word "application" which is a software program that is designed to perform a specific function directly for the user or, in some cases, for another application program
"Central Kitchen"	:	A food preparation facility operated by our Group that processes, prepares and supplies certain food ingredients and products to the outlets under the respective brands
"F&B"	:	Food and beverage
"kiosk"	:	An F&B kiosk which caters primarily to customers seeking to order their F&B products for take-away
"outlets"	:	The F&B establishments comprising kiosks and restaurants, as well as bars with electronic darts consoles under the "iDarts" brand which are operated by our sub-franchisees

EXCHANGE RATES

Our Group's financial statements are prepared in A$. The table below sets out the highest and lowest daily closing exchange rates between A$ and S$ for each of the six (6) completed months prior to the Latest Practicable Date.

	A$1 to S$	
	Highest	**Lowest**
December 2018	1.0058	0.9610
January 2019	0.9791	0.9545
February 2019	0.9803	0.9591
March 2019	0.9649	0.9546
April 2019	0.9718	0.9554
May 2019	0.9558	0.9459

As at the Latest Practicable Date, the closing exchange rate between A$ and S$ was A$1.00 to S$0.9529.

The following table sets out, for each of the financial years and periods indicated, the average and closing exchange rates between A$ and S$. The average exchange rate is calculated by using the average of the exchange rates on the last day of each month during each financial year or period. Where applicable, the exchange rates in this table are used for the translation of our Group's financial information disclosed elsewhere in this Offer Document.

	A$1 to S$	
	Average	**Closing**
FY2016	1.0105	1.0038
FY2017	1.0490	1.0582
FY2018	1.0372	1.0095
HY2018	1.0555	1.0437
HY2019	0.9881	0.9611

The above exchange rates were quoted from Bloomberg L.P.[(1)] and are presented solely for informational purposes. The above exchange rates should not be construed as a representation that the A$ and S$ amounts could have been, could be or would be, converted or convertible into S$ or A$ (as the case may be) at the rates indicated or at any other rate or at all and *vice versa*.

Note:

(1) The above information is extracted and compiled from Bloomberg L.P. Bloomberg L.P. has not consented to the inclusion of the exchange rates quoted under this section for the purposes of Section 249 of the SFA and is therefore not liable for such information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information attributed to Bloomberg L.P. in this Offer Document is reproduced in its proper form and context and that such information is accurately and correctly extracted, neither our Directors nor any party has conducted an independent review of the information extracted or verified the accuracy of such information.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

These forward-looking statements, including without limitation, statements as to our revenue and profitability, cost measures, planned strategy and anticipated expansion plans, expected growth in demand, expected industry trends and any other matters discussed in this Offer Document regarding matters that are not historical fact, are only predictions. These forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be inaccurate.

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

- changes in political, social and economic conditions, the regulatory environment, laws and regulations and interpretation thereof in the jurisdictions where we conduct business or expect to conduct business;
- the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;
- changes in currency exchange rates or interest rates;
- our anticipated growth strategies and expected internal growth;
- changes in the availability and prices of raw materials and goods which we require to operate our business;
- changes in customers' preferences;
- changes in competitive conditions and our ability to compete under such conditions, locally and internationally;
- changes in our future capital needs and the availability of financing and capital to fund these needs; and
- other factors beyond our control.

Some of these risk factors are discussed in greater detail in this Offer Document, in particular, but not limited to, the discussions under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document. All forward-looking statements made by or attributable to us, the Sponsor and Issue Manager and Placement Agent or persons acting on our or their behalf, contained in this Offer Document are expressly qualified in their entirety by such factors. These forward-looking statements are applicable only as of the date of this Offer Document.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on these statements. None of us, the Sponsor and Issue Manager and Placement Agent or any other person represents or warrants that our actual future results, performance or achievements will be as discussed in those statements.

The section entitled "General Information on our Group – Prospects" of this Offer Document as well as other parts of this Offer Document may (to the extent applicable) contain data, information, financial analysis, forecast, figures and statements (including market and industry data and forecasts that have been obtained from reports and studies, where appropriate, as well as market research, publicly available information and industry publications) which are forward-looking and based on certain assumptions and projections. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. Neither our Company, the Sponsor and Issue Manager and Placement Agent, nor person(s) acting on our or their behalf have conducted an independent review or verified the accuracy or veracity of such data, information, financial analysis, forecast, figures and statements, assumptions and projections (the "**Experts' Data**"). No representation is made by our Company, the Sponsor and Issue Manager and Placement Agent or any person(s) acting on our or their behalf in respect of any of the Experts' Data and neither we, the Sponsor and Issue Manager and Placement Agent nor any person(s) acting on our or their behalf take any responsibility for any of the Experts' Data.

Our actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We, the Sponsor and Issue Manager and Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future. We are, however, subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosure.

In particular, pursuant to Section 241 of the SFA, if after the registration of this Offer Document but before the close of the Placement, we become aware of:

(a) a false or misleading statement or matter in this Offer Document;

(b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA; or

(c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority, which would have been required by Section 243 of the SFA to be included in this Offer Document if it had arisen before this Offer Document was lodged,

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

SELLING RESTRICTIONS

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legal or regulatory requirements of any jurisdiction, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit a public offering of the Placement Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the Placement Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by us, the Sponsor and Issue Manager and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us, the Sponsor and Issue Manager and Placement Agent.

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

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

LISTING ON CATALIST

An application has been made to the SGX-ST for permission to deal in, and for the listing and quotation of, all our Shares already issued, the Placement Shares, the Cornerstone Shares and the Award Shares, on Catalist. Such permission will be granted when our Company has been admitted to Catalist. Our acceptance of applications for the Placement Shares will be conditional upon, among others, the issue of the Placement Shares and permission being granted by the SGX-ST to deal in, and for the listing and quotation of, all our Shares, including the Placement Shares, the Cornerstone Shares and the Award Shares, on Catalist. Monies paid in respect of any application accepted will be returned, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, if the completion of the Placement does not occur because the said permission is not granted, or if the admission, listing and trading of our Shares including the Placement Shares, the Cornerstone Shares and the Award Shares do not proceed for any reason, and the applicant will not have any claim against us and/or the Sponsor and Issue Manager and Placement Agent. No Shares will be allotted on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

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

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

Admission to Catalist is not to be taken as an indication of the merits of the Placement, our Company, our subsidiaries, our existing issued Shares, the Placement Shares, the Cornerstone Shares or the Award Shares.

A copy of this Offer Document has been lodged with and registered by the SGX-ST, acting as agent on behalf of the Authority. Registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, does not imply that the SFA, the SFR, the Catalist Rules or any other legal or regulatory requirements, have been complied with.

The Placement is made in or accompanied by this Offer Document that has been lodged with and registered by the SGX-ST acting as agent on behalf of the Authority. We have not lodged or registered this Offer Document in any other jurisdiction.

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

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

(a) a false or misleading statement or matter in this Offer Document;

(b) an omission from this Offer Document of any information that should have been included in it under the requirements of the SFA, the SFR or the Catalist Rules; or

(c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority, which would have been required by the requirements of the SFA, the SFR or the Catalist Rules to be included in this Offer Document if it had arisen before this Offer Document was lodged,

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

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

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

(a) where the Placement Shares have not been issued to the applicants, we shall either:

    (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;

    (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or

    (iii) (A) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled; and (B) we shall within seven (7) days from the date of lodgement of the supplementary or replacement offer document, return all monies paid in respect of any application, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk and the applicants shall not have any right or claim against us and/or the Sponsor and Issue Manager and Placement Agent; or

(b) where the Placement Shares have been issued to the applicants, we shall either:

(i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to return to us the Placement Shares which they do not wish to retain title in; and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;

(ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the Placement Shares which they do not wish to retain title in; or

(iii) (A) treat the issue of the Placement Shares as void, in which case the issue of the Placement Shares shall be deemed void; and (B) we shall within seven (7) days from the date of lodgement of the supplementary or replacement offer document return all monies paid in respect of any application, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk and the applicants shall not have any right or claim against us or the Sponsor and Issue Manager and Placement Agent.

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

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

Pursuant to Section 242 of the SFA, the Authority and/or the SGX-ST, acting as agent on behalf of the Authority, may, in certain circumstances issue a stop order (the "**Stop Order**") to our Company, directing that no or no further Shares to which this Offer Document relates, be allotted or issued. Such circumstances will include a situation where (i) the Authority is of the opinion that this Offer Document contains any false or misleading statement, (ii) there is an omission from this Offer Document of any information required to be included in it under the SFA, (iii) the Authority is of the opinion that this Offer Document does not comply with the requirements of the SFA, or (iv) the Authority is of the opinion that it is in the public interest to do so.

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

(a) where the Placement Shares have not been allotted and issued to the applicants, the applications for the Placement Shares pursuant to the Placement shall be deemed to have been withdrawn and cancelled and we shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the Placement Shares; or

(b) where the Placement Shares have been allotted and issued to the applicants, the allotment and issue of the Placement Shares pursuant to the Placement shall be deemed to be void and we shall, within 14 days from the date of the Stop Order pay to the applicants all monies paid by them for the Placement Shares.

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

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

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Placement and, if given or made, such information or representation must not be relied upon as having been authorised by us and/or the Sponsor and Issue Manager and Placement Agent. Neither the delivery of this Offer Document, the Application Form nor any documents relating to the Placement shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change, or development reasonably likely to create any change, in the affairs, conditions or prospects of our Company or our subsidiaries or in any statements of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we will comply with the relevant provisions and, if required, make an announcement of the same to the SGX-ST and to the public and/or lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority. You should take note of any such announcement and/or supplementary or replacement offer document, upon release of such an announcement and/or supplementary or replacement offer document, shall be deemed to have been given notice of such changes.

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

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

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

Notification under Section 309B of the SFA: The Shares are prescribed capital market products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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

United Overseas Bank Limited
80 Raffles Place
#03-03 UOB Plaza 1
Singapore 048624

An electronic copy of this Offer Document is also available on the SGX-ST website, http://www.sgx.com.

The Application List will open immediately upon registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, and will remain open until 12.00 noon on 1 July 2019 or for such further period or periods as our Directors may, in consultation with the Sponsor and Issue Manager and Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws and regulations. In the event a supplementary offer document or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for application of the Placement Shares are set out in "Appendix K – Terms and Conditions and Procedures for Application and Acceptance" to this Offer Document.

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable for the Placement and trading in our Shares is set out below:

Indicative date/time	Event
1 July 2019 at 12.00 noon	Close of Application List
3 July 2019 at 9.00 a.m.	Commence trading on a "ready" basis
5 July 2019	Settlement date for all trades done on a "ready" basis

The above timetable is only indicative as it assumes that the date of closing of the Application List is 1 July 2019, the date of admission of our Company to Catalist is 3 July 2019, the SGX-ST's shareholding spread requirement will be complied with and the Placement Shares will be issued and fully paid-up prior to 9.00 a.m. on 3 July 2019. **The actual date on which our Shares will commence trading on a "ready" basis will be announced when it is confirmed by the SGX-ST.**

The above timetable and procedures may be subject to such modifications as the SGX-ST may, in its absolute discretion, decide, including the decision to permit commencement of trading on a "ready" basis and the commencement date of such trading.

In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same:

(a) through a SGXNET announcement to be posted on the internet at the SGX-ST website, http://www.sgx.com; and

(b) in a major English language newspaper in Singapore.

We will publicly announce the results of the Placement (including the level of subscription for the Placement Shares) as soon as it is practicable after the close of the Application List through the channels described in (a) and (b) above.

Investors should consult the SGX-ST's announcement on the "ready" trading date released on the internet (at the SGX-ST website, http://www.sgx.com) or the local newspapers, or check with their brokers on the date on which trading on a "ready" basis will commence.

PLAN OF DISTRIBUTION

THE PLACEMENT

The Placement is in respect of 30,077,000 Placement Shares offered in Singapore by way of placement.

Prior to the Placement, there has been no public market for our Shares. The Issue Price was determined after a book-building process and agreed between our Company and the Sponsor and Issue Manager and Placement Agent. Among the factors considered in determining the Issue Price were the prevailing market conditions, current market valuations of publicly traded companies that our Company and the Sponsor and Issue Manager and Placement Agent believe to provide a reasonable basis of comparison with our Group, and assessment of our Group's recent historical performance, estimates of our Group's business and earnings prospects, the current state of our Group's development and the current state of the industry in which our Group operates as well as the economy as a whole. The Issue Price is the same for all Placement Shares and is payable in full on application.

The Placement Shares are made available to retail and institutional investors in Singapore. Applications for the Placement Shares may be made by way of printed Application Forms or such other forms of application as the Sponsor and Issue Manager and Placement Agent deems appropriate. The terms and conditions and procedures for application and acceptance are set out in Appendix K entitled "Terms and Conditions and Procedures for Application and Acceptance" to this Offer Document.

SUBSCRIPTION FOR THE PLACEMENT SHARES

None of our Directors or Substantial Shareholders intends to subscribe for any Placement Shares pursuant to the Placement. In the event that any Placement Shares are subscribed for by our Directors, Substantial Shareholders and/or their respective associates, such subscriptions will be disclosed in an announcement in accordance with Rule 428 of the Catalist Rules.

As far as we are aware, none of the members of our Company's management or employees intends to subscribe for 5.0% or more of the Placement Shares in the Placement.

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

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

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

PLAN OF DISTRIBUTION

CORNERSTONE SHARES

Concurrently but separate from the Placement, each of the Cornerstone Investors, Chikaranomoto Global Holdings Pte. Ltd. and Hyein Foods Co., Ltd., has entered into the Cornerstone Subscription Agreements with our Company to subscribe for an aggregate of 6,923,000 Cornerstone Shares at the Issue Price, each agreement being conditional upon, among other things, the Placement Agreement having been entered into and not having been terminated on or prior to the Settlement Date.

The Cornerstone Shares will, in aggregate, constitute approximately 2.8% of our Company's share capital immediately after the completion of the Placement and the issuance of the Cornerstone Shares.

MANAGEMENT AND PLACEMENT ARRANGEMENTS

Pursuant to the Management and Sponsorship Agreement, our Company appointed UOB as the Sponsor and Issue Manager to sponsor and manage the Listing. UOB will receive a sponsorship and management fee from our Company for such services rendered.

Pursuant to the Placement Agreement, subject to the terms and conditions set forth in the Placement Agreement, the Placement Agent agreed to subscribe or procure subscriptions for the Placement Shares and Cornerstone Shares for a placement commission of 2.2% of the Issue Price for the total number of Placement Shares and Cornerstone Shares successfully subscribed (subject to prevailing GST), payable by our Company. The Placement Agent may, at its absolute discretion, appoint one or more sub-placement agents for the Placement.

Subscribers for the Placement Shares may be required to pay brokerage of up to 1.0% of the Issue Price to the Placement Agent or any sub-placement agent(s) as may be appointed by the Placement Agent as well as stamp duties and other charges.

Other than pursuant to the Placement Agreement, there are no contracts, agreements or understandings between our Company and any person or entity that would give rise to any claim for brokerage commission, finder's fees or other payments in connection with the subscription of the Placement Shares.

Save as aforesaid, no commission, discount or brokerage, has been paid or other special terms granted within the two (2) years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of our Company or any of our subsidiaries.

INTERESTS OF SPONSOR AND ISSUE MANAGER AND PLACEMENT AGENT

In the reasonable opinion of our Directors, UOB does not have a material relationship with our Company except as described below:

(a) UOB is the Sponsor and Issue Manager and Placement Agent in relation to the Listing;

(b) UOB will be the continuing Sponsor of our Company for a period of three (3) years from the date our Company is admitted and listed on Catalist;

(c) UOB is the Receiving Bank for the Placement; and

(d) UOB, its subsidiaries, associated companies and/or affiliates ("**UOB Group Companies**") may in the ordinary course of business, extend credit facilities or engage in commercial banking, investment banking, private banking, securities trading, asset and fund management, research, insurance and/or advisory services with any member of our Group, their respective affiliates and/or our Shareholders, and may receive a fee in respect thereof. In addition, in the ordinary course of its business, any member of the UOB Group Companies may at any time offer or provide services to or engage in any transactions (on its own account or otherwise) with any member of our Group, their respective affiliates, our Shareholders or any other entity or other person, and may receive a fee in respect thereof. This may include, but is not limited to, holding long or short positions in securities issued by any member of our Group and their respective affiliates, and trading or otherwise effecting transactions, for its own account or the accounts of its customers, in debt or equity (or related derivative instruments) of any member of our Group and their respective affiliates.

The information contained in this summary is derived from, and should be read in conjunction with, the full text of this Offer Document. As it is a summary, it does not contain all of the information that prospective investors should consider before investing in our Shares. Prospective investors should read this entire Offer Document carefully, especially the section entitled "Risk Factors" of this Offer Document and our financial statements and related notes before deciding on whether or not to invest in our Shares.

OUR COMPANY

Our Company was incorporated in the Republic of Singapore on 11 January 2018 under the Companies Act as a private company limited by shares, under the name of "ST Group Food Industries Holdings Pte. Ltd.". Our Company's registration number is 201801590R. Our Company was converted into a public limited company and the name of our Company was changed to "ST Group Food Industries Holdings Limited" in connection therewith on 10 June 2019. Our Company became the holding company of our Group on 17 June 2019. For more information, please refer to the section entitled "Restructuring Exercise" of this Offer Document.

BUSINESS OVERVIEW

We are an established F&B group headquartered in Australia. As at the Latest Practicable Date, we own exclusive franchise and licence rights to six (6) internationally popular F&B brands or concepts in various territories in Australia, New Zealand, Malaysia and England, United Kingdom (as the case may be). We have also developed our own brand concepts, "PAFU" and "KURIMU".

We have four (4) main business segments: (i) F&B retail sales under the various brands through outlets owned and operated by our Group, (ii) the sub-franchising and sub-licensing of various brands to our sub-franchisees and sub-licensees, (iii) the sale of F&B ingredients and other supplies to our franchise network through our Central Kitchen and (iv) the receipt of machine income from the electronic dart machines installed at sub-franchised "iDarts" outlets. As at the Latest Practicable Date, our network of outlets includes 38 outlets which are owned and operated by our Group and 63 outlets which are owned and operated by our sub-franchisees and sub-licensees.

			Number of Outlets as at the Latest Practicable Date	
Brand	**Description/ Specialty**	**Territories of Exclusive Franchise/ Licensing Rights**	**Owned**	**Sub-Franchised/ Sub-Licensed**
PappaRich	Casual dine-in restaurants and kiosks serving Malaysian cuisine	Australia	6	23
		New Zealand	–	3
NeNe Chicken	Casual dine-in restaurants and kiosks serving Korean fried chicken	Australia	2	15
		Malaysia	5	3
Hokkaido Baked Cheese Tart	Kiosks serving Hokkaido-style baked cheese tarts	Australia	10	7
		New Zealand	1	–

			Number of Outlets as at the Latest Practicable Date	
Brand	**Description/ Specialty**	**Territories of Exclusive Franchise/ Licensing Rights**	**Owned**	**Sub-Franchised/ Sub-Licensed**
Gong Cha	Kiosks serving Taiwanese-style tea, coffee and juices	New Zealand	6	3
		England, United Kingdom	–[(1)]	–
IPPUDO	Casual dine-in restaurants specialising in Japanese ramen	Western Australia	2	–
		Queensland, Australia	–	–
		New Zealand	–	–
iDarts	Bars with electronic dart machines	Australia	–	5
PAFU	Kiosks serving fruit puff pastries	Group-owned brand with outlets in Australia	6	4
KURIMU	Kiosks serving cream choux pastries	Group-owned brand with outlets in Australia	–	–
		Total	**38**	**63**

Note:

(1) Our first "Gong Cha" outlet in England, United Kingdom was opened in June 2019.

Further details are set out in the sections entitled "General Information on our Group – History", "General Information on our Group – Business Overview" and "General Information on our Group – Principal Activities" of this Offer Document.

COMPETITIVE STRENGTHS

Our competitive strengths are:

- We have an entrepreneurial and dedicated management team with an established track record
- We are able to identify new trends and adapt to changing consumer preferences to grow a diversified portfolio of brands
- We have an established franchise system and enjoy good relationships with major landlords
- We have an established track record and strong network of sub-franchisees

- Our Central Kitchen enables us to maintain a high standard of food consistency and quality, as well as lower our operating and labour costs

For further details, please refer to the section entitled "General Information on our Group – Competitive Strengths" of this Offer Document.

BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans are as follows:

- Expand our franchise network and introduce new brands and concepts
- Acquire new equipment and machinery and expand our existing Central Kitchen and corporate office in Australia
- Establish a central kitchen and corporate office in Malaysia

For further details, please refer to the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document.

FINANCIAL HIGHLIGHTS

The following tables present a summary of the financial highlights of our Group and should be read in conjunction with the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document and the "Audited Combined Financial Statements for the Financial Years Ended 30 June 2016, 2017 and 2018", the "Interim Condensed Unaudited Combined Financial Statements for the Six-Month Period Ended 31 December 2018" and the "Unaudited Pro Forma Combined Financial Information for the Financial Year Ended 30 June 2018 and Six-Month Period Ended 31 December 2018", as set out in Appendices A, B and C to this Offer Document, respectively.

The Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of our Group's actual financial position, financial performance or cash flows.

Selected Items from the Combined Statements of Comprehensive Income

	← Audited →			← Unaudited →			
(A$'000)	**FY2016**	**FY2017**	**FY2018**	**Pro Forma FY2018**	**HY2018**	**HY2019**	**Pro Forma HY2019**
Revenue	24,204	30,314	36,479	35,349	18,251	24,951	24,951
Profit before tax	3,152	5,124	5,525	5,318	3,083	3,895	3,895
Profit for the year/period	2,122	3,546	3,918	3,768	2,184	2,768	2,768
Profit attributable to equity holders of the Company	1,034	2,312	2,728	2,653	1,608	1,912	1,912
Profit attributable to non-controlling interests	1,088	1,234	1,190	1,115	576	856	856

	← Audited →			← Unaudited →			
(A$'000)	FY2016	FY2017	FY2018	Pro Forma FY2018	HY2018	HY2019	Pro Forma HY2019
EPS immediately before the Placement and the issue of the Cornerstone Shares (A$ cents)[(1)]	0.49	1.11	1.31	1.27	0.77	0.91	0.91
EPS immediately before the Placement and the issue of the Cornerstone Shares (S$ cents)[(1)(3)]	0.50	1.16	1.35	1.32	0.81	0.90	0.90
EPS immediately after the Placement and the issue of the Cornerstone Shares (A$ cents)[(2)]	0.42	0.94	1.11	1.08	0.65	0.78	0.78
EPS immediately after the Placement and the issue of the Cornerstone Shares (S$ cents)[(2)(3)]	0.42	0.99	1.15	1.12	0.69	0.77	0.77

Notes:

(1) For comparative purposes, our EPS immediately before the Placement and the issue of the Cornerstone Shares for the respective financial years/periods has been computed based on the profit attributable to equity holders of the Company and our share capital immediately before the Placement and the issue of the Cornerstone Shares of 209,000,000 Shares.

(2) For comparative purposes, our EPS immediately after the Placement and the issue of the Cornerstone Shares for the respective financial years/periods has been computed based on the profit attributable to equity holders of the Company and our share capital immediately after the Placement and the issue of the Cornerstone Shares of 246,000,000 Shares.

(3) The exchange rates used to compute the EPS in S$ cents, were based on the average exchange rates between A$ and S$ for the respective financial years/periods.

Selected Items from the Combined Statements of Financial Position

		Unaudited		
(A$'000)	**Audited as at 30 June 2018**	**Pro Forma as at 30 June 2018**	**As at 31 December 2018**	**Pro Forma as at 31 December 2018**
Current assets	13,582	11,955	11,767	10,937
Non-current assets	14,303	14,303	20,713	20,713
Current liabilities	12,345	12,288	11,895	11,895
Non-current liabilities	3,354	3,354	4,746	4,747
Total equity	12,186	10,616	15,839	15,009
Total equity attributable to equity holders of the Company	10,124	9,039	13,281	12,501
NAV per Share (A$ cents)[(1)]	4.84	4.32	6.35	5.98
NAV per Share (S$ cents)[(1)(2)]	4.89	4.37	6.11	5.75

Notes:

(1) For comparative purposes, our NAV per Share as at 30 June 2018 and 31 December 2018 have been computed based on our share capital immediately before the Placement and the issue of the Cornerstone Shares of 209,000,000 Shares.

(2) The exchange rates used to compute the NAV per Share in S$ cents, were based on the closing exchange rates between A$ and S$ as at 30 June 2018 and 31 December 2018 respectively.

OUR CONTACT DETAILS

Our registered office is at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 and our principal place of business is at 120-130 Turner Street, Port Melbourne, Victoria 3207, Australia. The telephone and facsimile numbers for our registered office are +65 6536 5355 and +65 6536 1360, respectively, and principal place of business are +613 9645 4667 and +613 9645 4747, respectively. Our email address is info@stgroup.net.au. Our internet address is www.stgroup.net.au. **Information contained on our website does not constitute part of this Offer Document.**

The Placement	:	30,077,000 Placement Shares by way of placement, subject to and on the terms and conditions set out in this Offer Document. The Placement Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing issued Shares.
Issue Price	:	S$0.26 for each Placement Share, payable in full on application.
Cornerstone Shares	:	Concurrently but separate from the Placement, each of the Cornerstone Investors has entered into a Cornerstone Subscription Agreement with our Company to subscribe for an aggregate of 6,923,000 Cornerstone Shares at the Issue Price, conditional upon, among other things, the Placement Agreement having been entered into and not having been terminated pursuant to its terms on or prior to the Settlement Date. The Cornerstone Shares will, in aggregate, constitute approximately 2.8% of our Company's share capital immediately after the completion of the Placement and the issuance of the Cornerstone Shares. The Cornerstone Investors are not subject to any lock-up restrictions in respect of their shareholding interests in our Company.
Purpose of the Placement	:	Our Directors believe that the listing of our Company and the quotation of our Shares on Catalist will enhance our public image locally and overseas and enable us to raise funds from the capital markets for the expansion of our business operations. The Placement will also provide members of the public, our management, employees and business associates as well as those who have contributed to our success with an opportunity to participate in the equity of our Company. In addition, the proceeds of the issue of Placement Shares will provide us with additional capital to finance our business expansion and for general working capital of our Company.

Listing Status	:	Prior to the Placement, there has been no public market for our Shares. Our Shares will be quoted in Singapore dollars on Catalist, subject to admission of our Company to Catalist and permission for dealing in, and for quotation of, all of our Shares that are already issued, the Placement Shares, the Cornerstone Shares and the Award Shares being granted by the SGX-ST and the Authority or the SGX-ST (acting as agent on behalf of the Authority) not issuing a Stop Order.
Use of Proceeds	:	Please refer to the section entitled "Use of Proceeds and Listing Expenses" of this Offer Document for more details.
Risk Factors	:	Investing in our Shares involves risks which are described in the section entitled "Risk Factors" of this Offer Document.

PLACEMENT STATISTICS

Issue Price	26.0 cents
NAV[(1)]	
The NAV per Share based on the unaudited combined statement of financial position of our Group as at 31 December 2018:	
(a) before adjusting for the estimated net proceeds from the Placement and the issue of the Cornerstone Shares and based on our Company's share capital immediately before the Placement and the issue of the Cornerstone Shares of 209,000,000 Shares	6.1 cents
(b) after adjusting for the estimated net proceeds from the Placement and the issue of the Cornerstone Shares and based on our Company's share capital immediately after the completion of the Placement and the issue of the Cornerstone Shares of 246,000,000 Shares	7.7 cents
Premium of Issue Price over the NAV per Share:	
(a) before adjusting for the estimated net proceeds from the Placement and the issue of the Cornerstone Shares and based on our Company's share capital immediately before the Placement and the issue of the Cornerstone Shares of 209,000,000 Shares	326.2%
(b) after adjusting for the estimated net proceeds from the Placement and the issue of the Cornerstone Shares and based on our Company's share capital immediately after the completion of the Placement and the issue of the Cornerstone Shares of 246,000,000 Shares	237.7%
EPS[(2)]	
Historical EPS based on the audited combined statement of comprehensive income of our Group for FY2018 and our Company's share capital immediately before the Placement and the issue of the Cornerstone Shares of 209,000,000 Shares	1.4 cents
Historical EPS based on the audited combined statement of comprehensive income of our Group for FY2018 and our Company's share capital immediately before the Placement and the issue of the Cornerstone Shares of 209,000,000 Shares, assuming that the Service Agreements (as set out in the section entitled "Directors, Executive Officers and Employees – Service Agreements" of this Offer Document) had been in place since the beginning of FY2018	1.3 cents
PER	
Historical PER based on the Issue Price and the historical EPS of our Group for FY2018	18.6 times
Historical PER based on the Issue Price and the historical EPS of our Group for FY2018 assuming that the Service Agreements had been in place since the beginning of FY2018	20.0 times

PLACEMENT STATISTICS

Net Cash Flow from Operations[(2)]

Historical net cash flow from operations per Share of our Group for FY2018 based on our Company's share capital immediately before the Placement and the issue of the Cornerstone Shares of 209,000,000 Shares	2.8 cents
Historical net cash flow from operations per Share of our Group for FY2018 based on our Company's share capital immediately before the Placement and the issue of the Cornerstone Shares of 209,000,000 Shares, assuming that the Service Agreements had been in place since the beginning of FY2018	2.8 cents

Price to Net Cash Flow from Operations Ratio

Ratio of Issue Price to historical net cash flow from operations per Share for FY2018	9.3 times
Ratio of Issue Price to historical net cash flow from operations per Share for FY2018, assuming that the Service Agreements had been in place since the beginning of FY2018	9.3 times

Market Capitalisation

Our market capitalisation based on the Issue Price and our Company's share capital immediately after the completion of the Placement and the issue of the Cornerstone Shares of 246,000,000 Shares	S$64.0 million

Notes:

(1) The exchange rate used to compute the NAV per Share in S$ was based on the closing exchange rate between A$ and S$ as at 31 December 2018.

(2) The exchange rate used to compute the EPS and net cash flow from operations per Share in S$ was based on the average exchange rate between A$ and S$ for FY2018.

An investment in our Shares involves risks. Prospective investors should carefully consider and evaluate each of the following risk factors (which are not intended to be exhaustive) and all other information contained in this Offer Document before deciding to invest in our Shares. Some of the following considerations relate principally to the industry in which we operate and our business in general. Other considerations relate principally to general social, economic, political and regulatory conditions, the securities market and ownership of our Shares, including possible future dilution in the value of our Shares. The following describes some of the significant risks known to us now that could directly or indirectly affect us and any investments in, or the value or trading price of, our Shares. The following does not state risks unknown to us now but which could occur in the future and risks which we currently believe to be immaterial, which could turn out to be material. Should such risks occur or turn out to be material, they could materially and adversely affect our business, results of operations, financial condition and prospects.

You should also note that certain of the statements set forth below constitute "forward-looking statements" that may involve direct and/or indirect implications on our future performance. Our actual results may differ materially from those anticipated by these forward-looking statements due to certain factors, including the risks and uncertainties faced by us as described below and elsewhere in this Offer Document. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document. If any of the following risk factors and uncertainties develops into actual events, our business, results of operations, financial condition and prospects may be adversely affected. In such circumstances, the trading price of our Shares could decline and investors may lose all or part of their investment in our Shares. To the best of our Directors' belief and knowledge, all the risk factors that are material to investors in making an informed judgement about our Group have been set out below.

RISKS RELATING TO OUR BUSINESS

We are reliant on our Master Franchisors and Licensor

Save for the "PAFU" and "KURIMU" brands, we operate our outlets under the "PappaRich", "Gong Cha", "NeNe Chicken", "IPPUDO" and "Hokkaido Baked Cheese Tart" brands which are owned by our Master Franchisors and Licensor. We also own the exclusive franchise rights to the "iDarts" brand in Australia, a bar concept integrating electronic dart machines under the "iDarts" and "DARTSLIVE" brand. Under the Master Franchise Agreements and NeNe Chicken Licence Agreement with our Master Franchisors and Licensor, we were granted the exclusive franchise rights, licence or distributorship rights in respect of their respective brands, which enable us to operate and carry on business under such brands.

Our business is largely dependent on the continuity of our rights to the brands under our Master Franchise Agreements and our NeNe Chicken Licence Agreement. In the event we breach any terms and conditions of our Master Franchise Agreements and/or NeNe Chicken Licence Agreement, our Master Franchisors and/or Licensor (as the case may be) may terminate our Master Franchise Agreements and/or NeNe Chicken Licence Agreement. In the event our Master Franchise Agreements and/or our NeNe Chicken Licence Agreement are terminated for whatever reason, we will have to cease business of all outlets operating under the particular brand and terminate all our sub-franchise or sub-licence arrangements relating to that brand. In such an event, our business, results of operations and financial condition may be materially and adversely affected.

In particular, under the PappaRich Master Franchise Agreement, there are a total of 29 "PappaRich" outlets in Australia and 3 "PappaRich" outlets in New Zealand (including those operated by our sub-franchisees) as at the Latest Practicable Date. For FY2016, FY2017, FY2018

and HY2019, the revenue generated from our outlets operating under the "PappaRich" brand contributed approximately 30.1%, 31.5%, 27.6% and 28.9% of our Group's revenue, respectively. For FY2016, FY2017, FY2018 and HY2019, revenue derived from our sub-franchisees in respect of the "PappaRich" brand (including franchise fees and royalty income, project income from the renovation and fitting-out of new sub-franchised outlets, and the sale of food ingredients and products from our Central Kitchen) represented approximately 48.0%, 36.8%, 27.2% and 21.9% of our Group's revenue, respectively. Any factors which are detrimental to the standing of Roti Roti International Sdn Bhd ("**Roti Roti International**"), the Master Franchisor, may adversely affect us if such factors were to result in Roti Roti International being unable to perform its obligations towards our Group and/or cause our agreements with Roti Roti International to be invalid and/or unenforceable. In such events, our business, results of operations and financial condition may be materially and adversely affected.

Further, under our Master Franchise Agreements, we are required to pay the Master Franchisor, *inter alia*, (a) an initial franchise fee, (b) a percentage of the sales amounts from each outlet as royalty fees, and/or (c) a fixed fee for every new outlet opened. In addition, we are also required under the NeNe Chicken Licence Agreement to pay, *inter alia,* (i) a fixed licence fee, (ii) a percentage of the total sales amount, and (iii) a fixed fee as development fee for every new outlet established. The fees paid by us to our Master Franchisors and Licensor (including those relating to our sub-franchisees and sub-licensees) accounted for approximately 2.1%, 3.2%, 2.8% and 2.8% of our total operating expenses in FY2016, FY2017, FY2018 and HY2019 respectively. There is no assurance that our Master Franchisors and Licensor will not revise the fees currently payable by us or offer terms which are less favourable than the existing terms upon the renewal of the Master Franchise Agreements and the NeNe Chicken Licence Agreement. In the event we are required to pay substantially higher fees to our Master Franchisors or Licensor for our franchise or licence rights, our operating expenses will increase and our results of operations may be adversely affected. Further, whilst the terms of our Master Franchise Agreements and the NeNe Chicken Licence Agreement are generally long term and range from four (4) to 20 years, there is no assurance that our Master Franchise Agreements and the NeNe Chicken Licence Agreement will be renewed upon their expiry.

Pursuant to the terms of some of our Master Franchise Agreements and the NeNe Chicken Licence Agreement, we are also required to purchase certain key food ingredients and products from our Master Franchisors and Licensor or from their designated suppliers. There is no assurance that our Master Franchisors, Licensor or their designated suppliers will not revise the terms on which such supplies are made available to us. In such an event, or if there is a disruption in the supply of such key food ingredients and products, our business, results of operations and financial condition may be materially and adversely affected.

Although we have not experienced any of the above events in the past which has had a material impact on our business, results of operations and financial condition, we cannot assure you that any future occurrence of such events will not have a material adverse effect on our business, results of operations and financial condition.

In addition, some of our Master Franchise Agreements and the NeNe Chicken Licence Agreement require us to seek prior consent from the Master Franchisors and the Licensor for the appointment of our sub-franchisees and sub-licensees, the outlet location and size of the outlet. The terms of some of our sub-franchise and sub-licence agreements are also subject to the approval of our Master Franchisors and Licensor, including the amount of franchise fees, royalty fees and licence fees which may be charged by us. Accordingly, our revenue and profitability may be affected by the amounts we are allowed to charge our sub-franchisees and sub-licensees. Whilst we have not experienced any instance in the past where the Master Franchisors and/or the Licensor have not

consented to the appointment of our sub-franchisees and sub-licensees which we intend to partner with and the intended location and size of the outlet, or have not approved the terms of the sub-franchise and/or sub-licence agreements, there is no assurance that they will continue to give their consent and approval to our sub-franchise and sub-licence arrangements. In the event any of our Master Franchisors and/or Licensor does not consent to our sub-franchise and sub-licence arrangements, our business, results of operations and financial condition may be materially and adversely affected.

We may be affected by accidents at our Central Kitchen or the outlets in our franchise and licence network

Accidents may occur from time to time in our Central Kitchen and the outlets in our franchise and licence network, resulting in personal injury, death or losses or damage to property. In the event that we are found to have been responsible for any lapses or inadequacy in safety measures which resulted in such accidents, we may be subject to regulatory sanctions or civil law suits. Further, we may be subject to personal injury claims from our employees or other persons involved in accidents. While we maintain insurance policies for outlets which are owned and operated by our Group, we are unable to assure you that our insurance coverage will be sufficient to cover all our potential losses and/or liabilities arising from accidents in our premises. In relation to the outlets which are operated by our sub-franchisees and sub-licensees, it is not typical for our Group to obtain additional insurance coverage in respect of these outlets as our Directors believe this to be the market practice, and we have been informed by our insurers that they typically do not have a specific insurance policy for our Group which would extend to outlets which are not owned and operated by our Group. Notwithstanding the foregoing, our Group requires our sub-franchisees and sub-licensees to take up and maintain their own insurance policies as set out in the section entitled "General Information on our Group – Insurance" of this Offer Document.

Any significant claims which are not covered by our insurance policies or are contested by the insurance companies may adversely affect our financial performance. In the event that our insurance coverage is not sufficient to cover our liabilities from such accidents, our business, results of operations and financial condition may be materially and adversely affected. In addition, any accidents resulting in significant damage to our machinery, equipment or premises may require capital expenditure to make good the damage and to the extent that the expenditure is not recoverable from our insurance policies, our business and financial performance may be materially and adversely affected. As at the Latest Practicable Date, while we have not encountered any serious incidents at our Central Kitchen or the outlets in our franchise and licence network in respect of which such regulatory sanctions had been imposed on us and/or claims made against us under civil law, there can be no assurance that such accidents which may result in regulatory sanctions and/or civil lawsuits will not arise in the future.

On 4 December 2018, an accident occurred at a sub-licensed "NeNe Chicken" outlet in CityOne Megamall, Kuching, Sarawak, Malaysia, involving the collapse of a building structure and resulted in three (3) deaths and 41 injuries ("**Sarawak Incident**"). One of our employees, who was deployed to the outlet to provide pre-opening assistance, had died in the incident, and two (2) of our employees suffered injuries as a result of the incident. The outlet was under renovation and was to be operated by our sub-licensee, Borneo Landmark (M) Sdn Bhd, whom our subsidiary, NNC Food Industries Malaysia Sdn Bhd (as the sub-licensor) had granted a non-exclusive license for a term of five (5) years to operate the "NeNe Chicken" outlet at CityOne Megamall, Kuching, Sarawak Malaysia. In relation to the selection of our sub-licensee, Borneo Landmark (M) Sdn Bhd, our Licensor has confirmed that they do not have any objections to the appointment of Borneo Landmark (M) Sdn Bhd by our Group and do not require any further information relating to such appointment or information on Borneo Landmark (M) Sdn Bhd. Our Group had provided the

designs and drawings for the restaurant fit-out, equipment, layout and décor but was not responsible for overseeing the renovation and fitting-out works carried out at the outlet as the sub-licensee had not requested for the Company's project management services for the renovation and fitting-out of the outlet. The renovation and fitting-out of the outlet was undertaken by contractors nominated by our sub-licensee, Borneo Landmark (M) Sdn Bhd. Our Group understands from the Fire and Rescue Department of Malaysia that the investigations conducted by the Fire and Rescue Department of Malaysia have been completed. Based on the incident report issued by the Fire and Rescue Department of Malaysia ("**Incident Report**"), the Incident Report had not assigned any blame whatsoever to our Group or Borneo Landmark (M) Sdn Bhd in relation to the Sarawak Incident, and as far as we are aware, there has been no findings from any authorities in Malaysia which has assigned any blame to our Group or Borneo Landmark (M) Sdn Bhd. As the Group has not suffered any pecuniary losses or damages from the Sarawak Incident and our Directors are not aware of any findings from any authorities in Malaysia which has assigned any blame to Borneo Landmark (M) Sdn Bhd, our Directors are of the view that it would not be necessary to make a claim against Borneo Landmark (M) Sdn Bhd. As at the Latest Practicable Date, there has been no material adverse impact to the NeNe Chicken Licence Agreement or the sub-licence agreements granted thereunder.

Whilst the plan to open the intended outlet at the original shop location at CityOne Megamall was terminated, our Group is currently still working with Borneo Landmark (M) Sdn Bhd to open another outlet at another shop location within the same mall. As at the date of this Offer Document, such plan has not been finalised and the new shop location has not been identified. Our Group has continued to work with Borneo Landmark (M) Sdn Bhd after the Sarawak Incident as the Incident Report had not assigned any blame to Borneo Landmark (M) Sdn Bhd and our Directors are not aware of any findings from any authorities in Malaysia which has assigned any blame to Borneo Landmark (M) Sdn Bhd. In the absence of any blame attributable to Borneo Landmark (M) Sdn Bhd by any authorities in Malaysia, our Group does not see a reason to cease its sub-licence arrangement with Borneo Landmark (M) Sdn Bhd. Furthermore, our Licensor has confirmed, after the Sarawak Incident, that it does not have any objections to our Group's selection of Borneo Landmark (M) Sdn Bhd and does not require prior notification or consent in relation to the selection of the outlet in Malaysia which would be operated by Borneo Landmark (M) Sdn Bhd.

In respect of our Group's obligation under the NeNe Chicken Licence Agreement to indemnify our Licensor, as there has been no financial damage caused to the Licensor and the Licensor has confirmed that it will not be making any claim against our Group or Borneo Landmark (M) Sdn Bhd in relation to the Sarawak Incident, our Directors are of the view that the issue of indemnity does not arise. In addition, based on the surrounding circumstances, the Sarawak Incident does not constitute a breach by us of the sub-licence arrangement entered into between us and Borneo Landmark (M) Sdn Bhd which would give rise to a claim against our Group by Borneo Landmark (M) Sdn Bhd. Accordingly, our Group is not liable to Borneo Landmark (M) Sdn Bhd for any damages and/or claims arising from the Sarawak Incident. In respect of the employees who had died or suffered injuries as a result of the Sarawak Incident, whilst our Group had given condolence payments to our deceased employee's family and *ex gratia* payments to our injured employees, based on legal advice obtained by our Group solely to assess our legal obligations arising from the Sarawak Incident, our Directors are of the view that our Group will not face any liability arising from claims arising from the employees' death or injuries as our Group had paid the necessary employer contributions for the employees to be deemed as an "insured person" under Section 2 of the Employees' Social Security Act 1969 of Malaysia ("**SOCSO Act**"), and Section 31 of the SOCSO Act bars a claim by an insured employee or his dependents against his employer for claims arising from an employment injury. Whilst our Directors are of the view that the Sarawak Incident will not result in a material impact on our Group's business, results of operations and

financial condition, there can be no assurance that accidents of a similar nature, which may result in regulatory sanctions and/or civil lawsuits, will not arise in the future.

We are reliant on our sub-franchise and sub-licence business model

We rely on our sub-franchisees and sub-licensees to expand our franchise network. As at the Latest Practicable Date, we have a total of 60 sub-franchisees in Australia and New Zealand and three (3) sub-licensees in Malaysia. We are dependent on the cooperation of our sub-franchisees and sub-licensees in performing their obligations under the respective sub-franchise and sub-licence agreements. Under some of our Master Franchise Agreements and the NeNe Chicken Licence Agreement, we are required to take full responsibility for our sub-franchisees and sub-licensees and indemnify our Master Franchisors and Licensor for any breaches or damages caused by our sub-franchisees' and sub-licensees' operations. In the event of a default or breach by a sub-franchisee or sub-licensee, we may have to terminate that particular sub-franchise or sub-licence arrangement and compensate our Master Franchisor or Licensor for any damages, and our business, results of operations and financial condition may be materially and adversely affected. Whilst we have not encountered such a situation in the past where we have had to compensate our Master Franchisor or Licensor for any damages, and we generally require our sub-franchisees and sub-licensees to indemnify us against all damages, losses, claims and costs in connection with, *inter alia*, a breach of the sub-franchise and sub-licence agreement and any injury or loss of property, and maintain certain insurance policies as set out in the section entitled "General Information on our Group – Insurance" of this Offer Document, there is no assurance that our Master Franchisors and Licensors will not require us to compensate any damages which may be suffered by them, and that our sub-franchisees and sub-licensees will in turn be able to fully indemnify us against any breaches and damages caused by their operations, or that their insurance coverage will be sufficient to cover all of our losses. The quantum of the damages and claims by our Master Franchisor or Licensor, as well as by us against our sub-franchisees and sub-licensees (as the case may be) would be assessed based on the facts and circumstances of each case, but may generally include, *inter alia*, the nature and consequences of the breach, the damages suffered by the claimant, and whether there are any mitigating factors.

In addition, the continued success of our network of sub-franchisees and sub-licensees is dependent on the quality and ability of sub-franchisees and sub-licensees, their financial strength and ability to penetrate the respective local markets and our ability to continue to recruit new sub-franchisees or sub-licensees. We cannot give any assurance that our sub-franchisees and sub-licensees will be successful in their business operations. As we collect franchise fees and royalty fees from our sub-franchisees, and licence fees from our sub-licensees, our financial results are, to a certain extent, affected by their performance. If any of our sub-franchise or sub-licence arrangements are terminated or not renewed at the end of the contract term due to unfavourable business conditions and/or other factors beyond our control, the loss of our sub-franchisees and/or sub-licensees will in turn result in a decrease in our revenue. We may also not be able to seek alternative suitable sub-franchisees and/or sub-licensees or carry on the business ourselves. The loss of our sub-franchisees and/or sub-licensees may also present an opportunity to competitors to increase their market share in that market.

If the reputation of any of the brands in our portfolio is harmed in any territory, our business may be materially and adversely affected

We operate our business under the brands in our portfolio. Consumers' strong recognition of the brands is critical to our continued success and growth. Whilst we have an established track record in the F&B business, consumer perception of the brands in our portfolio depends on various factors, such as the quality of food and service, the reputation of the outlets and the effectiveness

of advertising and marketing activities within our franchise network. We are also susceptible to negative reviews, which may be malicious or groundless, on platforms which have pervasive customer reach, such as internet forums, food review websites or social media platforms. Whilst we have in the past not experienced any negative publicity which has resulted in a material adverse impact on our financials and operations, there is no assurance that this will not occur in the future. If brand image deteriorates or our marketing and other activities are less effective than expected, our business, results of operations and financial condition may be materially and adversely affected.

Furthermore, the reputation of the brands in our portfolio may also be negatively affected as a result of the actions of our sub-franchisees and sub-licensees or the reputation of their outlets, which we may not have control over. Our consumers are often unaware that certain outlets in our portfolio of brands are sub-franchised or sub-licensed to third parties, and often associate our sub-franchisees and sub-licensees as being part of our Group. Whilst we have operating manuals and standard procedures in place to maintain a high and consistent standard of quality and service in our sub-franchised and sub-licensed outlets, there is no assurance that our sub-franchisees and sub-licensees will adhere to such standards, or that there will not be any accidents or incidents which may have a negative impact on the reputation of the brands. If such events were to occur, our business, results of operations and financial condition may be materially and adversely affected.

We may also be affected by the reputation of our Master Franchisors and Licensor and/or the brands owned by our Master Franchisors and Licensor in other territories. The brands owned by our Master Franchisors and Licensor could be harmed by consumer complaints, negative publicity or media reports in relation to their business operations in other territories, which could materially and adversely affect the level of consumers' recognition of, and trust in the brands.

In addition, our Master Franchisors and Licensor may have franchised or licensed the brands to third parties in other territories, and we are not in a position to control or influence the conduct of such third parties who share the brand with us. Any factors which are detrimental to the reputation of the brands in our portfolio may reduce the level of goodwill associated with the brand in the territories which we operate in and adversely affect our business, results of operations and financial condition.

We are dependent on our key management personnel for our continued success

Our Group's success to date is attributable to the contributions and expertise of our key management personnel, who each have invaluable and extensive experience and knowledge relevant to our industry. In particular, our Executive Chairman and CEO, Mr. Saw Tatt Ghee, who is also a Controlling Shareholder and our Executive Director and CAO, Ms. Saw Lee Ping, have been instrumental in formulating our business strategies and spearheading the growth of our business and operations, as well as maintaining our relationships with our Master Franchisors, Licensor, sub-franchisees and sub-licensees. They are supported by our Executive Officers, Mr. Leong Weng Yu, Mr. Ng Yee Siang, Mr. Pang Kher Chink and Mr. Tan Tee Ooi, who have been with our Group since our first "PappaRich" outlet was opened in Melbourne, Australia in 2012. Our continued success is dependent, to a large extent, on our ability to retain the services of Mr. Saw Tatt Ghee and Ms. Saw Lee Ping, as well as our Executive Officers. In the event we lose any of our key management personnel without suitable and timely replacement(s), our business, results of operations and financial condition may be materially and adversely affected.

We rely on skilled and experienced personnel and we are exposed to the risk of manpower shortage in the F&B industry

Our business operations are labour-intensive, and we rely on skilled and experienced personnel for the operations at our Central Kitchen and outlets. In particular, experienced and skilled chefs are scarce and competition for such personnel is intense. Our continued success and growth is dependent on our ability to attract, recruit, motivate and retain skilled and experienced employees. If we are unable to employ sufficient and competent personnel or our personnel do not fulfil their roles despite the training provided by our Group or if we experience a high turnover of skilled and experienced personnel without suitable and timely replacements, the quality of our food and/or service may decline, and our business, results of operations and financial condition may be materially and adversely affected.

In addition, competition for qualified employees may require us to pay higher wages to attract and retain our employees. This could result in higher labour and related expenses and adversely affect our profitability.

We have in the past largely relied on temporary and part-time workers, which accounted for approximately 82% of our total average number of employees for FY2018. Please refer to the section entitled "Directors, Executive Officers and Employees – Employees" of this Offer Document for further details. In the event that we are unable to hire a sufficient number of temporary and part-time workers for a reasonable cost or there is a shortage of temporary and part-time workers, we may have to seek other sources of manpower at a higher cost and our operating expenses may increase as a result. If our labour costs increase substantially or if we are unable to retain our employees or hire new employees on terms acceptable to us, our business, results of operations and financial condition may be materially and adversely affected.

We may not be able to expand at a rate comparable to our growth rate in the past

During the Period Under Review, we experienced growth in terms of the number of brands in our portfolio, as well as the number of outlets in relation to such brands, which expanded from 22 as at 1 July 2015 to 101 outlets as at the Latest Practicable Date. However, this growth trend reflects only our past performance and may not necessarily reflect our performance in the future. The sustainability of our growth depends on a number of factors, many of which are beyond our control, including our ability to maintain and expand our customer base and franchise network, our ability to diversify our portfolio of brands through securing new franchise rights and/or developing new brands, the competitive environment in our industry, the availability of adequate management, labour and financial resources, as well as economic, political and legal developments in the geographical markets where we operate. There is no assurance that we can sustain the growth rate which we have achieved in the past.

Furthermore, under the terms of some of our Master Franchise Agreements, we are required to establish a minimum number of outlets within a stipulated timeline. If we fail to open a minimum number of outlets as specified in our Master Franchise Agreements, the relevant Master Franchisor may be entitled to (a) terminate the Master Franchise Agreement, (b) suspend its obligations under the Master Franchise Agreement, and/or (c) demand for a penalty fee. Whilst we have not encountered such a situation in the past where we are unable to open a minimum number of outlets required under the relevant Master Franchise Agreements, we cannot guarantee that we will be able to implement our expansion plan as stipulated under the Master Franchise Agreements, in which case, our business, results of operations and financial condition may be adversely affected.

We face risks in our expansion into new markets

As part of our growth strategy, we intend to expand our presence in Australia, New Zealand and Malaysia, as well as enter into new markets such as the United Kingdom. Our expansion plans will require us to, *inter alia*, secure additional suitable premises and will entail substantial working capital and capital expenditure.

The implementation of our expansion strategy may be influenced by various factors such as our ability to (a) identify suitable business partners (such as franchisors, franchisees, sub-franchisees or local joint venture partners), (b) secure strategic locations on acceptable terms, (c) obtain governmental and other third-party consents, permits and licences needed to operate new outlets, (d) use our management and financial resources efficiently as well as hire, train and retain suitable personnel, and (e) successfully execute marketing strategies.

In addition to the effectiveness of our business and marketing strategies, other factors beyond our control, including global and local economic conditions, market sentiment and market competition, changes or differences in consumer preferences and consumer spending, may affect our ability to replicate our business model in other jurisdictions successfully and our new outlets may not achieve expected profitability or break even for a prolonged period of time, or at all. Our business may also be exposed to unforeseen liabilities and risks associated with entering new markets. In the event that (a) revenues generated by our new outlets are lower than expected, (b) the costs associated with such new outlets are higher than anticipated and/or (c) we are unable to effectively manage the increased requirements of our expanded network of outlets, we may be unable to recover our investment and/or suffer losses. If any of these events occur, our business, results of operations and financial condition may be materially and adversely affected.

We are exposed to risks associated with joint ventures with other parties

In order to grow our business, we have entered, and may continue to enter into joint ventures with other parties as part of our Group's growth and expansion plans. The success of these joint ventures may be significantly affected by our partners and our relationships with our partners. Such joint venture partners may (a) have economic or business interests or goals that are inconsistent with ours, (b) take actions contrary to our instructions, requests, policies or objectives, (c) be unable or unwilling to fulfil their obligations, (d) have financial difficulties, and/or (e) engage in disputes with other parties, including us. In the event that our joint ventures do not perform as expected, we may have to make provisions for or write-off the value of our investments. Although we have not experienced any of the above events in the past which has had a material impact on our business, results of operations and financial condition, we cannot assure you that any future occurrence of such events will not have a material adverse effect on our business, results of operations and financial condition.

Our business is highly competitive and we may not be able to compete successfully in our industry

We operate in the F&B industry in Australia, New Zealand and Malaysia which is highly competitive with relatively low barriers to entry. We face competition from a large number of F&B establishments and new entrants in our key markets in Australia, New Zealand and Malaysia, in particular, F&B outlets offering Asian cuisines as well as bakeries and confectioneries. Some of our competitors may be well-established in the markets where we operate, and may have greater financial and marketing resources and brand recognition than us. The entry of new competitors into our industry or the vicinity of our existing outlets could adversely affect the business and turnover of our outlets. In addition, we compete with other F&B establishments for strategic

locations for our outlets and employees. In the event that we are not able to compete successfully against our competitors or adapt to market conditions, our business, results of operations and financial condition may be materially and adversely affected. Please refer to the section entitled "General Information on our Group – Competition" of this Offer Document for more information on our competitors.

We are susceptible to increases in the costs of food ingredients and our business may be affected by the shortage of supply of food ingredients

We are highly dependent on a consistent and adequate supply of food ingredients that meet our quality standards, for the operations of our Central Kitchen and outlets. Apart from certain key food ingredients and products which we are required to purchase from our Master Franchisors and Licensor, the other food ingredients and products used in our operations are mostly sourced from local suppliers (which may in turn import these from overseas). In addition, under some of our Master Franchise Agreements, we are required to maintain a minimum level of inventory of supplies in our outlets. If our suppliers, owing to any reason whatsoever, are not able to continue supplying us with an adequate amount of food ingredients to satisfy our present and future needs, and/or are not able to supply us with food ingredients which meet our stringent quality requirements, there may be interruptions to our business operations, which may in turn adversely affect our business, results of operations and financial condition.

The prices and supply of our food ingredients are subject to fluctuations due to various factors beyond our control, including climate, seasonality, exchange rates, as well as applicable laws, regulations and policies relating to the sales or import of these ingredients. There can be no assurance that we will be able to anticipate decreases in supply and/or increases in ingredient costs, or secure alternative ingredient supplies that comply with our requirements. In the event that we are unable to procure sufficient supplies of food ingredients and/or pass on any increase in the costs of food ingredients to our customers, our business, results of operations and financial condition may be adversely affected.

We may be affected by increases in rental or the failure to procure the renewal of our existing leases on favourable terms or procure new leases at strategic locations

We lease all of our premises for our Central Kitchen and outlets. As such, rental costs form a significant component of our total operating expenses. For FY2016, FY2017, FY2018 and HY2019, rental costs as a percentage of our total revenue was approximately 7.8%, 8.0%, 10.6% and 9.9% respectively. Please refer to the section entitled "General Information on our Group – Material Properties and Fixed Assets" of this Offer Document for further details.

Whilst our leases for our outlets generally have a relatively long tenure of three (3) to 10 years, we face the possibility of an increase in the rental by the landlords or we may not be able to renew the lease at all or on terms and conditions favourable to us after the expiry of the lease. The non-renewal of the leases or renewal upon less favourable terms may have an adverse effect on our business and profitability.

In addition, certain of our leases contain provisions which may not be favourable to our Group. For instance, certain leases provide that the landlord may terminate the lease prior to expiry if, among other things, the landlord intends to demolish or substantially renovate the building. In such an event, our business and operations may be disrupted, and we may have to incur time and expenses to source for and renovate new premises for our outlets.

The success of our business and growth is also dependent on our ability to secure good locations for our outlets. We believe a good location possesses characteristics such as heavy foot traffic, reasonable rental costs, and reasonable proximity from our existing outlets to prevent market cannibalisation. There is no assurance that we will be able to continue to secure good locations to expand our business, and this may affect our growth and results of operations.

We are dependent on our Central Kitchen

Our Central Kitchen supports the operations of our franchise network through central procurement, processing and preparation of certain food ingredients and products, which are supplied to outlets in Australia and New Zealand operated by our Group and our sub-franchisees. Please refer to the section entitled "General Information on our Group – Principal Activities – Central Kitchen" of this Offer Document for more information.

Additionally, our Central Kitchen also houses our warehouse. Incidents such as fire outbreaks or power failures may disrupt operations at our Central Kitchen and damage our stored supplies. We may be unable to prepare the key food ingredients and products or complete other processes required for our F&B operations. Such disruptions will materially and adversely affect our business, results of operations and financial condition. While we maintain insurance policies covering certain losses, including industrial special risks insurance for losses or damages in relation to *inter alia*, theft and extra costs of reinstatement, there can be no assurance that our insurance coverage will be sufficient to cover all of our losses in all events.

We may be affected by any change in tenant mix of shopping complexes and malls where our outlets are located or unexpected closure or plans to re-develop such shopping complexes or malls

A significant number of our outlets are located in shopping complexes or malls. A change in the tenant mix or anchor tenant of a shopping complex or where our outlets are located may result in fewer customers visiting the shopping complex or mall, and patronising our outlets. In addition, there is no assurance that the buildings in which our outlets are located will continue to be in operation and will not be closed down or demolished.

The closure or demolition of a particular shopping complex or mall where our outlet is located may require us to write off certain fixed assets of the affected outlets. Furthermore, we may not be able to find another suitable alternative location as replacement. This may result in a loss and disruption to our business operations. Poor maintenance of the shopping complex or mall may also result in decrease in foot traffic and decrease in number of customers at our outlets and this may have an adverse effect on our business, results of operations and financial condition.

Our business is affected by changes in consumer taste and discretionary spending, and our efforts in launching and promoting new products may not successfully respond to such changes

Our business is affected by changes in consumer tastes and preferences, and such preferences may shift away from the F&B offerings under our existing brand portfolio. In the event of such changes in consumer taste and discretionary spending, our business, results of operations and financial condition may be materially and adversely affected. Some of our products may be trendy for a short period and we may be unable to attract sufficient customers in the long term.

Further, our success in launching a new brand in the territories which we operate in relies largely upon our ability to anticipate consumer preferences, including the dietary habits of our consumers. Although our Executive Directors and senior management constantly monitor the trends in consumer tastes and preferences, there is no assurance that we will be able to continue to identify new brands which respond positively to these trends. In addition, if prevailing health or dietary preferences and perceptions cause consumers to avoid our products in favour of alternative products, our business could be adversely affected. Our failure to anticipate, identify or react to these particular preferences or changes may limit the demand for any new brands we introduce, which may result in us not being able to recover our investments in these brands. In addition, as the terms of our Master Franchise Agreements and the NeNe Chicken Licence Agreement typically range from four (4) to 20 years, we may be contractually bound to continue to carry on business under the particular brand, even if we observe a fall in demand for the products under that brand.

Our business is also subject to the economic conditions of the markets in which we operate. Any adverse changes in economic conditions, such as inflation and unemployment levels, may affect consumers' disposable income, consumer confidence and hence consumer discretionary spending. In the event of an economic downturn, consumers tend to become more budget conscious and price sensitive to the amount they are willing to spend on food. Further, changes in regulations or the implementation of new regulations and government policies, such as increases in goods and services tax, may also directly or indirectly impact consumers' discretionary spending.

Delays in delivery of food ingredients and deterioration in quality of food ingredients during the delivery process could adversely and materially affect our business

Adverse weather conditions, natural disasters and labour strikes in places where our supplies of food ingredients are sourced could lead to delayed or lost deliveries to our Group and may result in an interruption to our business. There may also be instances where the quality of our food ingredients (such as fresh, chilled or frozen food products or processed foods) deteriorate due to delivery delays, malfunctioning of refrigeration facilities or poor handling during transportation by our logistics staff and third party logistics service providers or suppliers. This may result in a failure of our Group to provide quality food and services to our customers, thereby damaging our reputation and adversely affecting our business, results of operations and financial condition. Further, any increase in the cost of transportation (such as increases in fuel price) and/or freight charges may increase our operating expenses and affect our overall profitability.

We rely on third party logistics service providers to deliver our products from our Central Kitchen to outlets in Australia and New Zealand

Save for deliveries to outlets located in Victoria, Australia which are made by our own logistics team, we deliver certain food ingredients and products such as pre-packaged seasoning, pre-cooked pastes, pre-cooked sauces, marinades, marinated meats, pastries and some finished products from our Central Kitchen to the outlets across our franchise network in Australia and New Zealand through third party vendors. In particular, we have entered into an agency and supply agreement ("**Agency and Supply Agreement**") with Daiwa Food Corporation Pty Ltd ("**Daiwa**") to facilitate our supply of food ingredients and products to our outlets and our sub-franchised outlets in other states of Australia. Pursuant to the Agency and Supply Agreement, Daiwa purchases food ingredients and products from our Central Kitchen and is responsible for all aspects of the delivery and transport of these food ingredients and products to the outlets, including the costs associated therewith. Daiwa is required to maintain an adequate level of inventories in its warehouses to meet the demand of our sub-franchisees, and must provide our sub-franchisees with products with a

minimum stipulated shelf life. Our sub-franchisees, in turn, procure these supplies directly from Daiwa. Pursuant to the terms of the Agency and Supply Agreement, Daiwa is allowed to impose its own trading terms on our sub-franchisees, including the right to cease supply for unpaid accounts. The Agency and Supply Agreement may be terminated if, *inter alia*, either party (a) is in breach under the agreement and fails to remedy the breach within 14 days of receiving notice of the breach, (b) has a receiver, manager, administrator, controller or liquidator or provisional liquidator appointed or a petition has been presented for the appointment of a provisional liquidator, or (c) is unable to pay its debts as they fall due. Our sales of Central Kitchen supplies to Daiwa accounted for approximately 11.2%, 17.8%, 13.7% and 9.7% of our total revenue for FY2016, FY2017, FY2018 and HY2019 respectively. Please refer to the section entitled "General Information on our Group – Major Customers" of this Offer Document for more information.

Disputes with or a termination in our contractual relationship with our third party vendor(s) could result in delays in the delivery of our products or increased costs. There can be no assurance that we can continue or extend relationships with our third party vendor(s) on terms acceptable to us, or that we will be able to establish relationships with new third party vendors who are able to ensure timely and cost-effective deliveries. If there is any breakdown in our relationships with our third party vendor(s), the supply of certain ingredients from our Central Kitchen to our outlets and our sub-franchisees may be disrupted. This will in turn affect the operations of our outlets and our outlets within our franchise network. Although we have not experienced any of the above events in the past which has had a material impact on our business, results of operations and financial condition, we cannot assure you that any future occurrence of such events will not have a material adverse effect on our business, results of operations and financial condition.

We face the risk of food contamination and tampering risks, and may be exposed to negative publicity, customer complaints and potential litigation

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

Our outlets may also be subject to consumer complaints or allegations regarding food or service quality. Bad publicity, whether merited or otherwise, may materially and adversely affect our business and financial performance. Further, if customer complaints engender legal claims, our Group would have to divert management resources and expend costs, thereby further affecting our business and financial performance. We also cannot predict the outcome of any such litigation, the effect of any adverse court awards against us or the amount of any settlement that we may enter into with any party. Although there has not been any litigation proceedings initiated against us by any customer as a result of consuming contaminated food at any of our outlets, we are unable to assure you that litigation, that may have a material impact on our business and operations, will not be brought against us in future. Any loss, liability or expense incurred pursuant to such claims may materially and adversely affect our business, results of operations and financial condition.

Adverse publicity regarding our Group or relating to any of our Master Franchisors and Licensor, sub-franchisees, sub-licensees, Directors, Executive Officers and/or Controlling Shareholders, whether merited or otherwise, may reduce customers' confidence in our food products, tarnish our brand and reputation and/or reduce patronage of our outlets.

Although we have not experienced any of the above events in the past which has had a material impact on our business, results of operations and financial condition, we cannot assure you that any future occurrence of such events will not have a material adverse effect on our business, results of operations and financial condition.

We may be adversely affected by outbreaks of diseases and/or other types of disasters

Any outbreak of diseases or viruses in livestock or food scares in the region or around the world, such as the avian influenza (also known as "bird flu") or bovine spongiform encephalopathy (also known as "mad cow disease"), as well as the occurrence of other types of disasters (including man-made disasters, such as the Japanese nuclear crisis in 2011), may materially and adversely affect our business, results of operations and financial condition.

A loss in consumer confidence concerning any particular ingredient due to the outbreak of disease and/or the occurrence of other types of disasters may lead to a reduction in consumption of the affected type of food, and force us to reduce or eliminate the use and/or sale of that ingredient at our outlets. An outbreak of disease and/or the occurrence of other types of disasters in certain countries where we source our ingredients from may also result in certain ingredients from such countries being restricted or banned by the Australian government or the countries in which we operate, and scarcity of supplies may lead to price increases for those ingredients, which would in turn affect our ability to serve and/or the operating cost of serving certain dishes at our outlets. Please refer to the risk factor titled "We are susceptible to increases in the costs of food ingredients and our business may be affected by the shortage of supply of food ingredients" above for other factors that may disrupt our supply of ingredients. Furthermore, consumer sentiment may be adversely affected, and consumers may be less willing to dine out or patronise F&B establishments or avoid F&B establishments that serve certain types of cuisine.

Further, if any employees at any of the outlets (including those operated by our sub-franchisees) or our Central Kitchen shows symptoms of infection or becomes infected with any virulent illnesses or diseases, we or our sub-franchisees may be required to suspend or cease all or part of the operations at the affected outlet and/or our Central Kitchen.

If any of the aforementioned events occur, our business, results of operations and financial condition may be materially and adversely affected.

Our insurance coverage may not be adequate

We maintain insurance coverage for our material assets and operations, including all risks insurance for our properties and insurance for, *inter alia*, disruption to our Group's operations. However, we do not or are not able to obtain insurance in respect of losses arising from certain operating risks such as acts of terrorism.

Our insurance policies may not be sufficient to cover all of our losses in all events. The occurrence of certain incidents, including fraud, confiscation by investigating authorities or misconduct committed by our employees or third parties, severe weather conditions, earthquakes, fire, war, flooding and power outages may not be covered adequately, if at all, by our insurance policies.

If our losses exceed our insurance coverage or are not covered by our insurance policies, we may be liable to bear such losses. Our insurance premiums may also increase substantially due to claims made. In such circumstances, our business, results of operations and financial condition may be materially and adversely affected.

Our business may be adversely affected if we are not able to obtain or renew licences required for the F&B industry

We are subject to the laws and regulations governing the F&B industry in Australia, New Zealand, Malaysia and other jurisdictions where we might operate, including but not limited to, the laws and regulations relating to food safety, handling and storage, and hygiene standards. In this regard, we are required to obtain and maintain for our operations certain licences, permits, approvals and certificates from relevant authorities. Please refer to the section entitled "General Information on our Group – Material Licences, Permits, Registrations and Approvals" of this Offer Document for a list of the material licences, permits and approvals currently required for our business. Some of these licences are granted for fixed periods of time and need to be renewed upon expiry. There can be no assurance that our licences will be processed and/or issued in time or at all.

If we are found to be in breach of any applicable laws, rules, regulations or conditions stipulated in our licences, the relevant government or regulatory authority may take actions such as issuing warnings, imposing penalties or additional conditions or restrictions, and suspending or revoking our licences. Any failure to obtain, maintain or renew any of our required licences may materially and adversely affect our business, results of operations and financial performance. Although we have not experienced any of the above events in the past which has had a material impact on our business, results of operations and financial condition, we cannot assure you that any future occurrence of such events will not have a material adverse effect on our business, results of operations and financial condition.

Our Group's business and expansion plans are capital intensive and may require further financing for future growth

During the Period Under Review, our Group relied largely on internal resources as well as equity financing and debt financing through facilities from banks and financial institutions to finance our working capital and capital expenditure. Although we have been able to rely on such means to fund our business, we cannot assure you that we will be able to continue to obtain or rely on such financing support in the future. In the event that we are unable to obtain the required financing and do not have sufficient cash flow to fund our business and/or working capital requirements, our Group's business, financial condition, results of operations, cash flows, working capital and/or prospects may be materially and adversely affected.

We may come across potential business opportunities that may be favourable to our Group's future growth and prospects. Under such circumstances, we may need additional capital through equity or debt financing. Our Group's ability to raise capital is dependent on factors including, among other things, the prevailing economic conditions in Australia, Singapore and globally, our Group's ongoing financial condition and results of operations, the state of the capital and credit markets, government regulations and the acceptability of the funding terms offered.

We are unable to assure you that our Group would be able to obtain additional funds, either on a short-term or a longer term basis, when capital is required. If our Group is unable to secure necessary funding or secure such funding on terms which are favourable to us, or at all, whether through external debt financing, equity financing and/or internally generated cash flows, our business, results of operation and financial condition may be materially and adversely affected.

We may be adversely affected in the event of an infringement of intellectual property rights

We believe that branding is an integral aspect of our Group's business. There can be no assurance that the intellectual property rights relating to the brands operated by us (whether owned by us or those belonging to our Master Franchisors or Licensor) will not be infringed upon or that ownership of such brands and related trade marks will not be challenged by third parties. In the event that any third party alleges proprietary rights over such brands and trade marks, we may be exposed to legal proceedings brought against us or our Master Franchisors or Licensor (as the case may be) in respect of our use of the brands and trade marks. These legal proceedings may result in monetary losses and may prevent us from further using such brands and trade marks. In such an event, our business, results of operations and financial condition may be adversely affected.

Any unauthorised use of the brands and trade marks or variants thereof may also harm our reputation and consequently our business, profitability and financial performance. In addition, if we deem necessary, we may take action (including litigation) to stop infringement of our intellectual property rights or obtain adequate compensation or remedy. There is no assurance that our Master Franchisors or Licensor (as the case may be) and our Group will be successful in protecting intellectual property rights and we may incur substantial costs in the process.

Our Master Franchisor in respect of the "Gong Cha" brand, Royal Tea Taiwan Co., Ltd. and our subsidiary, Gong Cha Limited have commenced legal proceedings in the Wellington High Court, New Zealand as the first and second plaintiff respectively against GD & J Tiger Limited for an alleged unauthorised use of the "Gong Cha" trademark, packaging and business name in marketing its products. Please refer to the section entitled "General Information – Litigation" of this Offer Document for further details. Whilst our Directors are of the view that there are no material adverse implications on our Group as the alleged unauthorised use of the "Gong Cha" trademark, packaging and business name only relates to one (1) outlet operated by GD & J Tiger Limited and we are unlikely to incur substantial legal fees in the process, there is no assurance we will not encounter a situation in the future where we will be subject to other legal proceedings relating to intellectual property rights infringements which may result in a material adverse impact on our business, results of operations and financial condition.

Failures or security breaches of our information technology systems could disrupt our operations and negatively impact our business

Information technology is an important part of our business operations and we increasingly rely on information technology systems to monitor and manage business data and increase efficiencies in our operations. For instance, we employ the use of an automated inventory management system and digital temperature-controlled zones in our warehouse to ensure the quality and freshness of our food ingredients and products. We also use an online platform to provide our sub-franchisees with guidelines and standard operating procedures to ensure a high standard of quality across all our outlets. In addition, we have installed self-ordering kiosks in some of our outlets to increase operational efficiency, and also use information technology as part of our marketing efforts, such as the maintenance of social media profiles for the brands in our portfolio. We are unable to assure you that our information technology systems will operate without interruption and/or will not malfunction. Our information technology systems are also vulnerable to unauthorised access (from within the organisation or by third parties) and data loss, computer viruses, malicious code, the interception or misuse of information transmitted or received by us, and cyberattacks. The technology security initiatives we currently have in place to address these concerns may not be adequate, and there is no assurance that our systems will not be subject to disruptions by cybercriminals or other security breaches, which could expose our Group to liability

and could have a material adverse effect on our business, results of operations and financial condition. In addition, in relation to our internet and mobile platforms such as our "PappaRich" loyalty App, we may be subject to certain laws relating to data privacy and the protection of personal information in the countries we operate in, including under the Privacy Act 1988 of Australia. Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations to our users or other third parties, or our privacy-related legal obligations, or any compromise of security that results in the unauthorised release or transfer of information or other data, may result in governmental enforcement actions, litigation or other actions against our Group and could materially and adversely affect our business, results of operations and financial condition.

Although we have not experienced any of the above events in the past which has had a material impact on our business, results of operations and financial condition, we cannot assure you that any future occurrence of such events will not have a material adverse effect on our business, results of operations and financial condition.

Pilferage and theft by our employees and outsiders will harm our operating results, profits, reputation and branding

Sales in our outlets are settled by cash, credit card or electronic payments. We rely on our employees at our outlets to handle such cash sales. We have also implemented various cash management systems and adopted cash and inventory handling policies as well as security measures for our outlets and Central Kitchen. However, there is no absolute assurance that lapses in internal controls will not occur. Should we fail to impose strict monitoring on our staff for possible practices of pilferage and theft of materials by employees and outsiders, we will not be able to prevent such misdeeds from happening. These wrongdoings will not only harm our financial performance, but also our reputation and branding.

We are susceptible to fluctuations in foreign exchange rates that could result in us incurring foreign exchange losses

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

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

RISKS RELATING TO THE COUNTRIES IN WHICH WE OPERATE

We may be adversely affected by changes in laws and regulations in the countries in which we operate

Our business is subject to various laws and regulations in the countries in which we operate. If there are any changes in such laws, regulations and applicable policies, we may be required to comply with further and/or stricter requirements, which may restrict or hamper our business or operations or result in higher operating costs. If we are unable to pass on any increased operating costs to our customers, our financial performance and financial condition may be adversely affected. In addition, any failure or delay to comply with these laws and regulations could result in the imposition of fines or other penalties by the relevant authorities.

For instance, the Australian Government has introduced new legislation which increases the liabilities and obligations of franchisors in Australia. Under the Fair Work Amendment (Protecting Vulnerable Workers) Act 2017 of Australia, which took effect on 15 September 2017, franchisors which exercise a 'significant degree of influence or control' over a franchisee, are liable, in certain circumstances, for contraventions of the Fair Work Act 2009 (Cth) of Australia ("**Fair Work Act**") by their respective 'franchisee entities', unless 'reasonable steps' are taken by the responsible franchisor entity to prevent the contravention from occurring. This will allow employees of franchisees to obtain compensation orders against franchisors for contraventions of the Fair Work Act by the franchisees. Whilst we have taken reasonable steps to ensure that our sub-franchisees comply with the Fair Work Act, there can be no assurance that the measures we have taken will satisfy the test of 'reasonable steps' set out in the Fair Work Act, particularly as this is a new and largely untested area of law. In the event we are held liable for breaches by our sub-franchisees, our business, results of operations and financial condition may be adversely affected.

Further, in relation to our operations in New Zealand, the Food Act 2014 of New Zealand (the "**Food Act**") sets out a registration regime to ensure that each food business has appropriate food safety processes in place. Under the Food Act, businesses are required to register a food control plan ("**FCP**") with the relevant local authority. Our businesses in New Zealand currently use a pre-approved template provided by the Ministry for Primary Industries to comply with this requirement. However, there is a risk that more stringent requirements may come into force, or that we may be required to create a custom FCP. Whilst the Legal Advisers to our Company as to New Zealand Law, Anthony Harper, has advised that there is currently no reason for our Group to review our existing FCP or adopt a custom FCP at present as it currently complies with the applicable New Zealand legislation, there is no assurance that we will not be required to create a custom FCP in the future. In such case, this may lead to increased costs to evaluate and approve each branch of our New Zealand businesses, and there may be delays between application and approval that may impact our business. The increased costs of compliance could materially and adversely affect our business, results of operations and financial condition.

Our business is subject to compliance with franchise law in Australia

As our business in Australia depends on the franchise rights pursuant to our Master Franchise Agreements and agreements with our sub-franchisees, we are required to comply with the Competition and Consumer (Industry Codes – Franchising) Regulations 2004 (Cth) of Australia (the "**Franchise Code**"), which is a mandatory industry code prescribed under Australia's competition law and consumer protection legislation, the Competition and Consumer Act 2001 (Cth) of Australia. The Franchise Code is a mandatory code which regulates various aspects of the franchise arrangement, including, *inter alia,* conduct of the franchisor to act in good faith in all dealings with franchisees, pre-contractual disclosure and information obligations, compulsory franchise grant and agreement execution procedures. As at the Latest Practicable Date, the relevant regulatory authorities have not alleged that any of the Master Franchise Agreements or sub-franchise agreements are not in compliance with the Franchise Code.

In particular, the Franchise Code regulates the termination of franchise agreements. The Franchise Code provides that a franchisor may terminate the franchise agreement in the event of a material breach by the franchisee, provided that the franchisor (a) gives reasonable written notice of its intention to terminate due to the breach; (b) informs the franchisee what it needs to do to remedy the breach; and (c) allows the franchisee a reasonable time of up to 30 days to remedy the breach. If the breach is remedied within the prescribed timeframe, the franchisor cannot terminate the agreement because of such breach. Termination for immaterial breach can be challenged.

Outside of termination for breach, a franchisor's right to terminate is limited to special circumstances, such as the franchisee's insolvency, abandonment of the business or fraud. In addition, a franchisor has a very limited right to terminate on reasonable notice, provided that the franchise agreement expressly provides for circumstances for termination on such reasonable notice. Furthermore, any decision to terminate must also be made with regard to the franchisor's statutory obligation to act in 'good faith' towards the sub-franchisee.

Termination of any franchise agreement that is not in accordance with the Franchise Code can give rise to pecuniary penalties and sub-franchise claims and litigation for wrongful termination. Thus, any termination of a sub-franchise agreement creates a risk of action by our sub-franchisees against the right to terminate. Any loss, liability or expense incurred pursuant to such claims or penalties may adversely affect our financial position and business. Further, there is a risk that the Australian Competition and Consumer Commission may also issue an infringement notice if it has reasonable grounds to believe that a franchisor has contravened a civil penalty provision of the Franchise Code. The infringement notice will be published on a public register. Any litigation or infringement notice may create a negative market perception of our Group, whether justified or not, thereby materially and adversely affecting our business, results of operations and financial condition.

Furthermore, due to the restrictions on certain provisions in our franchise agreements arising from the Franchise Code, we may face delays in termination or may even be unable to terminate our franchise agreements, even if, for instance, there is a breach of the franchise agreement by our sub-franchisees. This may limit our business strategies in Australia as we may not be able to divest our resources into another brand if any brand in our portfolio becomes unpopular due to changes in consumer tastes and preferences. Accordingly, if we face delays in terminating our sub-franchise arrangements or are unable to terminate our arrangements with our sub-franchise agreements in accordance with our business needs and business strategy with respect to the particular brand, our business, results of operations and financial condition may be materially and adversely affected.

Some clauses in our sub-franchise agreements may also be at risk of being declared unfair contract terms under the unfair contract terms laws provided for in the Competition and Consumer Act 2001 (Cth) of Australia, and thus may be void and unenforceable against a sub-franchisee. Whether a term is at risk of being an unfair contract term is a subjective exercise which would ultimately be determined by the relevant courts of Australia. Whilst the Legal Advisers to our Company as to Australia Law, Maddocks, are of the view that the material terms of our sub-franchise agreements are not unfair terms which would be caught by the unfair contract terms laws, and as at the Latest Practicable Date, our Directors are not aware of any claims or disputes with any of our sub-franchisees, there is no assurance that our sub-franchise agreements will not be deemed to be unfair contract terms by the relevant courts of Australia in the future. In the event the relevant courts of Australia determine that any of the clauses in our sub-franchise agreements are unfair contract terms, such unfair terms would be deemed void and omitted from the sub-franchise agreement, which will still remain enforceable save for such clauses determined to be unfair. If any of our clauses with our sub-franchisees which relate to the payment of fees and royalties are deemed to be unfair contract terms and are void and omitted from our sub-franchise agreement, our business, results of operations and financial condition may be adversely affected.

In relation to our Master Franchise Agreements, the Legal Advisers to our Company as to Australia Law, Maddocks, has advised that there is no (or insufficient) documentary record to support Franchise Code compliance by each Master Franchisor, and some provisions in the Master Franchise Agreements may be inconsistent with the Franchise Code. Nevertheless, Maddocks has advised that any alleged Franchise Code non-compliance by the Master Franchisor does not void or invalidate the relevant agreement. As at the Latest Practicable Date, the relevant regulatory authorities have not alleged that any of the Master Franchise Agreements are not in compliance with the Franchise Code. Accordingly, our Directors are of the view that there is no material adverse impact to our Group from such non-compliance.

We are required to comply with the Fair Work Act in relation to the hiring of our employees in Australia

In relation to the hiring of our employees in Australia, we are required to comply with the Fair Work Act, as well as various state and territory laws and industrial instruments. The Fair Work Act prescribes, among other things, the minimum conditions of employment for all employees covered by the national workplace relations system. Please refer to the section entitled "General Information on our Group – Government Regulations – Australia – Fair Work Act" of this Offer Document for further details. Pursuant to the Fair Work Act, the maximum penalty for each contravention of the Fair Work Act that occurred prior to 1 July 2017 is A$54,000 for a body corporate and A$10,800 for an individual, and A$63,000 for a body corporate and A$12,600 for an individual for each contravention that occurred after 1 July 2017. For serious contraventions after 15 September 2017, involving a person or business knowing that they were contravening certain obligations under the Fair Work Act and the contravention was part of a systematic pattern of conduct relating to one or more people, the maximum penalty for each contravention is A$630,000 for a body corporate and A$126,000 for an individual. In the event we are found to be in breach of the Fair Work Act by the Fair Work Ombudsman of Australia ("**FWO**") in relation to our employees in Australia, we may be subject to litigation by the FWO and may be ordered by the relevant courts of Australia to pay monetary penalties. Details of our non-compliance may be published by the FWO which may result in negative publicity. In such an event, our business, results of operations and financial conditions may be materially and adversely affected.

On 19 March 2019, the FWO made an application in the Federal Circuit Court of Australia against our subsidiary PPR Ryde (NSW) Pty Ltd, as the first defendant, and Mr. Wong Loke Cheng, a director of PPR Ryde (NSW) Pty Ltd, as the second defendant, in respect of 16 different types of contraventions under the Fair Work Act. Please refer to the section entitled "General Information – Litigation" of this Offer Document for further details.

Our business in New Zealand is subject to regulatory approval

Our business and operations in New Zealand are required to comply with various laws, rules and regulations, including but not limited to the Food Act.

Under the Food Act, food importers must be approved and registered by the Ministry of Primary Industries, such registration being subject to yearly renewal. We are required to take various steps to assess the safety and suitability of food, such as keeping detailed information about the food we import as well as our suppliers and manufacturers. We cannot guarantee that we will be approved every year as a food importer. As our business and operations in New Zealand depend heavily on importing food products and supplies from our Central Kitchen, failure to obtain, maintain or renew our registration as a food importer would materially and adversely affect our business, results of operations and financial condition.

In addition, we are required to comply with the requirement for food businesses under the Food Act to register a FCP with the relevant local authority. Our businesses in New Zealand currently use a pre-approved template provided by the Ministry for Primary Industries to comply with this requirement. However, there is a risk that more stringent requirements may come into force, or that we may be required to register a custom FCP. We may need to incur additional expenses as a result of complying with stricter regulatory requirements. Further, renewal takes place regularly, and there is a risk that renewal will be refused by the authorities. Failure to obtain such renewal may materially and adversely affect our business, results of operations and financial condition.

Our New Zealand stores and outlets are also subject to regular evaluation by the local authority on our food safety processes. We will receive a "food safety grade" or a "food premises certificate" based on the local authority's evaluation of our food safety and hygiene. Each food safety grade must be on display in the relevant store. If our food safety grade does not meet the local authority's standards, the relevant food business may be subject to fines, or may not be able to operate.

As at the Latest Practicable Date, our businesses are registered with the appropriate local authorities and each has a compliant food safety grade. However, food contamination, tampering and lapses in food handling hygiene is an inherent risk in the F&B industry. Any lapses in food hygiene may cause us to receive a lower food safety grade. As a result, we may be ordered to pay a fine or to suspend or cease all or part of our operations, and our business, results of operations and financial condition may be materially and adversely affected as a result. Moreover, receiving a poor food safety grade may reduce customer confidence in our food products, tarnish the goodwill of our business and/or reduce patronage at our stores, which will materially and adversely affect our business, results of operations and financial condition.

Our licensing arrangement in Malaysia may be construed as a franchise arrangement under the Malaysian Franchise Act 1998 ("MFA")

As at the date of this Offer Document, we have a licence agreement with our Licensor for the license to use the "NeNe Chicken" brand in Malaysia which includes the right to sub-license to third parties to operate chicken specialty stores or restaurants under the "NeNe Chicken" brand. Our operations under the "NeNe Chicken" brand in Malaysia, which commenced in FY2018, accounted for 1.8% and 6.1% of our revenue in FY2018 and HY2019 respectively. The "NeNe Chicken" brand in Malaysia incurred losses in FY2018 but accounted for 2.5% of profit attributable to equity holders of the Company in HY2019.

Pursuant to the NeNe Chicken Licence Agreement, we have entered into sub-licence agreements with our sub-licensees in Malaysia. Our Licensor has successfully registered as a foreign franchisor for the franchise of "NeNe Chicken" in Malaysia pursuant to Section 54 of the MFA, and we are in the process of applying to be registered as a franchise with the Franchise Development Division under the Ministry of Domestic Trade, Co-Operatives and Consumerism of Malaysia ("**Franchise Authority**"). Under the MFA, a foreign franchisor who intends to sell a franchise in Malaysia is required to submit an application to the Franchise Authority and a franchisee who has been granted a franchise from a foreign franchisor is required to register the franchise before commencing the franchise business. The characteristics of a franchise business under Section 4 of the MFA include, *inter alia*, the grant by a franchisor to a franchisee of (a) the right to operate a business according to the franchise system as determined by the franchisor during a term to be determined by the franchisor, (b) the right to use a mark, or a trade secret, or any confidential information or intellectual property owned by the franchisor or relating to the franchisor, (c) the right to administer continuous control during the franchise term over the franchisee's business operations and (d) in return for the grant of rights, the franchisee may be required to pay a fee or other form of consideration.

As advised by the Legal Advisers to our Company as to Malaysia Law, Wong Beh & Toh, the definition of a "franchise" under Section 4 of the MFA is wide. In addition, the Franchise Authority is not bound by the labels or descriptions of the agreement between parties but will look at the actual arrangement between parties to determine whether it falls within the definition of a "franchise" under Section 4 of the MFA. Accordingly, should the Franchise Authority take the view that our current licensing arrangements with our Licensor and our sub-licensees in Malaysia are franchises which ought to be registered under the MFA, we as a body corporate may be deemed to be in breach of the MFA and liable to (a) for a first offence, a fine of not less than RM10,000 and not more than RM50,000 and (b) for a second or subsequent offence, a fine of not less than RM20,000 and not more than RM100,000, and our directors and personnel may also be deemed to be in breach of the MFA and liable to (a) for a first offence, a fine of not less than RM5,000 and not more than RM50,000 and (b) for a second or subsequent offence, a fine of not less than RM10,000 or imprisonment for a term not exceeding five (5) years or to both. Further, upon sentencing of a franchisor for a first offence, the court may (a) declare the franchise agreement between the franchisor and any franchisee to be null and void, (b) order that the franchisor refunds any form of payment which he has obtained from any franchisee, or (c) prohibit the franchisor from making any new franchise agreement or appointing any new franchisee. Whilst our Legal Advisers to our Company as to Malaysia Law, Wong Beh & Toh are of the view that our current licensing arrangements with our Licensor and our sub-licensees in Malaysia are arguably not a franchise under the MFA as the Licensor does not have the right to administer continuous control over our business operations in Malaysia, which is one of the fundamental characteristics of a franchise business under the MFA, there can be no assurance that the Franchise Authority will not treat our arrangements with our Licensor and our sub-licensees in Malaysia as a franchise in the future. In the event that we are imposed with a fine or are ordered to terminate the NeNe Chicken Licence Agreement or the sub-licence agreements in respect of the "NeNe Chicken" brand in Malaysia, or if we are ordered to refund all past payments received from our sub-licensees, our financial performance and profitability may be adversely affected.

We are subject to risks relating to economic, political, legal or social environment in Malaysia

As at the Latest Practicable Date, we have eight (8) outlets in Malaysia including those operated by our sub-licensees. Our business operations in Malaysia are dependent on local political, economic, regulatory and social conditions. Our business, earnings, asset values and prospects may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies, exchange control regulations, food industry laws and regulations, taxation, expropriation, social instability and other political, legal, economic or diplomatic developments in or affecting Malaysia, where applicable. We have no control over such conditions and developments and can provide no assurance that such conditions and developments will not have a material adverse effect on our business, results of operations or financial performance.

We may be affected by changes in the political leadership and/or government policies in Malaysia. Any adverse development in the political situation and economic uncertainties in Malaysia could materially and adversely affect our business, results of operations and financial condition. Such political or regulatory changes include (but are not limited to) the introduction of new laws and regulations which impose and/or increase restrictions on the conduct of business, the repatriation of profits, the imposition of capital controls and changes in interest rates. Any changes implemented by the Malaysia government resulting, *inter alia*, in currency and interest rate fluctuations, capital restrictions, and changes in duties and taxes detrimental to our business could materially and adversely affect our business, results of operations and financial condition.

We are subject to laws, regulations and guidelines in connection with our business operations in Malaysia

The business premises for our business operations require the valid and existing licences issued by the relevant authorities. There is no assurance that the relevant licences will not be revoked. Any revocation of our licences or any changes to the relevant regulations in the future could affect our ability to continue our business. This may in turn affect our business, results of operations and financial condition.

There is also no assurance that the laws, regulations and guidelines which are applicable to our business will not change. In the event of any such amendments, we may need to ensure compliance with such new laws, regulations and guidelines or we may also need to comply with new licensing requirements under such laws and regulations. If we are unable to comply or are unable to obtain such new licences, our business, results of operations and financial condition may be adversely affected.

There are foreign exchange policies in Malaysia

There are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange policies are administered by the Foreign Exchange Administration, an arm of Bank Negara Malaysia ("**BNM**"), which is the central bank of Malaysia. The foreign exchange policies monitor and regulate both residents and non-residents. Under the current Foreign Exchange Administration Notices issued by BNM, non-residents are free to repatriate any amount of funds out of Malaysia at any time, including any income earned or proceeds from divestment of RM assets, provided that the repatriation is made in foreign currency and subject to the applicable reporting requirements and any withholding tax. In the event BNM introduces any restrictions in the future, we may be affected in our ability to repatriate dividends or distributions from our Malaysian subsidiaries to our Company.

RISKS RELATING TO INVESTMENT IN OUR SHARES

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

An application has been made for our Shares to be listed for quotation on Catalist, a listing platform designed primarily for fast-growing and emerging or smaller companies to which a higher investment risk tends to be attached as compared to larger or more established companies. An investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST. The future success and liquidity in the market of our Shares cannot be guaranteed.

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

There has been no prior public market for our Shares and there may not be an active or liquid market for our Shares

Prior to the listing of our Shares on Catalist, there has been no public market for our Shares. Although we have made an application to the SGX-ST for our Shares to be listed for quotation on Catalist, there can be no assurance that an active public market will develop or be sustained after the listing of our Shares on Catalist. If an active public market for our Shares does not develop after the listing of our Shares on Catalist, the market price and liquidity of our Shares may be adversely affected. There is also no assurance that the market price for our Shares will not decline below the Issue Price. The Issue Price was arrived at in consultation between our Company, the Sponsor and Issue Manager and Placement Agent, after taking into consideration, *inter alia*, prevailing market conditions and estimated market demand for the Placement Shares. The Issue Price may not be indicative of the prices that may prevail in the trading market after the Placement. Investors may not be able to sell their Shares at or above the Issue Price.

Our share price may fluctuate significantly in future and you may lose all or part of your investment

The market price of our Shares may be highly volatile and could fluctuate significantly and rapidly as a result of, amongst others, the following factors, some of which are beyond our control:

(a) variation in our results of operations;

(b) changes in securities analysts' estimates of our results of operations and recommendations;

(c) announcements by our competitors or ourselves of significant contracts, acquisitions, strategic alliances or joint ventures or capital commitments;

(d) additions or departures of key personnel;

(e) changes or uncertainty in the political, economic and/or regulatory environment in the markets that we operate;

(f) fluctuations in stock market prices and volume;

(g) involvement in litigation and/or investigations by government authorities;

(h) general economic and stock market conditions; and

(i) discrepancies between our actual operating results and those expected by investors and securities analysts.

For these reasons, among others, our Shares may trade at prices that are higher or lower than our NAV per Share. There is no guarantee that the holders of our Shares can realise a higher amount or even the principal amount of their investments.

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

Our Issue Price of 26.0 cents per Share is substantially higher than our NAV per Share of 7.7 cents based on the unaudited combined statement of financial position of our Group as at 31 December 2018, after adjusting for the estimated net proceeds from the Placement and the issue of the Cornerstone Shares. If we were liquidated for NAV immediately following the Placement and the issue of the Cornerstone Shares, subscribers of the Placement Shares would receive less than the price they paid for their Shares. Details of the immediate dilution of our Shares incurred by new investors are described under the section entitled "Dilution" of this Offer Document.

Future issuance of Shares by us and sale of Shares by our existing Shareholders may adversely affect the price of our Shares

In the event we issue additional Shares or our Shareholders sell substantial amounts of our Shares in the public market following the Placement, the price of our Shares may be adversely affected. Such issues or sales may also make it difficult for us to issue new Shares and raise the necessary funds in the future at a time and price we deem appropriate.

Except as otherwise described in the section entitled "Shareholders – Moratorium" of this Offer Document, there will be no restriction on the ability of our Shareholders to sell their Shares either on Catalist or otherwise. In addition, our Share price may be under downward pressure if certain of our Shareholders sell their Shares upon the expiry of their moratorium periods.

The Cornerstone Investors are not subject to any lock-up restrictions in respect of their shareholding interests in our Company. If the Cornerstone Investors directly or indirectly sell or are perceived as intending to sell a substantial amount of Shares, the market price for our Shares could be adversely affected.

Investors may not be able to participate in future rights issues or certain other equity issues of our Shares

In the event that we issue new Shares, we will be under no obligation to offer those Shares to our existing Shareholders at the time of issue, except where we elect to conduct a rights issue. However, in electing to conduct a rights issue or certain other equity issues, we will have the discretion and may also be subject to certain regulations as to the procedures to be followed in making such rights available to Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. In addition, we may not offer such rights to our existing Shareholders having an address in jurisdictions outside of Singapore.

Accordingly, certain Shareholders may be unable to participate in future equity offerings by us and may experience dilution in their shareholdings as a result.

Negative publicity which includes those relating to any of our Directors, Executive Officers or Controlling Shareholders may adversely affect our Share price

Negative publicity or announcements relating to any of our Directors, Executive Officers or Controlling Shareholders may adversely affect the market perception of our Group or the performance of the price of our Shares, whether or not it is justified. For instance, such negative publicity may arise from unsuccessful attempts in joint ventures, acquisitions or take-overs, or involvement in insolvency proceedings.

Control by our Shareholders of our share capital after the completion of the Placement and the issue of the Cornerstone Shares may limit your ability to influence the outcome of decisions requiring the approval of Shareholders

Upon the completion of the Placement and the issue of the Cornerstone Shares, Mr. Saw Tatt Ghee, our Executive Chairman and CEO and Ms. Saw Lee Ping, our Executive Director and CAO, together with their associates, will hold in aggregate approximately 50.5% of the share capital of our Company immediately after the Placement and the issue of the Cornerstone Shares. As a result, they will be able to significantly influence our corporate actions such as mergers or take-over attempts in a manner which may not be in line with the interests of our public Shareholders. They will also have veto power in relation to any shareholder action or approval requiring a majority vote except in situations where they are required by the Catalist Rules, the SGX-ST or undertakings given by them and their associates to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Group which may not benefit our Shareholders.

We may require additional funding in the form of equity or debt for our future growth which may cause dilution in Shareholders' equity interest and/or restrict our business operations

We have attempted to estimate our funding requirements for the implementation of our growth plans as set out in the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document.

In the event that the costs of implementing such plans should exceed these estimates significantly or if we come across opportunities to grow through joint ventures, strategic alliances, acquisitions or investment opportunities, which cannot be predicted at this juncture, and if our funds generated from our operations prove insufficient for such purposes, we may need to raise additional funds to meet these funding requirements. However, there can be no assurance that we will be able to obtain additional funding on terms that are acceptable to us or at all. If we are unable to do so, our future plans and growth may be adversely affected.

These additional funds may be raised by issuing equity or debt securities or by borrowing from banks or other resources. We cannot ensure that we will be able to obtain any additional financing on terms that are acceptable to us, or at all. If we fail to obtain additional financing on terms that are acceptable to us, we will not be able to implement such plans fully. If we are unable to procure the additional funding that may be required on acceptable terms or at all or if we are unable to service our potential new debt financing, our financial position and results, business operations, future growth and prospects will be adversely affected.

An issue of Shares or other securities to raise funds will dilute Shareholders' equity interests and may, in the case of a rights issue, require additional investments by Shareholders. Further, an issue of Shares below the then prevailing market price will also affect the value of Shares then held by investors. Dilution in Shareholders' equity interests may occur even if the issue of Shares is at a premium to the market price.

In addition, any additional debt funding may restrict our freedom to operate our business as it may have conditions that, *inter alia*:

(a) limit our ability to pay dividends or require us to seek consents for the payment of dividends;

(b) increase our vulnerability to general adverse economic and industry conditions;

(c) require us to dedicate a portion of our cash flow from operations to repayments of our debt, thereby reducing the availability of our cash flow for capital expenditures, working capital and other general corporate purposes; and

(d) limit our flexibility in planning for, or reacting to, changes in our business and our industry.

The current disruptions, volatility or uncertainty of the credit markets could limit our ability to borrow funds or cause our borrowings to be more expensive. As such, we may be forced to pay unattractive interest rates, thereby increasing our interest expense, decreasing our profitability and reducing our financial flexibility if we take on additional debt financing.

We may not be able to pay dividends in the future

Our ability to declare dividends to our Shareholders in the future will be contingent on our future financial performance and distributable reserves of our Company. This is in turn dependent on our ability to successfully implement our future plans, and on regulatory, competitive and technical factors and other factors such as general economic conditions, demand for and selling prices of our products and services and other factors specific to our industry. Any of these factors could have a material adverse effect on our business, results of operations and financial condition, and hence there is no assurance that we will be able to pay dividends to our Shareholders after the completion of the Placement.

The receipt of dividends from our subsidiaries may also be affected by foreign exchange controls, the passage of new laws, adoption of new regulations and other events outside of our control, and our subsidiaries may not continue to meet the applicable legal and regulatory requirements for the payment of dividends in the future. Withholding tax may also apply to dividends and distributions from our subsidiaries to us.

In Australia, the payment of dividends to a person who is not an Australian resident is generally subject to withholding tax of 30.0%. However, due to Australia's tax treaty with Singapore, the payment of dividends to a person who is a Singapore resident is subject to a lower withholding tax rate of 15.0%.

This withholding tax will not be imposed on dividends paid to our Shareholders where:

(a) the dividend is 'fully franked' (being a dividend on which the subsidiary has already paid tax); or

(b) the dividend is 'conduit foreign income' (being income that is not taxable in Australia and is distributed by an Australian company to its foreign resident shareholders).

The amount of dividends and other cash distributions to our Shareholders depends, among others, on the amount of distributions on equity by our subsidiaries. If our subsidiaries stop paying dividends or reduce the amount of the dividends they pay to our Company, or dividends become subject to increased tax because of changes in ownership of our subsidiaries or changes in tax laws or treaties, it would have an adverse effect on our ability to pay dividends on our Shares.

Further, any loan arrangements with any financial institutions may contain covenants in the loan agreements which may also limit when and how much dividends we can declare and pay out, or may also restrict the ability of our subsidiaries to make contributions to us and our ability to receive distributions. For example, our borrowing arrangements of certain of our subsidiaries with Bank of New Zealand prohibits the disposal, which includes the payment of money (including a distribution by way of dividend), of any property other than in the ordinary course of business for fair value without the prior consent of the Bank of New Zealand.

In addition, certain of our shareholders in our subsidiaries may from time to time enter into shareholders' agreements which may impose certain restrictions or requirements on the distribution of dividends. For example, the respective shareholders of our subsidiaries, NNC Restaurants Damansara Sdn Bhd and NNC Food Avenue Sdn Bhd (each, a "**Relevant Malaysia Subsidiary**"), have entered into shareholders' agreements whereby they have undertaken to ensure that no declarations of dividends shall be approved unless (a) the Relevant Malaysia Subsidiary has a cumulative profit and positive cash flow generated from its operations, and (b) all shareholders' advances have been paid off by the Relevant Malaysia Subsidiary. In addition, pursuant to the shareholders' agreement between Papparich Group Sdn Bhd and STG Food Industries Pty Ltd as the shareholders of Papparich Australia Pty Ltd, Papparich Australia Pty Ltd shall not pay or make any dividend or other distribution or make any distribution out of capital profits or capital reserves without the consent of Papparich Group Sdn Bhd and STG Food Industries Pty Ltd. The respective shareholders of our subsidiaries, GC (England) Pte. Ltd. and IPR NZ Limited have also each entered into shareholders' agreements whereby they have agreed that any distribution of profits amongst the shareholders by way of dividend, capitalisation of reserves or otherwise shall not be made without the prior written consent of the directors appointed by our Group. Please refer to the section entitled "Dividend Policy" of this Offer Document for further details on our dividend restrictions in our subsidiaries.

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

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

USE OF PROCEEDS

The gross proceeds to be raised by our Company from the Placement and the issue of the Cornerstone Shares will be approximately S$9.6 million. The estimated net proceeds to be raised from the Placement and the issue of the Cornerstone Shares, after deducting estimated expenses incurred in relation to the Placement and the issue of the Cornerstone Shares of approximately S$3.4 million, will be approximately S$6.2 million.

We intend to use our gross proceeds from the Placement and the issue of the Cornerstone Shares primarily as follows:

Use of proceeds	Amount in aggregate (S$'000)	Estimated amount allocated for each dollar of the gross proceeds raised from the Placement and the issue of the Cornerstone Shares (cents)
Expand our franchise network and introduce new brands and concepts	4,000	41.7
Acquire new equipment and machinery and expand our existing Central Kitchen and corporate office in Australia	1,000	10.4
Establish a new central kitchen and corporate office in Malaysia	600	6.2
General working capital purposes	600	6.2
Listing expenses	3,420	35.5
Total	**9,620**	**100.0**

Further details of our use of proceeds may be found in the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document.

The foregoing discussion represents our best estimate of our allocation of the proceeds from the Placement and the issue of the Cornerstone Shares based on our current plans and estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates and we may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. In the event that any part of our proposed uses of the net proceeds from the Placement and the issue of the Cornerstone Shares does not materialise or proceed as planned, our Directors will carefully evaluate the situation and may reallocate the net proceeds of the Placement and the issue of the Cornerstone Shares for other purposes and/or hold such funds on short term deposits for so long as our Directors deem it to be in the interest of our Company and our Shareholders, taken as a whole. Any change in the use of the net proceeds will be subject to the Catalist Rules and appropriate announcements will be made by our Company on SGXNET.

As part of its terms of reference, our Audit Committee will monitor our use of the net proceeds from the Placement and the issue of the Cornerstone Shares. Our Company will make periodic announcements on the use of the proceeds from the Placement and the issue of the Cornerstone Shares as and when the proceeds from the Placement and the issue of the Cornerstone Shares are materially disbursed, and provide a status report on the use of the proceeds attributable to our Company from the Placement and the issue of the Cornerstone Shares in our annual report(s).

Pending the deployment of the net proceeds to be raised from the Placement and the issue of the Cornerstone Shares as aforesaid, we may use the funds as working capital, place the funds in short term deposits with banks and financial institutions, and/or invest in short term money market instruments as our Directors may, in their absolute discretion, deem fit.

In the opinion of our Directors, there is no minimum amount which must be raised from the Placement and the issue of the Cornerstone Shares.

Save as disclosed in this Offer Document, none of the proceeds from the Placement or the issue of the Cornerstone Shares will be used, directly or indirectly, to acquire or refinance the acquisition of another business or assets outside the ordinary course of business. None of the proceeds from the Placement or the issue of the Cornerstone Shares will be used to discharge, reduce or retire any indebtedness of our Group.

LISTING EXPENSES

The estimated amount of expenses of the Placement, the issue of the Cornerstone Shares and of the application for listing, including placement commission, brokerage, management fees, audit and legal fees, advertising and printing expenses, fees payable to the SGX-ST and all other incidental expenses in relation to this Placement and the issue of the Cornerstone Shares is approximately S$3.4 million. Such expenses will be borne by us and deducted from the gross proceeds from the Placement and the issue of the Cornerstone Shares.

A breakdown of these estimated expenses is as follows:

Expenses[1]	**Amount in aggregate (S$'000)**	**As a percentage of gross proceeds from the Placement and the issue of the Cornerstone Shares (%)**
Listing and application fees	43	0.4
Professional fees[2]	1,823	19.0
Placement commission and brokerage[3]	226	2.3
Miscellaneous expenses	1,328	13.8
Total	**3,420**	**35.5**

Notes:

(1) Includes GST. Of the total estimated listing expenses of approximately S$3.4 million, approximately S$0.5 million will be capitalised against share capital and the balance of the estimated listing expenses will be charged to profit or loss.

(2) This includes the Sponsor and Issue Manager's fees, audit fees and legal fees.

(3) Pursuant to the Placement Agreement, the Placement Agent agreed to subscribe or procure subscriptions for the Placement Shares and Cornerstone Shares for a commission of 2.2% of the Issue Price for each Placement Share and each Cornerstone Share.

DIVIDEND POLICY

Our Company was incorporated on 11 January 2018 and has not distributed any cash dividend on our Shares since incorporation.

The dividends declared or paid by our subsidiaries during the Period Under Review, and for the period from 1 January 2019 to the Latest Practicable Date (excluding dividends paid to our Company or other subsidiaries within the Group) are as follows:

(a) STG Food Industries Pty Ltd declared and paid interim dividends of A$895,000, A$750,000 and A$500,000 to its then shareholders in FY2016, FY2017 and FY2018 respectively. Subsequent to the Period Under Review, STG Food Industries Pty Ltd declared and paid interim dividends of A$550,000 and A$100,000 to its then shareholders in January 2019 and March 2019 respectively;

(b) Papparich Australia Pty Ltd declared and paid interim dividends of A$975,000, A$750,000, A$500,000 and A$350,000 to its then shareholders in FY2016, FY2017, FY2018 and HY2019 respectively. Subsequent to the Period Under Review, Papparich Australia Pty Ltd declared and paid interim dividends of A$50,000 to its then shareholders in March 2019;

(c) Oldtown QV (Aust) Pty Ltd declared and paid interim dividends of A$100,000, A$400,000, A$450,000 and A$200,000 to its then shareholders in FY2016, FY2017, FY2018 and HY2019 respectively;

(d) Delicious Foodcraft Pty Ltd declared and paid interim dividends of A$290,000, A$176,479 and A$40,000 to its then shareholders in FY2016, FY2017 and HY2019 respectively;

(e) STG Confectionery Pty Ltd declared and paid interim dividends of A$100,000 to its then shareholders in FY2018;

(f) STG Entertainment Pty Ltd declared and paid interim dividends of A$30,000 to its then shareholders subsequent to the Period Under Review, in March 2019; and

(g) STG Food Industries 3 Pty Ltd declared and paid interim dividends of A$100,000 to its then shareholders subsequent to the Period Under Review, in March 2019.

Subject to our Constitution and in accordance with the Companies Act, our Company may declare an annual dividend subject to the approval of our Shareholders in a general meeting but no dividend or distribution shall be declared in excess of the amount recommended by our Directors. Subject to our Constitution and in accordance with the Companies Act, our Directors may also from time to time declare an interim dividend without the approval of our Shareholders. Our Company may pay all dividends out of our profits. For information relating to taxes payable on dividends, please refer to "Appendix F – Taxation" to this Offer Document.

As our Company is a holding company, we depend upon the receipt of dividends and other distributions from our subsidiaries to pay the dividends on the Shares. Any loan agreements entered into by our Group may impose restrictions on our ability to declare dividends. For more information, please refer to the section entitled "Risk Factors – Risks Relating to Investment in our Shares – We may not be able to pay dividends in the future" of this Offer Document. As at the Latest Practicable Date, the terms of the borrowing arrangements of certain of our subsidiaries contain restrictions and/or lenders' consent requirements on the declaration and/or payment of dividends by such subsidiaries, details of which are set out below:

(a) the Business First Term Loan agreement commencing 17 September 2016 for a NZ$200,000 facility entered into between Bank of New Zealand ("**BNZ**") and Gong Cha Limited prohibits

disposing of any property other than in the ordinary course of business for fair value without the prior consent of BNZ. "Disposing" includes "the payment of money (including a distribution by way of dividend)";

(b) the Business First Term Loan agreement commencing 15 May 2017 for a NZ$250,000 facility entered into between BNZ and Gong Cha Limited prohibits disposing of any property other than in the ordinary course of business for fair value without the prior consent of BNZ. "Disposing" includes "the payment of money (including a distribution by way of dividend)";

(c) the Term Loan Facility agreement commencing 6 September 2018 for a NZ$250,000 facility entered into between BNZ and Gong Cha Limited prohibits disposing of any property other than in the ordinary course of business for fair value without the prior consent of BNZ. "Disposing" includes "the payment of money (including a distribution by way of dividend)";

(d) the Overdraft Facility agreement commencing 6 September 2018 for a NZ$50,000 facility entered into between BNZ and Gong Cha Limited prohibits disposing of any property other than in the ordinary course of business for fair value without the prior consent of BNZ. "Disposing" includes "the payment of money (including a distribution by way of dividend)"; and

(e) the Business First Term Loan agreement commencing 23 April 2019 for a NZ$225,000 facility entered into between BNZ and Gong Cha Limited prohibits disposing of any property other than in the ordinary course of business for fair value without the prior consent of BNZ. "Disposing" includes "the payment of money (including a distribution by way of dividend)".

Certain of our shareholders in our subsidiaries have entered into shareholders' agreements which impose certain restrictions or requirements on the distribution of dividends. For more information, please refer to the section entitled "Risk Factors – Risks Relating to Investment in our Shares – We may not be able to pay dividends in the future" of this Offer Document. In particular, the respective shareholders of our subsidiaries, NNC Restaurants Damansara Sdn Bhd and NNC Food Avenue Sdn Bhd (each, a "**Relevant Malaysia Subsidiary**"), have entered into shareholders' agreements whereby they have undertaken to ensure that no declarations of dividends shall be approved unless (a) the Relevant Malaysia Subsidiary has a cumulative profit and positive cash flow generated from its operations and (b) all shareholders' advances have been paid off by the Relevant Malaysia Subsidiary. In addition, pursuant to the shareholders' agreement between Papparich Group Sdn Bhd and STG Food Industries Pty Ltd as the shareholders of Papparich Australia Pty Ltd, Papparich Australia Pty Ltd shall not pay or make any dividend or other distribution or make any distribution out of capital profits or capital reserves without the consent of Papparich Group Sdn Bhd and STG Food Industries Pty Ltd. Please refer to the section entitled "Group Structure" of this Offer Document for further details on the shareholders' agreement between Papparich Group Sdn Bhd and STG Food Industries Pty Ltd. The respective shareholders of our subsidiaries, GC (England) Pte. Ltd. and IPR NZ Limited have also each entered into shareholders' agreements whereby they have agreed that any distribution of profits amongst the shareholders by way of dividend, capitalisation of reserves or otherwise shall not be made without the prior written consent of the directors appointed by our Group.

We currently do not have a fixed dividend policy. The form, frequency and amount of future dividends on our Shares will depend on our actual and projected financial performance, level of our cash and retained earnings, our projected capital expenditure and other investment plans, our working capital requirements and general financing condition, the terms of our borrowing arrangements (if any), plans for expansion and other factors which our Directors may deem appropriate (the "**Dividend Factors**").

DIVIDEND POLICY

All dividends are paid *pro rata* among the Shareholders in proportion to the amount paid up on the Shares, unless the rights attaching to an issue of any Share provides otherwise. Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that Shareholder in respect of that payment.

The amount of dividends declared and paid by us in the past should not be taken as an indication of the dividends payable in the future. No inference shall or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends in any of the periods discussed. There can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future. The form, frequency and amount of future dividends will depend on the Dividend Factors. Payment of dividends shall be made in S$.

Our Company (Registration No. 201801590R) was incorporated in Singapore on 11 January 2018 under the Companies Act as a private company limited by shares under the name of "ST Group Food Industries Holdings Pte Ltd". Our Company was converted into a public limited company and the name of our Company was changed to "ST Group Food Industries Holdings Limited" in connection therewith on 10 June 2019.

As at the date of incorporation, our issued and paid-up share capital was S$100.00 comprising 10,000 Shares of S$0.01. Since the date of our incorporation, we have issued and allotted Shares at various points in time. Please refer to the sections entitled "Restructuring Exercise" and "Shareholders – Pre-IPO Investors" of this Offer Document for further details.

As at the date of this Offer Document, our issued and paid-up ordinary share capital is the aggregate of S$0.4 million and A$47.2 million comprising 209,000,000 Shares.

Pursuant to resolutions passed on 27 March 2018 and 21 May 2018, our Shareholders approved, *inter alia*, the allotment and issue of 4,906,769 Series 1A Preference Shares and 2,330,948 Series 1B Preference Shares in the share capital of our Company pursuant to the Subscription Agreements.

Pursuant to written resolutions passed on 10 June 2019, our Shareholders approved, *inter alia*, the conversion of the Preference Shares in the share capital of our Company to Shares.

Pursuant to written resolutions passed on 10 June 2019 our Shareholders approved, *inter alia*, the following:

(a) the conversion of our Company into a public company limited by shares and the change of our name to "ST Group Food Industries Holdings Limited";

(b) the adoption of a new Constitution;

(c) the sub-division of 60,209,965 Shares in the capital of our Company into 209,000,000 Shares ("**Share Split**");

(d) the allotment and issue of the Placement Shares and the Cornerstone Shares. The Placement Shares and the Cornerstone Shares, when allotted, issued and fully paid-up, will rank *pari passu* in all respects with the existing issued Shares;

(e) the adoption of the ST Group Performance Share Plan (details of which are set out in the section entitled "The ST Group Performance Share Plan" of this Offer Document, and also in "Appendix G – Rules of the ST Group Performance Share Plan" to this Offer Document) and the authorisation of our Directors, pursuant to Section 161 of the Companies Act, to allot and issue Shares upon the vesting of awards granted under the ST Group Performance Share Plan;

(f) the listing and quotation of all the issued Shares (including the Placement Shares to be allotted and issued pursuant to the Placement), the Cornerstone Shares and the Award Shares to be allotted and issued (if any) on Catalist; and

(g) the authorisation for our Directors, pursuant to Section 161 of the Companies Act and by way of ordinary resolution in a general meeting, to:

(A) (i) issue Shares whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued during the continuance of this authority or thereafter, 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; and/or

(iii) notwithstanding that such authority may have ceased to be in force at the time that Instruments are to be issued, issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues,

at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit; and

(B) issue Shares in pursuance of any Instrument made or granted by our Directors pursuant to (A) above, while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution), provided that:

(i) the aggregate number of Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to this authority but excluding Shares which may be issued pursuant to any adjustments ("**Adjustments**") effected under any relevant Instrument, which Adjustment shall be made in compliance with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of our Company, does not exceed 100.0% of our post-Placement issued share capital, excluding treasury shares and subsidiary holdings, and provided further that the aggregate number of Shares to be issued other than on a *pro rata* basis to Shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to such authority but excluding Shares which may be issued pursuant to any Adjustments effected under any relevant Instrument) shall not exceed 50.0% of the post-Placement issued share capital excluding treasury shares and subsidiary holdings;

(ii) in exercising such authority, our Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of our Company; and

(iii) unless revoked or varied by our Company in general meeting by ordinary resolution, the authority so conferred shall continue in force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting of our Company is required by law to be held, whichever is earlier.

For the purpose of this resolution, the "**post-Placement issued share capital**" shall mean the total number of issued Shares of our Company (excluding treasury shares and subsidiary holdings) immediately after the Placement and issue of the Cornerstone Shares, after adjusting for (i) new Shares arising from the conversion or exercise of any convertible securities; (ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time such authority is given, provided

the options or share awards were granted in compliance with the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or sub-division of Shares.

As at the date of this Offer Document, there is only one (1) class of shares in the capital of our Company, being the Shares. A summary of our Constitution relating to, among others, the voting rights of our Shareholders is set out in "Appendix D – Summary of our Constitution" to this Offer Document.

There is no founder, management, deferred or unissued Shares reserved for issuance for any purpose. The Placement Shares and the Cornerstone Shares shall have the same interest and voting rights as our existing Shares that were issued prior to this Placement and there are no restrictions to the free transferability of our Shares except where required by law or the Catalist Rules. Save for the Award Shares which may be granted under the Performance Share Plan, no person has been, or is permitted to be, given an option to subscribe for or purchase any securities of our Company or any of our subsidiaries.

As at the date of this Offer Document, the issued and paid-up share capital of our Company is the aggregate of approximately S$0.4 million and approximately A$47.2 million (equivalent to approximately S$45.4 million based on the exchange rate as at the Latest Practicable Date) comprising 209,000,000 Shares. Upon the allotment and issue of the Placement Shares and the Cornerstone Shares, the resultant issued and paid-up share capital of our Company will be the aggregate of approximately S$9.5 million and approximately A$47.2 million (equivalent to approximately S$54.5 million based on the exchange rate as at the Latest Practicable Date) comprising 246,000,000 Shares, after taking into account the capitalisation of the expenses in relation to the Placement and the issue of the Cornerstone Shares of approximately S$0.5 million.

Details of the changes in the issued and paid-up share capital of our Company since incorporation and the resultant issued and paid-up share capital immediately after the completion of the Placement and the issue of the Cornerstone Shares are as follows:

Purpose	**No of Shares**	**(S$)**[1]
Issued and paid-up capital as at date of incorporation	10,000 Shares	100
Issued and paid-up capital immediately before the Restructuring Exercise	2,080,000 Shares; 4,906,769 Series 1A Preference Shares; 2,330,948 Series 1B Preference Shares	6,986,589
Issued and paid-up capital immediately after the Restructuring Exercise	60,209,965 Shares	45,381,281
Issued and paid-up capital immediately after the Share Split	209,000,000 Shares	45,381,281
Issue of 30,077,000 Placement Shares pursuant to the Placement and 6,923,000 Cornerstone Shares	37,000,000 Shares	9,113,000[2]
Issued and paid-up capital immediately after the completion of the Placement and the issue of the Cornerstone Shares	246,000,000 Shares	54,494,281[2]

Notes:

(1) Based on the exchange rate as at the Latest Practicable Date of A$1:S$0.9529.

(2) This takes into account the capitalisation of estimated listing expenses of approximately S$0.5 million.

The shareholders' equity of our Company as at incorporation, immediately before the Placement and the issue of the Cornerstone Shares, and immediately after the Placement and the issue of the Cornerstone Shares, are set out below:

	As at date of incorporation	Immediately before the Placement and the issue of the Cornerstone Shares	Immediately after the Placement and the issue of the Cornerstone Shares
Issued and paid-up Shares (number of Shares)	10,000	209,000,000	246,000,000
Issued and paid-up capital (S$)	100	45,381,281	54,494,281[(1)]
Shareholders' equity (S$)	100	15,222,493[(2)]	21,422,493[(3)]

Notes:

(1) Adjusted for the net proceeds from the Placement and the issue of the Cornerstone Shares, taking into account the capitalisation of estimated listing expenses of approximately S$0.5 million.

(2) Shareholders' equity based on the unaudited combined statement of financial position of our Group as at 31 December 2018 and the closing exchange rate between A$ and S$ as at 31 December 2018.

(3) Shareholders' equity based on the unaudited combined statement of financial position of our Group as at 31 December 2018 and the closing exchange rate between A$ and S$ as at 31 December 2018, adjusted for the net proceeds from the Placement and the issue of the Cornerstone Shares.

Save as disclosed above and in the section entitled "General Information – Share Capital" of this Offer Document, there were no changes in the issued and paid-up share capital of our Company since incorporation.

Save as set out in this section and in the section entitled "General Information – Share Capital" of this Offer Document, there were no other changes in the issued and paid-up share capital of our Company and our subsidiaries within the three (3) years preceding the Latest Practicable Date.

OWNERSHIP STRUCTURE

Our Directors and Substantial Shareholders and their respective shareholdings immediately before the Placement and the issue of the Cornerstone Shares (as at the date of this Offer Document) and after the Placement and the issue of the Cornerstone Shares are set out as follows:

	Before the Placement and the issue of the Cornerstone Shares				After the Placement and the issue of the Cornerstone Shares			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors								
Mr. Saw Tatt Ghee[(1)(2)(4)]	3,253,300	1.56	75,268,400	36.01	3,253,300	1.32	75,268,400	30.60
Ms. Saw Lee Ping[(1)(3)(4)]	7,175,200	3.43	28,077,800	13.43	7,175,200	2.92	28,077,800	11.41
Mr. Chan Wee Kiang	–	–	–	–	–	–	–	–
Mr. Peter Sim Swee Yam	–	–	–	–	–	–	–	–
Mr. Yap Zhi Chau	–	–	–	–	–	–	–	–
Executive Officers								
Ms. Chin Poh Yeen	–	–	–	–	–	–	–	–
Mr. Leong Weng Yu[(4)(5)]	5,290,400	2.53	20,522,900	9.82	5,290,400	2.15	20,522,900	8.34
Mr. Ng Yee Siang[(4)(6)]	5,859,100	2.80	21,117,800	10.10	5,859,100	2.38	21,117,800	8.58
Mr. Pang Kher Chink[(4)(7)]	5,290,400	2.53	20,678,400	9.89	5,290,400	2.15	20,678,400	8.41
Mr. Tan Tee Ooi[(3)(4)]	6,174,000	2.95	28,077,800	13.43	6,174,000	2.51	28,077,800	11.41
Substantial Shareholders								
STG Investments Pty Ltd[(2)(4)]	57,773,600	27.64	17,494,800	8.37	57,773,600	23.49	17,494,800	7.11
Centurion Equity Pty Limited[(4)]	17,494,800	8.37	–	–	17,494,800	7.11	–	–
Lemy Pty Ltd[(4)(5)]	3,028,100	1.45	17,494,800	8.37	3,028,100	1.23	17,494,800	7.11
YSN Investments Pty Ltd[(4)(6)]	3,623,000	1.73	17,494,800	8.37	3,623,000	1.47	17,494,800	7.11
KCPLP Investments Pty Ltd[(4)(7)]	3,183,600	1.52	17,494,800	8.37	3,183,600	1.29	17,494,800	7.11
Mr. Saw Tatt Jin[(1)(8)]	13,669,800	6.54	3,499,000	1.67	13,669,800	5.56	3,499,000	1.42
Ms. Chua Seok Cheow[(1)(4)(9)]	–	–	22,088,900	10.57	–	–	22,088,900	8.98
Alpine Investments Pty Ltd[(4)(9)]	4,594,100	2.20	17,494,800	8.37	4,594,100	1.87	17,494,800	7.11
Mr. Richard Peter Godwin[(4)(10)]	993,300	0.48	19,833,900	9.49	993,300	0.40	19,833,900	8.06
Ricgo Pty Ltd[(4)(10)]	2,339,100	1.12	17,494,800	8.37	2,339,100	0.95	17,494,800	7.11
Mr. Lee Jian Hui[(4)(11)]	–	–	21,429,600	10.25	–	–	21,429,600	8.71
JL Lee Investments Pty Ltd[(4)(11)]	3,154,200	1.51	17,494,800	8.37	3,154,200	1.28	17,494,800	7.11
Caprice Development (S) Pte. Ltd.[(12)]	15,756,000	7.54	–	–	15,756,000	6.40	–	–
Ms. Chou Geok Lin[(12)]	–	–	15,756,000	7.54	–	–	15,756,000	6.40
Pre-IPO Investors[(13)]	17,686,600	8.46	–	–	17,686,600	7.19	–	–
Cornerstone Investors[(14)]	–	–	–	–	6,923,000	2.81	–	–
Other Shareholders[(15)]	32,661,400	15.63	–	–	32,661,400	13.28	–	–
Public	–	–	–	–	30,077,000	12.23	–	–
Total	**209,000,000**	**100.00**			**246,000,000**	**100.00**		

Notes:

(1) Mr. Saw Tatt Ghee, our Executive Chairman and CEO, Ms. Saw Lee Ping, our Executive Director and CAO, and Mr. Saw Tatt Jin are siblings and Ms. Chua Seok Cheow is their mother. Mr. Saw Tatt Ghee, Ms. Saw Lee Ping and their associates will hold approximately 50.5% of our issued and paid-up share capital immediately after the Placement and the issue of the Cornerstone Shares.

(2) Mr. Saw Tatt Ghee is treated as having an interest in 17,494,800 Shares held by Centurion Equity Pty Limited (please see note 4) and 57,773,600 Shares held by STG Investments Pty Ltd.

Mr. Saw Tatt Ghee is the sole shareholder and director of STG Investments Pty Ltd. STG Investments Pty Ltd holds the Shares as trustee of the Tatt Ghee Saw Family Trust, which is a discretionary trust. The beneficiaries of the Tatt Ghee Saw Family Trust are (a) Mr. Saw Tatt Ghee's spouse, Ms. Lee Siow Mei, (b) her children, which includes Ms. Emily Saw Zi Yi and Ms. Kaylee Saw Zi Yen, her spouse, Mr. Saw Tatt Ghee, and her parents, siblings and grandchildren, (c) spouses, children and grandchildren of the beneficiaries in (b), (d) any trustee of a trust which the beneficiaries in (a) and (b) have an interest in, (e) any entity which the beneficiaries in (a) and (b) or the trustee in (d) owns or holds, (f) any person or entity nominated by the appointor, and (g) any charity. The appointor of the Tatt Ghee Saw Family Trust is Mr. Saw Tatt Ghee, who has the power to, *inter alia*, remove and appoint a new trustee. The settlor of the trust is Mr. Saw Kee Guan, an unrelated third party, who is not entitled to any benefit under the trust. Mr. Saw Tatt Ghee holds the entire issued and paid-up share capital of STG Investments Pty Ltd. By virtue of Section 4 of the SFA, the beneficiaries of the Tatt Ghee Saw Family Trust are treated as having an interest in the Shares held by STG Investments Pty Ltd.

(3) Ms. Saw Lee Ping is treated as having an interest in 17,494,800 Shares held by Centurion Equity Pty Limited (please see note 4) and 10,583,000 Shares held by Tan & Saw Investments Pty Ltd.

Ms. Saw Lee Ping is the director and holds 50% of the issued and paid-up share capital of Tan & Saw Investments Pty Ltd. The remainder of the issued and paid-up share capital of Tan & Saw Investments Pty Ltd is held by her spouse, Mr. Tan Tee Ooi, who is an Executive Officer. Tan & Saw Investments Pty Ltd is the trustee of the Tan & Saw Family Trust. The Tan & Saw Family Trust is a discretionary trust of which the named beneficiaries are Ms. Saw Lee Ping, Mr. Tan Tee Ooi and their children, Ms. Tan Xin Tian and Mr. Tan Jet Young. The beneficiaries have no entitlement to any part of the trust fund, and the trustee has the absolute discretion to distribute the income of the trust fund to the beneficiaries. The appointor of the trust is Ms. Saw Lee Ping, who has the power to, *inter alia*, remove and appoint a new trustee. The settlor of the trust is Mr. Saw Kee Guan, an unrelated third party, who is not entitled to any benefit under the trust. By virtue of Section 4 of the SFA, the beneficiaries of the Tan & Saw Family Trust are treated as having an interest in the Shares held by Tan & Saw Investments Pty Ltd.

(4) Mr. Saw Tatt Ghee is the sole director and holds the entire issued and paid-up share capital of Centurion Equity Pty Limited. Centurion Equity Pty Limited is the trustee of the Centurion Equity Trust, which is a fixed unit trust, and holds the Shares on trust for the unitholders.

The unitholders of the Centurion Equity Trust are (a) STG Investments Pty Ltd (as trustee for the Tatt Ghee Saw Family Trust) which holds 51% of the units, (b) Ms. Saw Lee Ping (as trustee for the Tian & Young Family Trust) which holds 19% of the units, (c) Ricgo Pty Ltd which holds 6% of the units, (d) JL Lee Investments Pty Ltd which holds 5% of the units, (e) KCPLP Investments Pty Ltd which holds 6% of the units, (f) Lemy Pty Ltd which holds 6% of the units, (g) YSN Investments Pty Ltd which holds 6% of the units, and (h) Alpine Investments Pty Ltd which holds 1% of the units. By virtue of Section 4 of the SFA, the unitholders of the Centurion Equity Trust are treated as having an interest in the Shares held by Centurion Equity Pty Limited.

Ms. Saw Lee Ping holds the units in Centurion Equity Trust as trustee for the Tian & Young Family Trust. The settlor of the Tian & Young Family Trust is Mr. Tan Tee Ooi, her spouse, and the beneficiaries are (a) the *corpus beneficiaries*, which comprise Ms. Saw Lee Ping and her children, Ms. Tan Xin Tian and Mr. Tan Jet Young, (b) the related beneficiaries of the *corpus beneficiaries*, which includes her spouse, Mr. Tan Tee Ooi, (c) any company which the beneficiaries in (b) is a shareholder or director of, and (d) any trust of which the beneficiaries in (b) or the company in (c) is entitled to a benefit under. Accordingly, by virtue of Section 4 of the SFA, the beneficiaries of the Tian & Young Family Trust are treated as having an interest in the units of Centurion Equity Trust held by Ms. Saw Lee Ping.

(5) Mr. Leong Weng Yu is treated as having an interest in 17,494,800 Shares held by Centurion Equity Pty Limited (please see note 4) and 3,028,100 Shares held by Lemy Pty Ltd.

Mr. Leong Weng Yu is the sole director and holds the entire issued and paid-up share capital of Lemy Pty Ltd. Lemy Pty Ltd is the trustee of the Gnoel Trust, which is a discretionary trust. Mr. Leong Weng Yu is the sole named beneficiary under the trust, and the classes of eligible beneficiaries include, *inter alia*, (a) parents, spouse, children, grandchildren, siblings of Mr. Leong Weng Yu, (b) schools, universities, colleges and other educational bodies within or outside Australia, (c) companies of which the beneficiaries are a shareholder of, and (d) trustees of any trust in which the beneficiaries have an interest. The appointor of the trust is Mr. Leong Weng Yu, who has the power to, *inter alia*, remove and appoint a new trustee. The settlor of the trust is Mr. Kasem Ozaferovic, an unrelated third party who is not entitled to any benefit under the trust. By virtue of Section 4 of the SFA, the beneficiaries of the Gnoel Trust are treated as having an interest in the Shares held by Lemy Pty Ltd.

(6) Mr. Ng Yee Siang is treated as having an interest in 17,494,800 Shares held by Centurion Equity Pty Limited (please see note 4) and 3,623,000 Shares held by YSN Investments Pty Ltd.

Mr. Ng Yee Siang is the sole director and holds the entire issued and paid-up share capital of YSN Investments Pty Ltd. YSN Investments Pty Ltd is the trustee of the Ng Family Trust, which is a discretionary trust. The primary beneficiaries of the trust are Mr. Ng Yee Siang and Ms. Yi Han ("**Primary Beneficiaries**"), and the general beneficiaries include, *inter alia*, (a) the parents, siblings, spouse, grandparents and any descendant of the Primary Beneficiaries, (b) any educational body which a beneficiary attends or has attended, (c) any company in which a beneficiary has a shareholding interest, (d) any other trust under which a beneficiary is a beneficiary, and (e) any charity or religious body nominated by the trustee. The initial appointor of the trust is Mr. Ng Yee Siang, who has the power to, *inter alia*, remove and appoint a new trustee. The settlor of the trust is Mr. Saw Kee Guan, an unrelated third party, who is not entitled to any benefit under the trust. By virtue of Section 4 of the SFA, the beneficiaries of the Ng Family Trust are treated as having an interest in the Shares held by YSN Investments Pty Ltd.

(7) Mr. Pang Kher Chink is treated as having an interest in 17,494,800 Shares held by Centurion Equity Pty Limited (please see note 4) and 3,183,600 Shares held by KCPLP Investments Pty Ltd.

Mr. Pang Kher Chink is the sole director and holds the entire issued and paid-up share capital of KCPLP Investments Pty Ltd. KCPLP Investments Pty Ltd is the trustee of the KCPLP Family Trust, which is a discretionary trust. The beneficiaries under the trust include, *inter alia*, the primary beneficiaries, comprising Mr. Pang Kher Chink and his spouse, Ms. Thanh Ngoc Le Pang ("**Specified Beneficiaries**") and the classes of eligible beneficiaries include, *inter alia*, (a) parents, spouse, children, grandchildren, siblings of the Specified Beneficiaries, (b) schools, universities, colleges and other educational bodies within or outside Australia, (c) companies of which the beneficiaries are a shareholder of, and (d) trustees of any trust which the beneficiary has an interest. The appointor of the trust is Mr. Pang Kher Chink, who has the power to, *inter alia*, remove and appoint a new trustee. The settlor of the trust is Mr. Saw Kee Guan, an unrelated third party who is not entitled to any benefit under the trust. By virtue of Section 4 of the SFA, the beneficiaries of the KCPLP Family Trust are treated as having an interest in the Shares held by KCPLP Investments Pty Ltd.

(8) Mr. Saw Tatt Jin is treated as having an interest in 3,499,000 Shares held by Huizhet Investment Pty Ltd.

Mr. Saw Tatt Jin is one of our employees. He is a director and holds 25% of the entire issued and paid-up share capital of Huizhet Investment Pty Ltd. The remaining shares are held by his spouse, Ms. Lim Sze Nam, who is also a director of Huizhet Investment Pty Ltd, and his children, Mr. Saw Ken Hui and Mr. Saw Ken Zhet in equal proportions. Huizhet Investment Pty Ltd is the trustee for the HZ Family Trust, which is a direct lineal relatives trust. The named beneficiaries are Mr. Saw Tatt Jin, Ms. Lim Tze Nam, Mr. Saw Ken Hui and Mr. Saw Ken Zhet ("**Named Beneficiaries**"), and the classes of eligible beneficiaries include the parents, children, grandchildren of the Named Beneficiaries. The appointor of the trust is Mr. Saw Tatt Jin, who has the power to, *inter alia*, remove and appoint a new trustee. The settlor of the trust is Mr. Saw Kee Guan, an unrelated third party, who is not entitled to any benefit under the trust. By virtue of Section 4 of the SFA, the beneficiaries of the HZ Family Trust are treated as having an interest in the Shares held by Huizhet Investment Pty Ltd.

(9) Ms. Chua Seok Cheow is treated as having an interest in 17,494,800 Shares held by Centurion Equity Pty Limited (please see note 4) and 4,594,100 Shares held by Alpine Investments Pty Ltd.

Ms. Chua Seok Cheow is a director and holds all the issued and paid-up share capital of Alpine Investments Pty Ltd. By virtue of Section 4 of the SFA, Ms. Chua Seok Cheow is treated as having an interest in the Shares held by Alpine Investments Pty Ltd.

(10) Mr. Richard Peter Godwin, one of our employees, is treated as having an interest in 17,494,800 Shares held by Centurion Equity Pty Limited (please see note 4) and 2,339,100 Shares held by Ricgo Pty Ltd.

Mr. Richard Peter Godwin is a director and holds all the issued and paid-up share capital of Ricgo Pty Ltd. By virtue of Section 4 of the SFA, Mr. Richard Peter Godwin is treated as having an interest in the Shares held by Ricgo Pty Ltd.

(11) Mr. Lee Jian Hui, one of our employees, is treated as having an interest in 17,494,800 Shares held by Centurion Equity Pty Limited (please see note 4), 3,154,200 Shares held by JL Lee Investments Pty Ltd and 780,600 Shares held by Jp In Enterprise Pty Ltd.

Mr. Lee Jian Hui is a director and holds 51% of the entire issued and paid-up share capital of JL Lee Investments Pty Ltd. The remaining shares are held by Ms. Tsang Ting Chi, his spouse, who is also a director. JL Lee Investments Pty Ltd is the trustee of the JL Lee Family Trust set up which is a discretionary trust of which the named beneficiaries are Mr. Lee Jian Hui and Ms. Tsang Ting Chi. The appointors of the trust are Mr. Lee Jian Hui and Ms. Tsang Ting Chi, and have the power to, *inter alia*, remove the trustee and appoint a new one. The settlor of the trust is Siaw Kong, an unrelated third party who is not entitled to any benefit under the trust. By virtue of Section 4 of the SFA, the beneficiaries of the JL Lee Family Trust are treated as having an interest in the Shares held by JL Lee Investments Pty Ltd.

Mr. Lee Jian Hui is also a director and holds 50% of the entire issued and paid-up share capital of Jp In Enterprise Pty Ltd. The remaining 50% of the issued and paid-up share capital of Jp In Enterprise Pty Ltd is held by Mr. Chu

Weng Poh, who is not related to any of our Directors, Substantial Shareholders, Executive Officers and/or their associates. By virtue of Section 4 of the SFA, Mr. Lee Jian Hui is treated as having an interest in the Shares held by Jp In Enterprise Pty Ltd.

(12) Ms. Chou Geok Lin is the director and sole shareholder of Caprice Development (S) Pte. Ltd.. Ms. Chou Geok Lin is not related to any of our Directors, our other Substantial Shareholders, Executive Officers and/or their associates. By virtue of Section 4 of the SFA, Ms. Chou Geok Lin is treated as having an interest in the Shares held by Caprice Development (S) Pte. Ltd..

(13) Comprising the Pre-IPO Investors excluding Alpine Investments Pty Ltd and Caprice Development (S) Pte. Ltd., which are Substantial Shareholders. Save for Alpine Investments Pty Ltd and Caprice Development (S) Pte. Ltd., none of the Pre-IPO Investors has an interest, direct or indirect, in 5.0% or more of the share capital of our Company immediately after the Placement and the issue of the Cornerstone Shares. Please refer to the section entitled "Shareholders – Pre-IPO Investors" of this Offer Document for further information.

(14) None of the Cornerstone Investors will hold 5.0% or more of the Shares in our Company immediately after the Placement and the issue of the Cornerstone Shares.

(15) None of such Shareholders has an interest, direct or indirect, in 5.0% or more of the Shares in our Company immediately after the Placement and the issue of the Cornerstone Shares.

Save as disclosed above and in the section entitled "Directors, Executive Officers and Employees" of this Offer Document, there are no relationships among our Directors, Substantial Shareholders and Executive Officers.

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

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

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

There has been no public take-over offer by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or units of business trust which has occurred between the date of the incorporation of our Company to the Latest Practicable Date.

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

Our Directors are not aware of any arrangement the operation of which may, at a subsequent date, result in a change in control of our Company.

PRE-IPO INVESTORS

Pursuant to the Subscription Agreements, the Pre-IPO Investors subscribed for 4,906,769 Series 1A Preference Shares and 2,330,948 Series 1B Preference Shares for a subscription price of A$1.01 for each Preference Share. The aggregate amount received by our Company from the Pre-IPO Investors under the Subscription Agreements is A$7.3 million, and is intended to be used as, *inter alia,* general working capital. The following table sets out details of each of the Pre-IPO Investors' shareholding immediately following the allotment of the Preference Shares under the Subscription Agreements:

Pre-IPO Investor	**Preference Shares**
Caprice Development (S) Pte. Ltd.	1,503,996 Series 1A Preference Shares and 2,330,948 Series 1B Preference Shares
Multi Ride Pte. Ltd.	2,574,258 Series 1A Preference Shares
Mr. Lim Jet Li	25,000 Series 1A Preference Shares
Butter And Flour Pty Ltd	24,752 Series 1A Preference Shares
Alpine Investments Pty Ltd	148,515 Series 1A Preference Shares
Gaden Investment and Trade Pty Ltd	49,505 Series 1A Preference Shares
MRW Capital Sdn Bhd	346,535 Series 1A Preference Shares
Mr. Howard Leigh	80,000 Series 1A Preference Shares
Mr. Ng Ji Pin	79,208 Series 1A Preference Shares
Ms. Salbiah Binti Shuib	25,000 Series 1A Preference Shares
Mr. Ang Kay Tiong	50,000 Series 1A Preference Shares

The Preference Shares do not carry any voting rights until after the completion of the Restructuring Exercise, whereupon each Preference Share shall be entitled to one (1) vote.

Each Preference Share may be converted into 1.359017 Shares, with the number of Shares to be issued on conversion rounded down to the nearest whole number, upon our Company serving a notice on the relevant Pre-IPO Investors such that the conversion shall take place within two (2) business days from the date of such notice.

On 22 April 2019, Caprice Development (S) Pte. Ltd. transferred 494,960 Series 1A Preference Shares to Mr. Quek Wei Hua for a consideration of A$1.01 per Series 1A Preference Share.

On 22 April 2019, Multi Ride Pte. Ltd. transferred 230,546 Series 1A Preference Shares to Mr. Lim Tze Yen and 999,546 Series 1A Preference Shares to Kaginic Capital Pte. Ltd. both for a consideration of A$1.01 per Series 1A Preference Share.

On 10 June 2019, all the Preference Shares were converted into Shares pursuant to the terms of the Subscription Agreements. The following table sets out details of the number of Preference Shares held by the Pre-IPO Investors as well as the Shares issued to each of the Pre-IPO Investors following the conversion of the Preference Shares.

Pre-IPO Investor	Preference Shares	Number of Shares post-conversion
Caprice Development (S) Pte. Ltd.	1,009,036 Series 1A Preference Shares and 2,330,948 Series 1B Preference Shares	4,539,094
Multi Ride Pte. Ltd.(1)	1,344,166 Series 1A Preference Shares	1,826,744
Kaginic Capital Pte. Ltd.	999,546 Series 1A Preference Shares	1,358,400
Mr. Quek Wei Hua	494,960 Series 1A Preference Shares	672,659
MRW Capital Sdn Bhd	346,535 Series 1A Preference Shares	470,946
Mr. Lim Tze Yen(1)	230,546 Series 1A Preference Shares	313,315
Alpine Investments Pty Ltd(2)	148,515 Series 1A Preference Shares	201,834
Mr. Howard Leigh	80,000 Series 1A Preference Shares	108,721
Mr. Ng Ji Pin	79,208 Series 1A Preference Shares	107,645
Mr. Ang Kay Tiong	50,000 Series 1A Preference Shares	67,950
Gaden Investment and Trade Pty Ltd(3)	49,505 Series 1A Preference Shares	67,278
Mr. Lim Jet Li	25,000 Series 1A Preference Shares	33,975
Ms. Salbiah Binti Shuib	25,000 Series 1A Preference Shares	33,975
Butter And Flour Pty Ltd(4)	24,752 Series 1A Preference Shares	33,638
Total		**9,836,174**

Notes:

(1) Mr. Lim Tze Yen is a shareholder holding 59% of Multi Ride Pte. Ltd.. By virtue of Section 4 of the SFA, Mr. Lim Tze Yen is treated as having an interest in the Shares held by Multi Ride Pte. Ltd..

(2) Ms. Chua Seok Cheow, the mother of our Executive Chairman and CEO, Mr. Saw Tatt Ghee and our Executive Director and CAO, Ms. Saw Lee Ping, holds the entire issued and paid-up share capital of Alpine Investments Pty Ltd. The directors of Alpine Investment Pty Ltd are Mr. Saw Tatt Ghee, Ms. Saw Lee Ping, Mr. Saw Tatt Jin and Ms. Chua Seok Cheow.

(3) Mr. Saw Kee Guan is a director of Gaden Investment and Trade Pty Ltd and is the settlor of the Tatt Ghee Saw Family Trust, the Tan & Saw Family Trust and the HZ Family Trust, and is not entitled to any benefit under the aforementioned trusts in any manner or in any circumstances. Mr. Saw Kee Guan is not related to Mr. Saw Tatt Ghee, Ms. Saw Lee Ping and Mr. Saw Tatt Jin, and does not have any position, office or other material relationship with our Company, our Directors, Substantial Shareholders and/or their associates.

(4) Butter And Flour Pty Ltd is the trustee of the Thickened Sauce Trust, which is a fixed unit trust established by Butter And Flour Pty Ltd for the benefit of its unitholders. The unitholders of the Thickened Sauce Trust are Jarhead Holdings Pty Ltd, as trustee for The Jarhead Trust and Listeners Pty Ltd as trustee for the Le Roux Family Trust, who each hold the units of the trust in equal proportions.

Save as disclosed above and save for their respective interests in the Shares as set out above, none of our Pre-IPO Investors is related to our Company, our Directors, our Substantial Shareholders, Executive Officers and/or their respective associates.

CORNERSTONE INVESTORS

Concurrently but separate from the Placement, the Cornerstone Investors have entered into the Cornerstone Subscription Agreements with our Company to subscribe for the Cornerstone Shares at the Issue Price, conditional upon, among other things, the Placement Agreement having been entered into and not having been terminated on or prior to the Settlement Date.

Details of the Cornerstone Investors are set out below:

Chikaranomoto Global Holdings Pte. Ltd.

Chikaranomoto Global Holdings Pte. Ltd. is a holding company incorporated in Singapore on 1 November 2013. Chikaranomoto Global Holdings Pte. Ltd. is a wholly-owned subsidiary of Chikaranomoto Holdings Co., Ltd., which is listed on the Tokyo Stock Exchange and is the owner of the "IPPUDO" brand. Chikaranomoto Holdings Co., Ltd. is in the business of management, planning and control and other related operations over domestic and overseas subsidiaries which are mainly running Japanese ramen restaurants with the "IPPUDO" brand, as well as eateries with other F&B brands.

Chikaranomoto Holdings Co., Ltd. had entered into the IPPUDO Master Franchise Agreements with our Group in respect of the exclusive rights to the "IPPUDO" brand in New Zealand, Queensland, Australia and Western Australia. Please refer to the section entitled "General Information on our Group – Principal Activities" of this Offer Document for further details.

Chikaranomoto Global Holdings Pte. Ltd. and Chikaranomoto Holdings Co., Ltd. are not related to any of our Directors, Substantial Shareholders, Executive Officers and/or their associates.

Hyein Foods Co., Ltd.

Hyein Foods Co., Ltd. is a private company incorporated in the Republic of Korea on 16 January 2006, with its main office located in Seoul. Hyein Foods Co., Ltd. is the owner of the "NeNe Chicken" brand, which is a Korean fried chicken quick service restaurant chain with restaurants globally, including over 1,000 restaurants in South Korea.

Hyein Foods Co., Ltd. had entered into the NeNe Chicken Licence Agreement and the NeNe Chicken (AUS) Master Franchise Agreement in respect of the exclusive licence and franchise rights (as the case may be) to operate chicken specialty stores or restaurants under the "NeNe Chicken" brand in Malaysia and Australia, respectively. Please refer to the section entitled "General Information on our Group – Principal Activities" of this Offer Document for further details.

Hyein Foods Co., Ltd. is not related to any of our Directors, Substantial Shareholders, Executive Officers and/or their associates.

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

Save as disclosed in the sections entitled "Restructuring Exercise" and "Share Capital" of this Offer Document, there has been no significant changes in the percentage ownership of our Shares from the incorporation of our Company until the Latest Practicable Date.

MORATORIUM

Promoters

Under Rule 422 of the Catalist Rules, (a) our Controlling Shareholders and their associates; and (b) our Executive Directors with interest of 5% or more as at our Company's date of admission to Catalist, namely Mr. Saw Tatt Ghee, STG Investments Pty Ltd, Ms. Saw Lee Ping, Mr. Tan Tee Ooi, Tan & Saw Investments Pty Ltd, Mr. Saw Tatt Jin, Huizhet Investment Pty Ltd, Centurion Equity Pty Limited, Ms. Chua Seok Cheow and Alpine Investments Pty Ltd will be deemed promoters of the Company (collectively, the "**Promoters**").

Mr. Saw Tatt Ghee, STG Investments Pty Ltd, Ms. Saw Lee Ping, Mr. Tan Tee Ooi, Tan & Saw Investments Pty Ltd, Mr. Saw Tatt Jin and Huizhet Investment Pty Ltd

To demonstrate their commitment to the Group, each of Mr. Saw Tatt Ghee, STG Investments Pty Ltd, Ms. Saw Lee Ping, Mr. Tan Tee Ooi, Tan & Saw Investments Pty Ltd, Mr. Saw Tatt Jin and Huizhet Investment Pty Ltd has undertaken to the Sponsor and Issue Manager and Placement Agent and our Company, *inter alia*, that, he/it will not, in respect of the Shares which he/it holds or has an interest in as at the Listing Date ("**Lock-Up Shares**"), from the date commencing on the Listing Date and for a period of six (6) months from the Listing Date (both dates inclusive) ("**Initial Period**"), directly or indirectly:

(a) sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, encumber or otherwise dispose of, any part of his/its Lock-Up Shares;

(b) enter into any agreement, transaction or other arrangement, in whole or in part, (including any swap, hedge or derivative transaction) with a similar effect (economic or otherwise) to the foregoing, whether such transaction is to be settled by delivery of the Lock-Up Shares, in cash or otherwise;

(c) deposit all or any part of his/its effective interest, in the Lock-Up Shares, in any depository receipt facility;

(d) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; and

(e) publicly announce any intention to do any of the above,

(collectively, the "**Restrictions**").

The Restrictions shall apply to all Shares held by the abovementioned Shareholders immediately before the Listing, being 102,127,900 Shares (representing 41.5% of our Company's share capital). Each of the abovementioned Shareholders has also undertaken that the Restrictions shall apply to 50% of the Lock-Up Shares for the next six (6) month period after the Initial Period (the "**Subsequent Period**").

Centurion Equity Pty Limited

Centurion Equity Pty Limited, which acquired its Shares less than 12 months prior to the Listing, has undertaken to the Sponsor and Issue Manager and Placement Agent and our Company that it will comply with the Restrictions in respect of all Shares held by it immediately before the Listing, being 17,494,800 Shares (representing 7.1% of our Company's share capital) for a period of 12 months from the Listing Date (both dates inclusive).

Alpine Investments Pty Ltd

Alpine Investments Pty Ltd, which acquired 700,600 Shares (representing 0.3% of our Company's share capital immediately before the Listing) pursuant to the subscription for and conversion of Preference Shares (the "**Alpine Pre-IPO Shares**"), has undertaken to the Sponsor and Issue Manager and Placement Agent and our Company to comply with the Restrictions in respect of all Alpine Pre-IPO Shares for the Initial Period. Alpine Investments Pty Ltd has also undertaken to comply with the Restrictions in respect of the higher of (a) 50% of the Alpine Pre-IPO Shares, or (b) the profit portion of the Alpine Pre-IPO Shares, pursuant to Rule 422(2) of the Catalist Rules (calculated based on the formula set out below), for the Subsequent Period.

$$M = \frac{V_{IPO} - V_{CP}}{V_{IPO}} X P$$

Where:

M = the number of Alpine Pre-IPO Shares subject to moratorium, rounded up to the nearest whole number (Alpine Investments' "**Profit Portion**");

V_{IPO} = the value of the Alpine Pre-IPO Shares based on the Issue Price;

V_{CP} = the total cash paid by Alpine Investments Pty Ltd as consideration for its subscription of Preference Shares; and

P = the total number of Alpine Pre-IPO Shares acquired by Alpine Investments Pty Ltd pursuant to the conversion of the Preference Shares.

The Profit Portion calculated in accordance with the formula above and the Alpine Pre-IPO Shares (adjusted for the Share Split) to be moratorised is as follows:

Profit Portion (calculated in accordance with the formula above)	Alpine Pre-IPO Shares to be moratorised for the Initial Period	Alpine Pre-IPO Shares to be moratorised for the Subsequent Period
118,484	700,600	350,300

In respect of the remaining Shares held by Alpine Investments Pty Ltd, being 3,893,500 Shares (representing 1.6% of our Company's share capital immediately before the Listing), Alpine Investments Pty Ltd has undertaken to the Sponsor and Issue Manager and Placement Agent and our Company to comply with the Restrictions in respect of all such Shares for the Initial Period. Alpine Investments Pty Ltd has also undertaken to comply with the Restrictions in respect of 50% of such Shares for the Subsequent Period.

Indirect Shareholdings and Effective Interest of the Promoters

In addition, (1) Mr. Saw Tatt Ghee, as the sole shareholder of STG Investments Pty Ltd and Centurion Equity Pty Limited, (2) Ms. Saw Lee Ping and Mr. Tan Tee Ooi, as the shareholders of Tan & Saw Investments Pty Ltd, (3) Mr. Saw Tatt Jin, as a 25% shareholder of Huizhet Investment Pty Ltd and (4) Ms. Chua Seok Cheow, as the sole shareholder of Alpine Investments Pty Ltd have also each undertaken to the Sponsor and Issue Manager and Placement Agent and our Company that they will:

(a) comply with the Restrictions which shall *mutatis mutandis* apply in respect of all their respective interests in the share capital of STG Investments Pty Ltd, Centurion Equity Pty Limited, Tan & Saw Investments Pty Ltd, Huizhet Investment Pty Ltd and Alpine Investments Pty Ltd (as the case may be) ("**Relevant Companies**") for a period of 12 months from the Listing Date (both dates inclusive); and

(b) procure that the Relevant Companies comply with the Restrictions set out in their respective undertakings.

STG Investments Pty Ltd, Ms. Saw Lee Ping and Alpine Investments Pty Ltd, as the unitholders of the Centurion Equity Trust, have also each undertaken to the Sponsor and Issue Manager and Placement Agent and our Company that they will comply with the Restrictions which shall *mutatis mutandis* apply in respect of all their respective interests in Centurion Equity Trust for a period of 12 months from the Listing Date (both dates inclusive).

Pre-IPO Investors

Each of the Pre-IPO Investors (save for Alpine Investments Pty Ltd), has undertaken to the Sponsor and Issue Manager and Placement Agent and our Company to comply with the Restrictions in respect of the profit portion of their Shares that such Pre-IPO Investor holds immediately before the Listing, pursuant to Rule 422(2) of the Catalist Rules (calculated based on the formula set out below), for a period of 12 months from the Listing Date (both dates inclusive).

$$M = \frac{V_{IPO}-V_{CP}}{V_{IPO}} \times P$$

Where:

M = the number of Shares subject to moratorium, rounded up to the nearest whole number (the Pre-IPO Investor's "**Profit Portion**");

V_{IPO} = the value of the Pre-IPO Investor's Shares based on the Issue Price;

V_{CP} = the total cash paid by the Pre-IPO Investor as consideration for his/its subscription of Shares or Preference Shares (as the case may be); and

P = the total number of Shares acquired by the Pre-IPO Investor.

For the avoidance of doubt, any Shares that each of the Pre-IPO Investors acquires and/or subscribes for on or after the Listing shall not be subject to the Restrictions.

The Profit Portion of each of the Pre-IPO Investors (adjusted for the Share Split) is as follows:

Pre-IPO Investor	Profit Portion (Number of Shares)
Multi Ride Pte. Ltd.	1,072,438
Lim Tze Yen	183,958
Kaginic Capital Pte. Ltd.	797,503
Caprice Development (S) Pte. Ltd.	2,664,676
Quek Wei Hua	394,867
MRW Capital Sdn Bhd	276,430
Gaden Investment and Trade Pty Ltd	39,462
Howard Leigh	63,834
Ng Ji Pin	63,239
Ang Kay Tiong	39,922
Salbiah Binti Shuib	19,911
Lim Jet Li	19,911
Butter And Flour Pty Ltd	19,783

Creative Fox Pty Ltd

Creative Fox Pty Ltd, which acquired 4,428,900 Shares (representing 1.8% of our Company's share capital immediately before the Listing) less than 12 months prior to the Listing (the "**Creative Fox Shares**"), has undertaken to the Sponsor and Issue Manager and Placement Agent and our Company to comply with the Restrictions in respect of the following:

(a) for the Initial Period, the higher of (i) 80% of the Creative Fox Shares, or (ii) the profit portion of the Creative Fox Shares, pursuant to Rule 422(2) of the Catalist Rules (calculated based on the formula set out below) (the "**Profit Portion**"); and

(b) for the Subsequent Period, the higher of (i) 50% of the Creative Fox Shares, or (ii) the Profit Portion.

$$M = \frac{V_{IPO}-V_{CP}}{V_{IPO}} \times P$$

Where:

M = the number of Shares subject to moratorium, rounded up to the nearest whole number;

V_{IPO} = the value of the Shares based on the Issue Price;

V_{CP} = the total cash paid by Creative Fox Pty Ltd as consideration for its subscription of Shares; and

P = the total number of Shares acquired by Creative Fox Pty Ltd.

The Profit Portion calculated in accordance with the formula above and the Creative Fox Shares (adjusted for the Share Split) to be moratorised is as follows:

Profit Portion (calculated in accordance with the formula above)	Creative Fox Shares to be moratorised for the Initial Period	Creative Fox Shares to be moratorised for the Subsequent Period
1,396,523	3,543,120	2,214,450

Employees and other Shareholders

To demonstrate their commitment to the Group, the following employees and/or Shareholders (together with the entities through which they hold Shares in the Company) who had acquired their Shares pursuant to the Restructuring Exercise ("**Other Shareholders**") have each voluntarily undertaken to the Sponsor and Issue Manager and Placement Agent and our Company to comply with the Restrictions in respect of their respective shareholdings in the share capital of our Company. The total number of Shares held by the Other Shareholders which will be moratorised are as follows:

Other Shareholders	Number of Shares immediately after the Placement and the issue of the Cornerstone Shares	Percentage of share capital immediately after the Placement and the issue of the Cornerstone Shares (%)
Ng Yee Siang	5,859,100	2.38
YSN Investments Pty Ltd	3,623,000	1.47
Leong Weng Yu	5,290,400	2.15
Lemy Pty Ltd	3,028,100	1.23
Pang Kher Chink	5,290,400	2.15
KCPLP Investments Pty Ltd	3,183,600	1.29
Chee Chow Wei	694,800	0.28
Chew Hing Ling and Xiao Fang Wu (in their capacity as trustee for the Ling Family Trust)	2,293,700	0.93
Fortune Infinity Pty Ltd	2,737,400	1.11
Yohanes Prayitno	139,500	0.06
Richard Peter Godwin	993,300	0.40
Ricgo Pty Ltd	2,339,100	0.95
JL Lee Investments Pty Ltd	3,154,200	1.28
Benjamin Cheong Ming Hon	247,100	0.10
Jason Leong Jia Wai	70,600	0.03
Daphne Chin Ying Mun	168,200	0.07
JL88 Pty Ltd	378,900	0.15

Other Shareholders	Number of Shares immediately after the Placement and the issue of the Cornerstone Shares	Percentage of share capital immediately after the Placement and the issue of the Cornerstone Shares (%)
Jp In Enterprise Pty Ltd	780,600	0.32
Lee Sook Yee	547,300	0.22
Liaw Shing Jian	910,600	0.37
RCC Capital Sdn Bhd	651,300	0.26

The Restrictions shall apply to all Shares held by the Other Shareholders immediately before the Listing, being 42,381,200 Shares (representing 17.2% of our Company's share capital) for the Initial Period. The Restrictions shall apply to 50% of the Shares held by the Other Shareholders immediately before the Listing, for the Subsequent Period.

The information in this table should be read in conjunction with the sections entitled "Use of Proceeds and Listing Expenses" and "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document and our financial statements and the notes thereto included in this Offer Document.

The following table sets out our cash and cash equivalents, capitalisation and indebtedness as at 30 April 2019 which have been prepared:

(a) based on our unaudited combined management accounts as at 30 April 2019; and

(b) as adjusted for the issue of the Placement Shares and the Cornerstone Shares at the Issue Price and the application of the net proceeds due to us from the Placement and the issue of the Cornerstone Shares in the manner described in the section entitled "Use of Proceeds and Listing Expenses" of this Offer Document.

	As at 30 April 2019	
(A$'000)	**Actual**	**As adjusted[(1)(2)]**
Cash and cash equivalents	4,901	11,407
Current Indebtedness		
Secured and guaranteed	1,122	1,122
Secured and non-guaranteed	–	–
Unsecured and guaranteed	–	–
Unsecured and non-guaranteed	–	–
Non-Current Indebtedness		
Secured and guaranteed	1,636	1,636
Secured and non-guaranteed	–	–
Unsecured and guaranteed	–	–
Unsecured and non-guaranteed	–	–
Total indebtedness	2,758	2,758
Total equity	15,828	22,334
Total capitalisation and indebtedness	18,586	25,092

Notes:

(1) Based on the exchange rate between A$ and S$ as at the Latest Practicable Date.

(2) Adjusted to reflect the issue of 30,077,000 Placement Shares and 6,923,000 Cornerstone Shares at the Issue Price and the application of our net proceeds from the Placement and the issue of the Cornerstone Shares in the manner described in the section entitled "Use of Proceeds and Listing Expenses" of this Offer Document.

As at the Latest Practicable Date, there were no material changes to our total capitalisation and indebtedness as disclosed above, save for scheduled repayments on our bank borrowings, changes in our working capital and reserves arising from our day-to-day operations in the ordinary course of business.

Bank Facilities

As at 30 April 2019, our Group's bank facilities (utilised and unutilised) amounted to an aggregate of approximately A$3.14 million and were as follows:

Name of Borrower	Name of Bank	Type of facility	Amount of facilities granted	Amount utilised	Amount unutilised	Interest rate/ Repayment terms	Maturity profile
			('000)	('000)	('000)		
NNC F&B Restaurants Sdn Bhd	United Overseas Bank (Malaysia) Berhad	Multi-Option Loan	RM1,500.00	RM1,200.00	RM300.00	0.50% per annum over the bank's base lending rate on monthly rests	48 months from 1 March 2019
Papparich Central (Melbourne) Pty Ltd	Westpac Banking Corporation	Commercial Loan	A$138.93	A$138.93	–	A$2,654 each month for 60 months	23 June 2020
Papparich Central (Melbourne) Pty Ltd	Westpac Banking Corporation	Commercial Loan	A$341.55	A$341.55	–	A$6,523 each month for 60 months	20 July 2020
PPR Co Outlets Pty Ltd	Westpac Banking Corporation	Commercial Loan	A$156.43	A$156.43	–	A$2,977 each month for 60 months	31 April 2022
JCT (Chadstone) Pty Ltd	Westpac Banking Corporation	Commercial Loan	A$38.79	A$38.79	–	A$735 each month for 60 months	7 January 2022
HBCT Co Outlets Pty Ltd	Westpac Banking Corporation	Commercial Loan	A$134.30	A$134.30	–	A$2,545 each month for 60 months	7 December 2021
HBCT (Aust) Pty Ltd	Westpac Banking Corporation	Commercial Loan	A$144.67	A$144.67	–	A$2,741 each month for 60 months	8 December 2021
HBCT (Aust) Pty Ltd	Westpac Banking Corporation	Commercial Loan	A$61.17	A$61.17	–	A$1,161 each month for 60 months	23 February 2022
HBCT (Aust) Pty Ltd	Westpac Banking Corporation	Commercial Loan	A$111.45	A$111.45	–	A$2,136 each month for 60 months	14 January 2023
JCT (Doncaster) Pty Ltd	Westpac Banking Corporation	Commercial Loan	A$79.46	A$79.46	–	A$1,843 each month for 48 months	10 June 2021
HBCT (NSW) Co Pty Ltd	Westpac Banking Corporation	Commercial Loan	A$40.04	A$40.04	–	A$1,206 each month for 36 months	14 June 2020
HBCT (NSW) Co Pty Ltd	Westpac Banking Corporation	Commercial Loan	A$67.34	A$67.34	–	A$1,562 each month for 48 months	14 May 2021
JCT Queensland Pty Ltd	Westpac Banking Corporation	Commercial Loan	A$36.67	A$36.67	–	A$853 each month for 48 months	27 November 2021

Name of Borrower	Name of Bank	Type of facility	Amount of facilities granted	Amount utilised	Amount unutilised	Interest rate/ Repayment terms	Maturity profile
			('000)	('000)	('000)		
Pafu Co Outlets Pty Ltd	Westpac Banking Corporation	Commercial Loan	A$36.02	A$36.02	–	A$1,086 each month for 36 months	13 January 2021
IPR (WA) Pty Ltd	Westpac Banking Corporation	Commercial Loan	A$278.49	A$278.49	–	A$5,326 each month for 60 months	23 February 2023
Papparich Central (Melbourne) Pty Ltd	Westpac Banking Corporation	Commercial Loan Agreement	A$48.65	A$48.65	–	A$928 each month for 60 months	April 2023
Pafu Co Outlets Pty Ltd	Westpac Banking Corporation	Commercial Loan Agreement	A$63.15	A$63.15	–	A$1,468 each month for 48 months	12 September 2022
Malaysian Fine Foods Pty Ltd	Westpac Banking Corporation	Commercial Loan Agreement	A$110.58	A$110.58	–	A$2,574 each month for 48 months	21 May 2022
Pafu Co Outlets Pty Ltd	Westpac Banking Corporation	Commercial Loan Agreement	A$49.00	A$49.00	–	A$1,477 each month for 36 months	18 May 2021
Malaysian Fine Foods Pty Ltd	Westpac Banking Corporation	Commercial Loan Agreement	A$218.81	A$218.81	–	A$5,073 each month for 48 months	September 2022
Papparich Central (Melbourne) Pty Ltd	Westpac Banking Corporation	Overdraft Facility	A$200.00	A$197.8	A$2.2	7.330% (base rate and variable with interest charged monthly)	Revolving
Papparich Australia Pty Ltd	Westpac Banking Corporation	Commercial Loan	A$500.00	A$500.00	–	A$15,288 per month with a term of 3 years	3 years
HBCT (NSW) Co Pty Ltd	A.C.N. 603 303 126 Pty Ltd	Equipment Lease	A$59.38	A$59.38	–	A$326.25 per week for a 48 month term	15 December 2020
Gong Cha Limited	Bank of New Zealand	Business First Term Loan	NZ$200.00	NZ$200.00	–	The Interest Rate is the rate quoted by the Lender and as agreed by the Borrower ("**Effective Rate**"). The Effective Rate is 6.88% per annum for the four-year period. The Effective Rate will vary depending upon the interest period that is agreed between the parties to apply in respect of a facility.	27 September 2020

Name of Borrower	Name of Bank	Type of facility	Amount of facilities granted	Amount utilised	Amount unutilised	Interest rate/ Repayment terms	Maturity profile
			('000)	('000)	('000)		
Gong Cha Limited	Bank of New Zealand	Business First Term Loan	NZ$250.00	NZ$250.00	–	The Effective Rate is 6.79% per annum for 90-day interest period. The Effective Rate will vary depending upon the interest period that is agreed between the parties to apply in respect of a facility.	23 May 2022
Gong Cha Limited	Bank of New Zealand	Term Loan Facility	NZ$250.00	NZ$250.00	–	6.68% per annum	6 September 2022
Gong Cha Limited	Bank of New Zealand	Overdraft Facility	NZ$50.00	NZ$3.13	NZ$46.87	Aggregate of the Base Rate and the Margin. Base Rate means the prevailing interest rate for Business First Overdraft Prime Rate currently 10.45% per annum as determined by the lender. Margin means less 0.5% per annum	On demand
Gong Cha Limited	Bank of New Zealand	Business First Term Loan	NZ$225.00	–	NZ$225.00	6.4% per annum for the first 4 years and variable rate to be notified by the lender for the fifth year	5 years from the drawdown date

The securities in relation to the above facilities include, *inter alia*, general security over all assets of the borrowing entity, goods security, legal charge on fixed deposits, corporate guarantees and guarantees provided by certain Directors.

A number of our facilities are used for, *inter alia*, financing the renovation and fitting-out of our outlets and the purchase of equipment and motor vehicles for our outlets and Central Kitchen.

Most of the facilities granted to our Group contain covenants that include, *inter alia*, restrictions on changes in shareholding of our subsidiaries who are the borrowers under the respective facilities, or the constitutive documents of such subsidiaries. In particular, our facilities with Westpac Banking Corporation contain restrictions on a substantial change (direct or indirect) in the management, ownership or control of the borrower, in Westpac Banking Corporation's reasonable opinion. Our facilities with Bank of New Zealand contain restrictions on a change in the shareholding which would result in a change in the effective control of JCT Auckland Limited, Gong Cha Limited or GCHA (NZ) Pty Ltd, the holding company of Gong Cha Limited. Our facility with United Overseas Bank (Malaysia) Berhad contains restrictions on a change in shareholding structure of the borrower, NNC F&B Restaurants Sdn Bhd, as well as a change in its constitutive

documents. Save for the aforesaid general restrictions on changes in shareholding of our subsidiaries, the terms and conditions of our facilities do not specifically relate to the shareholding interests of any of our Directors and Controlling Shareholders.

Our facilities with Bank of New Zealand also prohibit us from disposing, which includes the payment of money (including a distribution by way of dividend), of any property other than in the ordinary course of business for fair value without the prior consent of the Bank of New Zealand. Please refer to the section entitled "Dividend Policy" of this Offer Document for further details.

To the best of our Directors' knowledge, we are not in breach of any term and condition or covenant associated with any bank borrowing or our financial arrangements which could materially affect our financial condition and results or business operations, or the investments of our Shareholders.

Pursuant to Rule 728 of the Catalist Rules, STG Investments Pty Ltd and Mr. Saw Tatt Ghee, being our Controlling Shareholders, have provided undertakings to our Company that they will notify our Company as soon as they become aware of any share pledging arrangements relating to their respective Shares and of any event which may result in a breach of our Group's loan provisions. Upon notification by any of the Controlling Shareholders, our Company will make the necessary announcement(s) in compliance with Rule 728 of the Catalist Rules.

In the event that any Group company enters into a loan agreement or issues debt securities that contain a condition making reference to shareholding interests of any Controlling Shareholder, or place restrictions on any change in control of our Group, and the breach of this condition or restriction will cause a default in respect of the loan agreement or debt securities which will significantly affect the operations of our Company, we will make the announcement in accordance with Rule 704(33) of the Catalist Rules on (a) the details of the condition(s) making reference to such shareholding interests of such Controlling Shareholder or (b) restrictions placed on any change in control of our Company and the aggregate level of our Group's facilities that may be affected by breach of such condition or restriction.

Save as disclosed above and in the sections entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – Liquidity and Capital Resources" and "Interested Person Transactions" of this Offer Document, as at the Latest Practicable Date, our Group does not have any committed credit facilities or material unused sources of liquidity.

DILUTION

Dilution is the amount by which the Issue Price paid by subscribers of our Placement Shares in this Placement ("**New Investors**") exceeds our NAV per Share immediately after the completion of the Placement and the issue of the Cornerstone Shares. The NAV of our Group as at 31 December 2018, before adjusting for the net proceeds from the issue of the Placement Shares and the Cornerstone Shares and based on our Company's share capital immediately before the Placement and the issue of the Cornerstone Shares of 209,000,000 Shares, was 6.1 cents per Share (based on the closing exchange rate between A$ and S$ as at 31 December 2018).

Based on the issue of 30,077,000 Placement Shares and 6,923,000 Cornerstone Shares and at an Issue Price of 26.0 cents per Share and after deducting estimated listing expenses, the NAV of our Group as at 31 December 2018 would have been 7.7 cents per Share based on our share capital immediately after the Placement and the issue of the Cornerstone Shares of 246,000,000 Shares. This represents an immediate increase in NAV of 1.6 cents per Share to our existing Shareholders and an immediate dilution in NAV of 18.3 cents per Share to our New Investors. The following table illustrates this per Share dilution:

	S$ cents
Issue Price per Share	26.0
NAV per Share as at 31 December 2018, before adjusting for the Placement and the issue of the Cornerstone Shares	6.1
Increase in NAV per Share attributable to existing Shareholders	1.6
NAV per Share after the Placement and the issue of the Cornerstone Shares[(1)]	7.7
Dilution in NAV per Share to New Investors	18.3
Dilution in NAV per Share to New Investors as a percentage of the Issue Price	70.4%

Note:

(1) The computed NAV per Share after the Placement and the issue of the Cornerstone Shares does not take into account our actual financial performance after 31 December 2018. Depending on our actual financial results, our NAV per Share may be higher or lower than the above computed NAV.

The following table summarises the total number of Shares acquired during the period of three (3) years prior to the date of lodgement of this Offer Document or to be acquired by our Directors, Controlling Shareholders, Substantial Shareholders and their associates, the total consideration paid by them and the effective cash cost per Share to them and to our new Shareholders pursuant to the Placement and the issue of the Cornerstone Shares, as adjusted for the Restructuring Exercise, the conversion of the Preference Shares and the Share Split.

	Number of Shares Acquired or which there is a Right to Acquire	Total Consideration[1]	Average effective cost per Share
		(S$)	(S$ cents)
Directors			
Mr. Saw Tatt Ghee	3,253,300	853,620	26.2
Ms. Saw Lee Ping	7,175,200	1,941,010	27.1
Mr. Chan Wee Kiang	–	–	–
Mr. Peter Sim Swee Yam	–	–	–
Mr. Yap Zhi Chau	–	–	–
Substantial Shareholders			
STG Investments Pty Ltd	57,773,600	13,646,481	23.6
Centurion Equity Pty Limited	17,494,800	10,000	0.1
Mr. Leong Weng Yu	5,290,400	1,466,823	27.7
Lemy Pty Ltd	3,028,100	839,589	27.7
Mr. Ng Yee Siang	5,859,100	1,624,513	27.7
YSN Investments Pty Ltd	3,623,000	1,004,511	27.7
Mr. Pang Kher Chink	5,290,400	1,466,823	27.7
KCPLP Investments Pty Ltd	3,183,600	882,685	27.7
Mr. Tan Tee Ooi	6,174,000	1,711,824	27.7
Mr. Saw Tatt Jin	13,669,800	3,548,076	26.0
Alpine Investments Pty Ltd	4,594,100	1,222,446	26.6
Mr. Richard Peter Godwin	993,300	275,414	27.7
Ricgo Pty Ltd	2,339,100	648,546	27.7
JL Lee Investments Pty Ltd	3,154,200	874,539	27.7
Caprice Development (S) Pte. Ltd.	15,756,000	3,214,497	20.4
Associates of Directors or Substantial Shareholders			
Huizhet Investment Pty Ltd[2]	3,499,000	2,000	0.1
Tan & Saw Investments Pty Ltd[3]	10,583,000	1,772,526	16.7
Ms. Chen Xin[4]	1,004,600	278,542	27.7
Jp In Enterprise Pty Ltd[5]	780,600	216,425	27.7
Cornerstone Investors	**6,923,000**	**1,799,980**	**26.0**
New Public Shareholders	**30,077,000**	**7,820,020**	**26.0**

Notes:

(1) Based on the exchange rate as at the Latest Practicable Date of A$1:S$0.9529.

(2) Huizhet Investment Pty Ltd is an associate of Mr. Saw Tatt Jin, our Substantial Shareholder. Mr. Saw Tatt Jin, together with his spouse and children, holds 100% of the issued and paid-up share capital of Huizhet Investment Pty Ltd.

(3) Tan & Saw Investments Pty Ltd is an associate of Ms. Saw Lee Ping, our Executive Director and CAO and Mr. Tan Tee Ooi, our Substantial Shareholder. Ms. Saw Lee Ping and Mr. Tan Tee Ooi hold 100% of the issued and paid-up share capital of Tan & Saw Investments Pty Ltd.

(4) Ms. Chen Xin is the spouse of Mr. Richard Peter Godwin, our Substantial Shareholder.

(5) Jp In Enterprise Pty Ltd is an associate of Mr. Lee Jian Hui, our Substantial Shareholder. Mr. Lee Jian Hui holds 50% of the issued and paid-up share capital of Jp In Enterprise Pty Ltd.

Save as disclosed above and in the sections entitled “Share Capital” and “Restructuring Exercise” of this Offer Document, none of our Directors, Substantial Shareholders or their respective associates has acquired any Shares since the incorporation of our Company and up to the date of this Offer Document.

Pursuant to a restructuring exercise to rationalise the structure of our Company and its subsidiaries in preparation for the Listing, our Company became the holding company of our Group.

Background to the Restructuring Exercise

Prior to the Restructuring Exercise, each brand under our portfolio is generally held through a group of companies which are ultimately held by a separate holding company ("**Brand Holding Company**"). Additionally, majority of the outlets operated and managed by our Group were each held through a separate legal entity ("**Outlet Company**").

Notwithstanding the foregoing, Mr. Saw Tatt Ghee and/or his associates, as the founder of our Group, would have majority effective interest in such entities (either directly or indirectly) and have the ability to appoint Directors of each Outlet Company and Brand Holding Company, such that he maintained the overall operational and management control of the entire business of the Group.

In view of the proposed Listing and in order to rationalise our Group structure, we undertook the Restructuring Exercise, which involved the following:

(1) Incorporation of our Company

Our Company was incorporated in the Republic of Singapore on 11 January 2018 under the Companies Act as a private company limited by shares. Our principal activity is that of an investment holding company. At the time of incorporation, we had an issued and paid-up share capital of S$100.00 comprising 10,000 ordinary shares held by Mr. Saw Tatt Ghee.

(2) Disposal of Idarts QV Pty Ltd

On 25 January 2018, our subsidiary, Idarts Australia Pty Ltd, disposed of its entire 65% interest in Idarts QV Pty Ltd to QV Darts Pty Ltd, STG Investments Pty Ltd, Mr. Richard Peter Godwin, Ms. Chen Xin and Ricgo Pty Ltd for an aggregate nominal consideration of A$129.35, being Idarts Australia Pty Ltd's cost of investment in the shares. The consideration was arrived at on a willing buyer willing seller basis, taking into account Idarts QV Pty Ltd's accumulated losses and net liability position. Our Group had disposed of our interest in Idarts QV Pty Ltd as the business of Idarts QV Pty Ltd, being the owning and operating of a bar in Australia, was not within the overall business strategy of our Group.

(3) Issuance of Shares in our Company

On 2 May 2018, our Company issued an aggregate of 990,000 new Shares at S$0.01 per Share as follows:

(a) 490,000 new Shares to STG Investments Pty Ltd;

(b) 240,000 new Shares to Tan & Saw Investments Pty Ltd;

(c) 200,000 new Shares to Huizhet Investment Pty Ltd;

(d) 50,000 new Shares to Mr. Saw Tatt Jin; and

(e) 10,000 new Shares to Ms. Saw Lee Ping.

On 12 July 2018, our Company issued an aggregate of 1,080,000 new Shares at S$0.01 per Share to Centurion Equity Pty Limited and Creative Fox Pty Ltd.

The Shares were issued by our Company as part of an investment by the aforementioned shareholders in our Company.

(4) Acquisition of shares in PPR Ryde (NSW) Pty Ltd

Pursuant to a share sale agreement dated 3 August 2018 ("**PPR Ryde Share Sale Agreement**"), our subsidiary Papparich Outlets Pty Ltd acquired 37 shares in the capital of PPR Ryde (NSW) Pty Ltd from MQ (NSW) Pty Ltd for a cash consideration of A$452,140. The consideration was arrived at on a willing buyer willing seller basis taking into account an independent valuation of PPR Ryde (NSW) Pty Ltd as at 30 June 2018. Completion under the PPR Ryde Share Sale Agreement took place on 17 August 2018, following which Papparich Outlets Pty Ltd held 37% of the issued and paid-up share capital of PPR Ryde (NSW) Pty Ltd.

(5) Sub-division of shares in the Brand Holding Companies

On 6 August 2018, in preparation for the Lower Tier Restructuring (as described in paragraph 6 of this section), the following Brand Holding Companies underwent a sub-division of all their shares in the manner as set out below ("**Brand Holding Company Sub-division**").

Brand Holding Company	Share Capital prior to the Brand Holding Company Sub-division	Share Capital after the Brand Holding Company Sub-division
STG Confectionery Pty Ltd	800	80,000
STG Confectionery 2 Pty Ltd	100	1,000
STG Entertainment Pty Ltd	100	1,000
STG Food Industries Pty Ltd	100	22,000
STG Food Industries 3 Pty Ltd	100	2,000
STG Beverage (NZ) Pty Ltd	100	1,000

(6) Acquisition of Outlet Companies

Pursuant to the Lower Tier Share Sale Agreements dated on or about 10 September 2018 entered into between the shareholders of certain Outlet Companies and certain of our subsidiaries (the "**Purchasing Subsidiaries**"), our Purchasing Subsidiaries acquired the shareholding interests in certain Outlet Companies ("**Lower Tier Restructuring**") as set out in the table below.

The purchase consideration for each acquisition was arrived at on a willing buyer willing seller basis taking into account an independent valuation of each Outlet Company as at 30 June 2018, and was satisfied through the allotment and issuance of shares in the relevant Brand Holding Company to the respective shareholders of the Outlet Companies.

Purchasing Subsidiary	Outlet Company Acquired	Shareholding Percentage acquired (%)	Purchase consideration (A$)	Number of consideration shares in Brand Holding Company issued
Papparich Outlets Pty Ltd	Oldtown QV (Aust) Pty Ltd	100.0	2,992,733	4,235 shares in STG Food Industries Pty Ltd
	Delicious Foodcraft Pty Ltd	80.0	1,465,627	2,074 shares in STG Food Industries Pty Ltd
	PPR Ryde (NSW) Pty Ltd	63.0	770,973	1,091 shares in STG Food Industries Pty Ltd
STG Confectionery Pty Ltd	HBCT (Aust) Pty Ltd	10.0	892,258	9,634 shares in STG Confectionery Pty Ltd
HBCT Co Outlets Pty Ltd	JCT (Chadstone) Pty Ltd	68.0	200,883	2,169 shares in STG Confectionery Pty Ltd
	HBCT (NSW) Pty Ltd	49.0	265,158	2,863 shares in STG Confectionery Pty Ltd
	HBCT (WA) Pty Ltd	40.0	98,450	1,063 shares in STG Confectionery Pty Ltd
	JCT (Doncaster) Pty Ltd	49.0	24,265	262 shares in STG Confectionery Pty Ltd
	JCT Queensland Pty Ltd	30.0	20,746	224 shares in STG Confectionery Pty Ltd
STG Food Industries 3 Pty Ltd	Nene Chicken (Australia) Pty Ltd	30.0	522,979	907 shares in STG Food Industries 3 Pty Ltd
Nene Chicken (Australia) Pty Ltd	NN MC Pty Ltd	15.0	29,407	51 shares in STG Food Industries 3 Pty Ltd
	NN BH Pty Ltd	15.0	29,407	51 shares in STG Food Industries 3 Pty Ltd

Purchasing Subsidiary	Outlet Company Acquired	Shareholding Percentage acquired (%)	Purchase consideration (A$)	Number of consideration shares in Brand Holding Company issued
STG Beverage (NZ) Pty Ltd	GCHA (NZ) Pty Ltd	41.0	905,729	770 shares in STG Beverage (NZ) Pty Ltd
STG Entertainment Pty Ltd	Idarts Australia Pty Ltd	40.0	147,738	680 shares in STG Entertainment Pty Ltd
STG Confectionery 2 Pty Ltd	Pafu Australia Pty Ltd	17.0	53,417	209 shares in STG Confectionery 2 Pty Ltd

Following the completion of the Lower Tier Restructuring on or about 10 September 2018, the abovementioned Outlet Companies became wholly-owned subsidiaries of our Group. Further details on the Lower Tier Restructuring are set out in "Appendix H – Lower Tier Restructuring Exercise" to this Offer Document.

(7) Issuance of shares in GC (England) Pte. Ltd.

On 21 May 2019, GC (England) Pte. Ltd. issued an aggregate of 449,900 new shares in the capital of GC (England) Pte. Ltd. at S$1.00 per Share as follows:

(a) 269,945 new shares to our Company;

(b) 107,976 new shares to Seventy Eight Investments Pte. Ltd.;

(c) 44,985 new shares to Liew Industries Pty Ltd; and

(d) 26,994 new Shares to Ng Yi Ruen.

The shares were issued by GC (England) Pte. Ltd. as part of an investment by the aforementioned shareholders in GC (England) Pte. Ltd. Following such issuance, our Group's equity interest in GC (England) Pte. Ltd. increased from approximately 55% to 60%.

(8) Sub-division of Shares of the Company

On 22 May 2019, in preparation for the Top Tier Restructuring (as described in paragraph 11 of this section), our Company underwent a sub-division of all issued Shares in the capital of our Company from 2,080,000 Shares into 10,483,200 Shares.

(9) Exercise of Call Options

(a) Call options in NNC Food Industries Malaysia Sdn Bhd

On 3 May 2018, our Executive Chairman and CEO, Mr. Saw Tatt Ghee, entered into separate call option agreements with each of Mr. Joel Teh Yi Weng and Mr. Edwin Koh Wei Min whereunder each of the aforementioned shareholders had granted Mr. Saw Tatt Ghee a call option to purchase 25,000 shares, representing approximately 2.5% of the issued share capital of NNC Food Industries Malaysia Sdn Bhd which were each held by them ("**Cash Consideration Call Options**"). The aggregate consideration paid by Mr. Saw Tatt Ghee to Mr. Joel Teh Yi Weng and Mr. Edwin Koh Wei Min for the Cash Consideration Call Options was A$20. Pursuant to the terms of the Cash Consideration Call Options, Mr. Saw Tatt Ghee or his nominee may exercise the call option by giving written notice, and the consideration payable in connection with such exercise is RM137,550 to be paid to each of Mr. Joel Teh Yi Weng and Mr. Edwin Koh Wei Min.

In addition, on 3 May 2018, our subsidiary, STG Food Industries Malaysia Sdn Bhd entered into separate call option agreements with each of Mr. Lee Ji Yang, Mr. Joel Teh Yi Weng and Mr. Edwin Koh Wei Min ("**NNC Malaysia Selling Shareholders**") whereunder the NNC Malaysia Selling Shareholders had granted STG Food Industries Malaysia Sdn Bhd call options to purchase an aggregate of 100,000 shares held by them, representing approximately 10% of the issued share capital of NNC Food Industries Malaysia Sdn Bhd ("**NNC Malaysia Call Options**"). The aggregate consideration paid by STG Food Industries Malaysia Sdn Bhd to the NNC Malaysia Selling Shareholders for the NNC Malaysia Call Options was A$30. Pursuant to the terms of the NNC Malaysia Call Options, STG Food Industries Malaysia Sdn Bhd may exercise the call option by giving written notice, and the consideration payable in connection with such exercise will be an aggregate of RM550,000.

The consideration payable in connection with the exercise of the Cash Consideration Call Options and NNC Malaysia Call Options was arrived at on a willing buyer willing seller basis, taking into account the potential growth and earnings of NNC Food Industries Malaysia Sdn Bhd and its subsidiaries.

(b) Call option in TGR Food Industries Sdn Bhd

On 3 May 2018, our subsidiary, STG Food Industries Malaysia Sdn Bhd entered into a call option agreement with RCC Capital Sdn Bhd ("**RCC Capital**") whereunder RCC Capital had granted STG Food Industries Malaysia Sdn Bhd a call option to purchase an aggregate of 120 shares held by RCC Capital, representing approximately 12% of the issued share capital of TGR Food Industries Sdn Bhd ("**TGR Call Option**"). The consideration paid by STG Food Industries Malaysia Sdn Bhd to RCC Capital for the TGR Call Option was A$10. Pursuant to the terms of the TGR Call Option, STG Food Industries Malaysia Sdn Bhd may exercise the call option by giving written notice, and the consideration payable in connection with such exercise will be an aggregate of RM554,400. The consideration payable in connection with the exercise of the TGR Call Option was arrived at on a willing buyer willing seller basis, taking into account the potential growth and earnings of TGR Food Industries Sdn Bhd and its subsidiaries.

(c) Exercise of the Cash Consideration Call Options

On 12 June 2018, Mr. Saw Tatt Ghee exercised the Cash Consideration Call Options and nominated STG Food Industries Malaysia Sdn Bhd and our former employee, Mr. Chen Wui

Keat, as the transferee of 10,000 shares and 40,000 shares respectively in NNC Food Industries Malaysia Sdn Bhd. Following the completion of the transfer of shares from Mr. Joel Teh Yi Weng and Mr. Edwin Koh Wei Min, the shareholding of NNC Food Industries Malaysia Sdn Bhd was as follows:

Shareholder	Number of Shares	Percentage Shareholding (%)
Mr. Chin Hsien Loong	10,000	1.0
TGR Food Industries Sdn Bhd	840,000	84.0
STG Food Industries Malaysia Sdn Bhd	10,000	1.0
Mr. Chen Wui Keat	40,000	4.0
Mr. Edwin Koh Wei Min	25,000	2.5
Mr. Joel Teh Yi Weng	25,000	2.5
Mr. Lee Ji Yang	50,000	5.0

(d) Exercise of the NNC Malaysia Call Options and the TGR Call Option

On 15 May 2019, STG Food Industries Malaysia Sdn Bhd exercised the NNC Malaysia Call Options and the TGR Call Option for the purchase of shares in NNC Food Industries Malaysia Sdn Bhd and TGR Food Industries Sdn Bhd held by the NNC Malaysia Selling Shareholders and RCC Capital. In accordance with the terms of the NNC Malaysia Call Options and the TGR Call Option, the consideration payable to the NNC Malaysia Selling Shareholders and RCC Capital following the exercise of the NNC Malaysia Call Options and the TGR Call Option was satisfied by the allotment and issuance of 186,151 Shares and 187,640 Shares in our Company to the NNC Malaysia Selling Shareholders and RCC Capital respectively. The Shares issued to the NNC Malaysia Selling Shareholders and RCC Capital represent in aggregate 0.5% of our share capital immediately after the Placement and the issue of the Cornerstone Shares.

Following from the exercise of the Cash Consideration Call Options, the NNC Malaysia Call Options and the TGR Call Option, our Group's shareholding in NNC Food Industries Malaysia Sdn Bhd (held through STG Food Industries Malaysia Sdn Bhd and TGR Food Industries Sdn Bhd) increased from approximately 84% to 95% and our Group's shareholding in TGR Food Industries Sdn Bhd increased from 51% to 63%.

(10) Conversion of Preference Shares

Pursuant to the Subscription Agreements entered into between our Company and the Pre-IPO Investors on 27 March 2018, 1 May 2018 and 21 May 2018, our Company agreed to issue and allot an aggregate of 4,906,769 Series 1A Preference Shares and 2,330,948 Series 1B Preference Shares to the Pre-IPO Investors for an aggregate subscription amount of A$7.3 million. On 2 May 2018, 13 June 2018 and 12 July 2018, our Company allotted the Preference Shares to the Pre-IPO Investors pursuant to the terms of the Subscription Agreements.

The Preference Shares do not carry any voting rights until after the completion of the Restructuring Exercise, whereupon each Preference Share shall be entitled to one (1) vote. Each Preference Share may be converted into 1.359017 Shares, with the number of Shares to be issued on conversion rounded down to the nearest whole number.

On 10 June 2019, 7,237,717 Preference Shares were converted into 9,836,174 Shares pursuant to the terms of the Subscription Agreements.

(11) Acquisition of shares of the Brand Holding Companies

Pursuant to the Top Tier Share Sale Agreements dated on or about 11 September 2018 entered into between the shareholders of the Brand Holding Companies and our Company, our Company acquired the entire issued and paid-up capital of each Brand Holding Company ("**Top Tier Restructuring**"). The purchase consideration for each acquisition was arrived at on a willing buyer willing seller basis taking into account an independent valuation of each Brand Holding Company as at 30 June 2018, and was satisfied through the allotment and issuance of an aggregate of 39,516,800 Shares in the Company at A$1.01 per Share.

Brand Holding Company	Consideration (A$)	Number of Shares issued
STG Food Industries Pty Ltd	23,000,000	22,722,139
STG Confectionery Pty Ltd	10,000,000	9,879,196
STG Food Industries 3 Pty Ltd	2,070,000	2,045,000
STG Beverage (NZ) Pty Ltd	2,500,000	2,469,802
STG Entertainment Pty Ltd	580,000	572,998
STG Confectionery 2 Pty Ltd	800,000	790,340
STG Food Industries 5 Pty Ltd	700,000	691,548
STG Food Industries Malaysia Sdn Bhd	350,000	345,777

Following completion of the Top Tier Restructuring on 17 June 2019, the Brand Holding Companies became wholly-owned subsidiaries of our Company. Further details of the Top Tier Restructuring are set out in "Appendix I – Top Tier Restructuring Exercise" to this Offer Document.

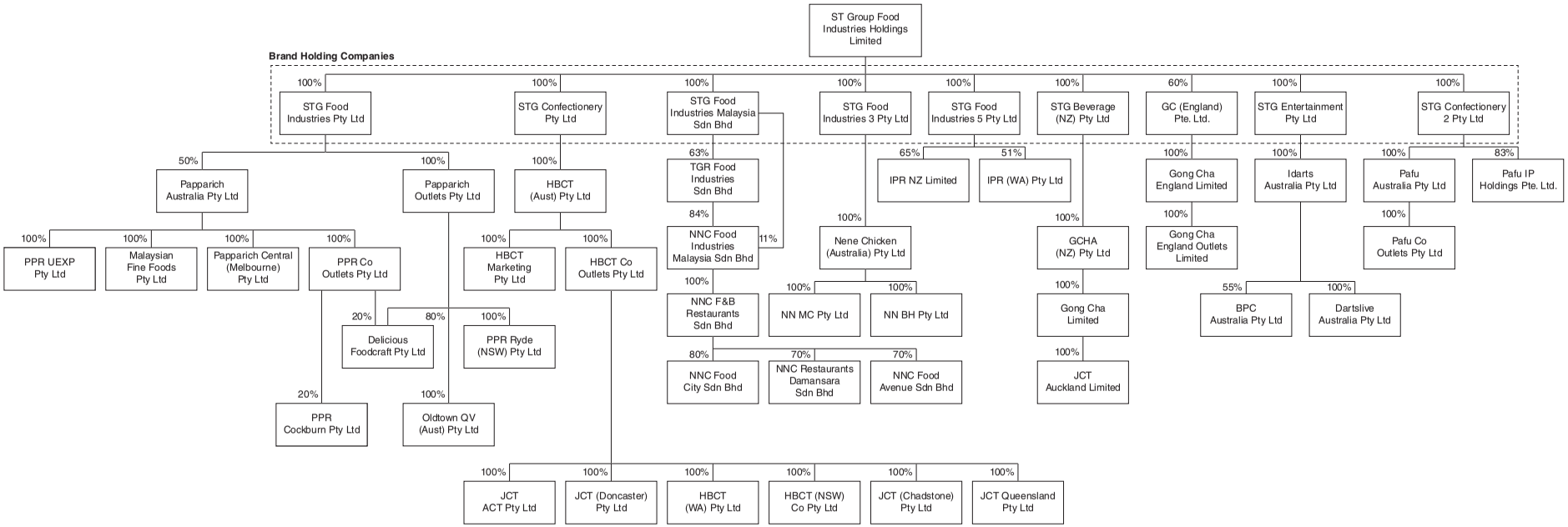
(12) Share Split

On 10 June 2019, our Shareholders approved the sub-division of 60,209,965 Shares in the capital of our Company into 209,000,000 Shares, which was effected on 18 June 2019.

Our Group structure immediately following the Restructuring Exercise is set out in the section entitled "Group Structure" of this Offer Document. Please refer to the section entitled "Shareholders – Ownership Structure" of this Offer Document for more information.

GROUP STRUCTURE

Our Group structure immediately after the Restructuring Exercise is as follows:



Details of our subsidiaries and associated companies following the completion of the Restructuring Exercise as at the date of this Offer Document are as follows:

PappaRich

Name of Company	Date and Place of Incorporation	Principal activities	Principal place of business	Ownership interest (%)
Held by our Company				
STG Food Industries Pty Ltd	5 August 2011, Victoria, Australia	Brand Holding Company	Australia	100%
Held by STG Food Industries Pty Ltd				
Papparich Australia Pty Ltd	13 July 2011, Victoria, Australia	Holding Company	Australia	50%(1)
Papparich Outlets Pty Ltd	26 June 2018, Victoria, Australia	Outlet Company	Australia	100%
Held by Papparich Australia Pty Ltd				
PPR UEXP Pty Ltd	23 November 2018, Victoria, Australia	Outlet Company	Australia	100%
Malaysian Fine Foods Pty Ltd	7 January 2013, Victoria, Australia	Outlet Company	Australia	100%
Papparich Central (Melbourne) Pty Ltd	26 June 2012, Victoria, Australia	Outlet Company	Australia	100%
PPR Co Outlets Pty Ltd	9 January 2013, Victoria, Australia	Outlet Company	Australia	100%
Held by PPR Co Outlets Pty Ltd				
Delicious Foodcraft Pty Ltd	14 July 2011, Victoria, Australia	Outlet Company	Australia	20%(2)
PPR Cockburn Pty Ltd	10 June 2016, Western Australia	Outlet Company	Australia	20%(3)
Held by Papparich Outlets Pty Ltd				
Delicious Foodcraft Pty Ltd	14 July 2011, Victoria, Australia	Outlet Company	Australia	80%(2)
Oldtown QV (Aust) Pty Ltd	13 August 2009, Victoria, Australia	Outlet Company	Australia	100%
PPR Ryde (NSW) Pty Ltd	26 April 2014, Victoria, Australia	Outlet Company	Australia	100%

Notes:

(1) Papparich Group Sdn Bhd and Agathisfour Sdn Bhd hold the remaining 40.0% and 10.0% of the equity interest respectively in Papparich Australia Pty Ltd. Papparich Group Sdn Bhd and Agathisfour Sdn Bhd are shareholders holding 70.0% and 29.0% respectively of Papparich Malaysia Sdn Bhd, who is in turn the sole shareholder of Roti Roti International Sdn Bhd, the Master Franchisor for the "PappaRich" brand under the PappaRich Master Franchise Agreement. Papparich Group Sdn Bhd and Agathisfour Sdn Bhd are not related to any of our Directors, Substantial Shareholders, Executive Officers and/or their associates.

Papparich Group Sdn Bhd and STG Food Industries Pty Ltd have entered into a shareholders' agreement which confers certain rights such as, *inter alia*, pre-emption rights to the transfer of shares by either of them. In addition, STG Food Industries Pty Ltd shall not transfer more than 49.0% of its shares in Papparich Australia Pty Ltd without complying with certain terms of the shareholders' agreement, including but not limited to, ensuring that the transferee shall appoint Mr. Saw Tatt Ghee as their proxies to attend and vote at every general meeting of Papparich Australia Pty Ltd. Under the shareholders' agreement, Papparich Group Sdn Bhd and STG Food Industries Pty Ltd each have the right to appoint two (2) directors, and in the event the directors appointed by STG Food Industries Pty Ltd cannot be contacted, located or are unable or refuse to jointly make decisions in respect of matters concerning the operation of the company due to health or legal constraints, the management of Papparich Australia Pty Ltd shall be solely vested on the directors appointed by Papparich Group Sdn Bhd. In addition, under the shareholders' agreement, certain matters, including change of business activities, payment of dividends, acquisition of an undertaking or property of substantial value which would materially and adversely affect the performance or financial position of Papparich Australia Pty Ltd and change of auditors, require the consent of both Papparich Group Sdn Bhd and STG Food Industries Pty Ltd. Save as described above, there are no specific management rights or other special rights that are granted to Papparich Group Sdn Bhd and/or Agathisfour Sdn Bhd which are not conferred to Papparich Australia Pty Ltd.

(2) Our interest in Delicious Foodcraft Pty Ltd is held through our subsidiaries, PPR Co Outlets Pty Ltd and Papparich Outlets Pty Ltd, which hold 20.0% and 80.0% of the equity interest respectively in Delicious Foodcraft Pty Ltd.

(3) Sidhu Group Pty Ltd and FNB Capital 3 Sdn Bhd, each an unrelated third party, hold the remaining 65.0% and 15.0% of the equity interest respectively in PPR Cockburn Pty Ltd ("**PPR Cockburn**"). There are no specific management rights or other special rights that are granted to the remaining shareholders which are not conferred to all the shareholders of PPR Cockburn.

PPR Cockburn is not accounted for as an associated company of our Group in our combined financial statements as we do not have significant influence over the financial and operating policies of PPR Cockburn, we do not have any board representation and are not involved in the management of PPR Cockburn. Our investment in PPR Cockburn is accounted for as available-for-sale financial assets as at 30 June 2016, 2017 and 2018, and financial assets at fair value through other comprehensive income as at 31 December 2018.

NeNe Chicken

Name of Company	Date and Place of Incorporation	Principal activities	Principal place of business	Ownership interest (%)
Held by our Company				
STG Food Industries Malaysia Sdn Bhd	3 January 2017, Malaysia	Brand Holding Company	Malaysia	100%
STG Food Industries 3 Pty Ltd	9 July 2013, Victoria, Australia	Brand Holding Company	Australia	100%
Held by STG Food Industries Malaysia Sdn Bhd				
TGR Food Industries Sdn Bhd	3 January 2017, Malaysia	Holding Company	Malaysia	63%(1)
NNC Food Industries Malaysia Sdn Bhd	8 September 2016, Malaysia	Holding Company	Malaysia	11%(2)
Held by TGR Food Industries Sdn Bhd				
NNC Food Industries Malaysia Sdn Bhd	8 September 2016, Malaysia	Holding Company	Malaysia	84%(2)

Name of Company	Date and Place of Incorporation	Principal activities	Principal place of business	Ownership interest (%)
Held by NNC Food Industries Malaysia Sdn Bhd				
NNC F&B Restaurants Sdn Bhd	8 November 2017, Malaysia	Outlet Company	Malaysia	100%
Held by NNC F&B Restaurants Sdn Bhd				
NNC Food City Sdn Bhd	24 April 2018, Malaysia	Outlet Company	Malaysia	80%(3)
NNC Restaurants Damansara Sdn Bhd	7 December 2017, Malaysia	Outlet Company	Malaysia	70%(4)
NNC Food Avenue Sdn Bhd	7 May 2018, Malaysia	Outlet Company	Malaysia	70%(5)
Held by STG Food Industries 3 Pty Ltd				
Nene Chicken (Australia) Pty Ltd	15 January 2014, Victoria, Australia	Holding Company	Australia	100%
Held by Nene Chicken (Australia) Pty Ltd				
NN MC Pty Ltd	1 December 2014, Victoria, Australia	Outlet Company	Australia	100%
NN BH Pty Ltd	4 July 2014, Victoria, Australia	Outlet Company	Australia	100%

Notes:

(1) RCC Capital Sdn Bhd, a company owned by our employee, Wong Kar Zeng, holds the remaining 37.0% of TGR Food Industries Sdn Bhd. Wong Kar Zeng is not related to any of our Directors, Substantial Shareholders, Executive Officers and/or their associates. There are no specific management rights or other special rights that are granted to the remaining shareholders which are not conferred to all the shareholders of TGR Food Industries Sdn Bhd.

(2) Our interest in NNC Food Industries Sdn Bhd is held through our subsidiaries, STG Food Industries Malaysia Sdn Bhd and TGR Food Industries Sdn Bhd, which hold 11.0% and 84.0% of the equity interest respectively in NNC Food Industries Sdn Bhd. Chen Wui Keat, an unrelated third party, and Chin Hsien Loong, our employee who had passed away in the Sarawak Incident hold the remaining 4.0% and 1.0% respectively of NNC Food Industries Sdn Bhd. There are no specific management rights or other special rights that are granted to the remaining shareholders which are not conferred to all the shareholders of NNC Food Industries Sdn Bhd.

(3) Foong Chai Mei, an unrelated third party, holds the remaining 20.0% of the equity interest in NNC Food City Sdn Bhd. There are no specific management rights or other special rights that are granted to the remaining shareholders which are not conferred to all the shareholders of NNC Food City Sdn Bhd.

(4) Loo Pang How, Low Kheng Lun and Bin Mei Jing, each an unrelated third party, hold the remaining 30.0% of the equity interest in NNC Restaurants Damansara Sdn Bhd in equal proportions. There are no specific management rights or other special rights that are granted to the remaining shareholders which are not conferred to all the shareholders of NNC Restaurants Damansara Sdn Bhd.

(5) Claire Lianie Sibatin and Foong Chai Mei, each an unrelated third party, hold the remaining 20.0% and 10.0% of the equity interest respectively in NNC Food Avenue Sdn Bhd. There are no specific management rights or other special rights that are granted to the remaining shareholders which are not conferred to all the shareholders of NNC Food Avenue Sdn Bhd.

Hokkaido Baked Cheese Tart

Name of Company	Date and Place of Incorporation	Principal activities	Principal place of business	Ownership interest (%)
Held by our Company				
STG Confectionery Pty Ltd	1 July 2016, Victoria, Australia	Brand Holding Company	Australia	100%
Held by STG Confectionery Pty Ltd				
HBCT (Aust) Pty Ltd	1 July 2016, Victoria, Australia	Holding Company	Australia	100%
Held by HBCT (Aust) Pty Ltd				
HBCT Marketing Pty Ltd	24 August 2016, Victoria, Australia	Holding Company	Australia	100%
HBCT Co Outlets Pty Ltd	25 July 2016, Victoria, Australia	Outlet Company	Australia	100%
Held by HBCT Co Outlets Pty Ltd				
JCT ACT Pty Ltd	18 August 2017, Victoria, Australia	Outlet Company	Australia	100%
JCT (Doncaster) Pty Ltd	23 February 2017, Victoria, Australia	Outlet Company	Australia	100%
HBCT (WA) Pty Ltd	18 November 2016, Western Australia	Outlet Company	Australia	100%
HBCT (NSW) Co Pty Ltd	7 September 2016, New South Wales	Outlet Company	Australia	100%
JCT (Chadstone) Pty Ltd	28 September 2016, Victoria, Australia	Outlet Company	Australia	100%
JCT Queensland Pty Ltd	18 August 2017, Victoria, Australia	Outlet Company	Australia	100%
Held by Gong Cha Limited				
JCT Auckland Limited	31 March 2017, New Zealand	Outlet Company	New Zealand	100%

Gong Cha

Name of Company	Date and Place of Incorporation	Principal activities	Principal place of business	Ownership interest (%)
Held by our Company				
STG Beverage (NZ) Pty Ltd	1 July 2008, Victoria, Australia	Brand Holding Company	Australia	100%
GC (England) Pte. Ltd.	26 June 2018, Singapore	Holding Company	Singapore	60%(1)
Held by STG Beverage (NZ) Pty Ltd				
GCHA (NZ) Pty Ltd	11 September 2014, Victoria, Australia	Holding Company	Australia	100%
Held by GCHA (NZ) Pty Ltd				
Gong Cha Limited	24 November 2014, New Zealand	Outlet Company	New Zealand	100%
Held by GC (England) Pte. Ltd.				
Gong Cha England Limited	6 August 2018, England and Wales	Holding Company	England, United Kingdom	100%
Held by Gong Cha England Limited				
Gong Cha England Outlets Limited	8 August 2018, England and Wales	Outlet Company	England, United Kingdom	100%

Note:

(1) Seventy Eight Investments Pte. Ltd., an unrelated third party, Ng Yi Ruen, who is the cousin of our Executive Officer, Ng Yee Siang and Liew Industries Pty Ltd, an entity wholly owned by our employee, Justin Marcus Liew Weihua, hold the remaining 24.0%, 6.0% and 10.0% of the equity interest respectively in GC (England) Pte. Ltd., Justin Marcus Liew Weihua is not related to any of our Directors, Substantial Shareholders, Executive Officers and/or their associates. There are no specific management rights or other special rights that are granted to the remaining shareholders which are not conferred to all the shareholders of GC (England) Pte. Ltd..

IPPUDO

Name of Company	Date and Place of Incorporation	Principal activities	Principal place of business	Ownership interest (%)
Held by our Company				
STG Food Industries 5 Pty Ltd	10 November 2016, Victoria, Australia	Brand Holding Company	Australia	100%
Held by STG Food Industries 5 Pty Ltd				
IPR (WA) Pty Ltd	13 October 2016, Victoria, Australia	Outlet Company	Australia	51%(1)
IPR NZ Limited	11 November 2015, New Zealand	Outlet Company	New Zealand	65%(2)

Notes:

(1) S&D Group (WA) Pty Ltd, an unrelated third party, holds the remaining 49.0% of the equity interest in IPR (WA) Pty Ltd. There are no specific management rights or other special rights that are granted to the remaining shareholders which are not conferred to all the shareholders of IPR (WA) Pty Ltd.

(2) Busy Projects Limited and S&D Group (WA) Pty Ltd, each an unrelated third party, holds the remaining 30.0% and 5.0% of the equity interest respectively in IPR NZ Limited. There are no specific management rights or other special rights that are granted to the remaining shareholders which are not conferred to all the shareholders of IPR NZ Limited.

PAFU

Name of Company	Date and Place of Incorporation	Principal activities	Principal place of business	Ownership interest (%)
Held by our Company				
STG Confectionery 2 Pty Ltd	18 August 2017, Victoria, Australia	Brand Holding Company	Australia	100%
Held by STG Confectionery 2 Pty Ltd				
Pafu Australia Pty Ltd	18 August 2017, Victoria, Australia	Brand Holding Company	Australia	100%
Pafu IP Holdings Pte. Ltd.	12 January 2018, Singapore	Holding Company	Singapore	83%(1)
Held by Pafu Australia Pty Ltd				
Pafu Co Outlets Pty Ltd	25 August 2017, Victoria, Australia	Outlet Company	Australia	100%

Notes:

(1) Asia Ventures Pty Ltd, Creative Fox Pty Ltd and Listeners Pty Ltd, each an unrelated third party, and our employee, Daphne Chin Ying Mun, holds the remaining 2.5%, 8.0%, 2.5% and 4.0% of the equity interest respectively in Pafu IP Holdings Pte. Ltd.. Daphne Chin Ying Mun is not related to any of our Directors, Substantial Shareholders, Executive Officers and/or their associates. There are no specific management rights or other special rights that are granted to the remaining shareholders which are not conferred to all the shareholders of Pafu IP Holdings Pte. Ltd..

iDarts

Name of Company	Date and Place of Incorporation	Principal activities	Principal place of business	Ownership interest
				(%)
Held by our Company				
STG Entertainment Pty Ltd	24 October 2012, Victoria, Australia	Brand Holding Company	Australia	100%
Held by STG Entertainment Pty Ltd				
Idarts Australia Pty Ltd	5 August 2011, Victoria, Australia	Holding Company	Australia	100%
Held by Idarts Australia Pty Ltd				
BPC Australia Pty Ltd	30 January 2017, Victoria, Australia	Holding Company	Australia	55%(1)
Dartslive Australia Pty Ltd	24 October 2012, Victoria, Australia	Holding Company	Australia	100%

Note:

(1) Lam Kei Kwan, an unrelated third party, holds the remaining 45.0% of the equity interest in BPC Australia Pty Ltd. There are no specific management rights or other special rights that are granted to the remaining shareholders which are not conferred to all the shareholders of BPC Australia Pty Ltd.

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

None of our subsidiaries is listed on any stock exchange.

The following selected financial information of our Group should be read in conjunction with the full text of this Offer Document, including the "Audited Combined Financial Statements for the Financial Years Ended 30 June 2016, 2017 and 2018", the "Interim Condensed Unaudited Combined Financial Statements for the Six-Month Period Ended 31 December 2018" and the "Unaudited Pro Forma Combined Financial Information for the Financial Year Ended 30 June 2018 and Six-Month Period Ended 31 December 2018", as set out in Appendices A, B and C to this Offer Document respectively.

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	← Audited →			← Unaudited →	
(A$'000)	**FY2016**	**FY2017**	**FY2018**	**HY2018**	**HY2019**
Revenue	24,204	30,314	36,479	18,251	24,951
Other income	898	1,027	1,781	515	878
Expenses					
Changes in inventories	670	(81)	276	28	417
Purchases of inventories	(7,990)	(8,914)	(10,004)	(4,626)	(6,761)
Franchise restaurants and stores related establishment costs	(2,282)	(1,597)	(1,041)	(913)	(1,062)
Rental on operating leases	(1,880)	(2,446)	(3,852)	(1,716)	(2,461)
Staff costs	(7,108)	(8,500)	(11,152)	(5,126)	(7,700)
Depreciation expense	(684)	(876)	(1,517)	(674)	(1,060)
Amortisation expense	(38)	(58)	(89)	(33)	(126)
Finance costs	(88)	(116)	(122)	(64)	(89)
Other expenses	(2,550)	(3,643)	(5,242)	(2,566)	(3,092)
Share of results of associates	–	14	8	7	–
Profit before tax	3,152	5,124	5,525	3,083	3,895
Tax expense	(1,030)	(1,578)	(1,607)	(899)	(1,127)
Profit for the year/period	2,122	3,546	3,918	2,184	2,768
Other comprehensive (loss)/income:					
Item that is or may be reclassified subsequently to profit or loss:					
Currency translation differences on consolidation	(4)	1	(5)	(1)	5
Total comprehensive income for the year/period	2,118	3,547	3,913	2,183	2,773

	← Audited →			← Unaudited →	
(A$'000)	**FY2016**	**FY2017**	**FY2018**	**HY2018**	**HY2019**
Profit attributable to:					
Equity holders of the Company	1,034	2,312	2,728	1,608	1,912
Non-controlling interests	1,088	1,234	1,190	576	856
Profit for the year/period	2,122	3,546	3,918	2,184	2,768
Total comprehensive income attributable to:					
Equity holders of the Company	1,030	2,313	2,723	1,607	1,917
Non-controlling interests	1,088	1,234	1,190	576	856
Total comprehensive income for the year/period	2,118	3,547	3,913	2,183	2,773
EPS immediately before the Placement and the issue of the Cornerstone Shares (A$ cents)[(1)]	0.49	1.11	1.31	0.77	0.91
EPS immediately before the Placement and the issue of the Cornerstone Shares (S$ cents)[(1)(3)]	0.50	1.16	1.35	0.81	0.90
EPS immediately after the Placement and the issue of the Cornerstone Shares (A$ cents)[(2)]	0.42	0.94	1.11	0.65	0.78
EPS immediately after the Placement and the issue of the Cornerstone Shares (S$ cents)[(2)(3)]	0.42	0.99	1.15	0.69	0.77

Notes:

(1) For comparative purposes, our EPS immediately before the Placement and the issue of the Cornerstone Shares for the respective financial years/periods has been computed based on the profit attributable to equity holders of the Company and our share capital immediately before the Placement and the issue of the Cornerstone Shares of 209,000,000 Shares.

(2) For comparative purposes, our EPS immediately after the Placement and the issue of the Cornerstone Shares for the respective financial years/periods has been computed based on the profit attributable to equity holders of the Company and our share capital immediately after the Placement and the issue of the Cornerstone Shares of 246,000,000 Shares.

(3) The exchange rates used to compute the EPS in S$ cents, were based on the average exchange rates between A$ and S$ for the respective financial years/periods.

COMBINED STATEMENTS OF FINANCIAL POSITION

(A$'000)	Audited as at 30 June 2018	Unaudited as at 31 December 2018
ASSETS		
Non-current assets		
Property, plant and equipment	9,937	13,582
Intangible assets	1,966	3,675
Investment in associated companies	21	–
Available-for-sale financial assets	110	–
Financial assets at fair value through other comprehensive income	–	110
Deferred tax asset	1,000	1,335
Restricted cash	1,012	1,692
Other receivables	257	319
Total non-current assets	14,303	20,713
Current assets		
Contract assets	–	6
Inventories	1,423	1,839
Trade and other receivables	4,506	4,624
Cash and cash equivalents	7,653	5,298
Total current assets	13,582	11,767
Total assets	27,885	32,480
EQUITY AND LIABILITIES		
Equity		
Share capital	6,701	15,618
Other reserves	(219)	(7,662)
Retained earnings	3,642	5,325
Equity attributable to equity holders of the Company, total	10,124	13,281
Non-controlling interests	2,062	2,558
Total equity	12,186	15,839

(A$'000)	Audited as at 30 June 2018	Unaudited as at 31 December 2018
Non-current liabilities		
Borrowings	1,327	1,909
Trade and other payables	1,420	1,737
Contract liabilities	607	1,100
Total non-current liabilities	3,354	4,746
Current liabilities		
Trade and other payables	9,210	8,072
Contract liabilities	653	495
Borrowings	1,022	1,164
Tax payable	1,460	2,164
Total current liabilities	12,345	11,895
Total liabilities	15,699	16,641
Total equity and liabilities	27,885	32,480
NAV per Share (A$ cents)[(1)]	4.84	6.35
NAV per Share (S$ cents)[(1)(2)]	4.89	6.11

Notes:

(1) For comparative purposes, our NAV per Share as at 30 June 2018 and 31 December 2018 has been computed based on our share capital immediately before the Placement and the issue of the Cornerstone Shares of 209,000,000 Shares.

(2) The exchange rates used to compute the NAV per Share in S$ cents, were based on the closing exchange rates between A$ and S$ as at 30 June 2018 and 31 December 2018 respectively.

The following selected financial information of our Group should be read in conjunction with the full text of this Offer Document, including the "Audited Combined Financial Statements for the Financial Years Ended 30 June 2016, 2017 and 2018", the "Interim Condensed Unaudited Combined Financial Statements for the Six-Month Period Ended 31 December 2018" and the "Unaudited Pro Forma Combined Financial Information for the Financial Year Ended 30 June 2018 and Six-Month Period Ended 31 December 2018", as set out in Appendices A, B and C to this Offer Document respectively.

*The Pro Forma Financial Information has been prepared for illustrative purposes only, and is based on the assumption that the significant events set out below ("**Significant Events**") have taken place on (i) 1 July 2017 for the unaudited pro forma combined statements of comprehensive income and unaudited pro forma combined statements of cash flows for FY2018 and HY2019; and (ii) on 30 June 2018 and 31 December 2018 for the unaudited pro forma combined statements of financial position as at 30 June 2018 and 31 December 2018, respectively:*

*(a) the disposal of our "PappaRich" outlet located at Monash University Clayton campus in Melbourne, Australia (the "**Monash Outlet**") to an unrelated third party for a cash consideration of A$1.0 million in May 2018; and*

(b) the declaration and payment of dividends by our subsidiaries, which amounted to approximately A$590,000 in HY2019 and approximately A$830,000 subsequent to HY2019.

Please refer to Note 2 of the "Unaudited Pro Forma Combined Financial Information for the Financial Year Ended 30 June 2018 and the Six-Month Period Ended 31 December 2018", as set out in Appendix C to this Offer Document for further details on the abovementioned events. The Pro Forma Financial Information is not necessarily indicative of the financial position, financial performance and cash flows of our Group that would have been attained had the Significant Events actually occurred on those dates. The Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of our Group's actual financial position, financial performance or cash flows.

UNAUDITED PRO FORMA COMBINED STATEMENTS OF COMPREHENSIVE INCOME

(A$'000)	FY2018	HY2019
Revenue	35,349	24,951
Other income	1,691	878
Expenses		
Changes in inventories	276	417
Purchases of inventories	(9,629)	(6,761)
Franchise restaurants and stores related establishment costs	(1,041)	(1,062)
Rental on operating leases	(3,761)	(2,461)
Staff costs	(10,773)	(7,700)
Depreciation expense	(1,429)	(1,060)
Amortisation expense	(89)	(126)
Finance costs	(122)	(89)
Other expenses	(5,161)	(3,092)
Share of results of associates	7	–
Profit before tax	5,318	3,895
Tax expense	(1,550)	(1,127)
Profit for the year/period	3,768	2,768
Other comprehensive (loss)/income:		
Item that is or may be reclassified subsequently to profit or loss:		
Currency translation differences on consolidation	(5)	5
Total comprehensive income for the year/period	3,763	2,773
Profit attributable to:		
Equity holders of the Company	2,653	1,912
Non-controlling interests	1,115	856
Profit for the year/period	3,768	2,768
Total comprehensive income attributable to:		
Equity holders of the Company	2,648	1,917
Non-controlling interests	1,115	856
Total comprehensive income for the year/period	3,763	2,773

(A$'000)	FY2018	HY2019
EPS immediately before the Placement and the issue of the Cornerstone Shares (A$ cents)[(1)]	1.27	0.91
EPS immediately before the Placement and the issue of the Cornerstone Shares (S$ cents)[(1)(3)]	1.32	0.90
EPS immediately after the Placement and the issue of the Cornerstone Shares (A$ cents)[(2)]	1.08	0.78
EPS immediately after the Placement and the issue of the Cornerstone Shares (S$ cents)[(2)(3)]	1.12	0.77

Notes:

(1) For comparative purposes, our pro forma EPS immediately before the Placement and the issue of the Cornerstone Shares for the respective financial year/period has been computed based on the profit attributable to equity holders of the Company and our share capital immediately before the Placement and the issue of the Cornerstone Shares of 209,000,000 Shares.

(2) For comparative purposes, our pro forma EPS immediately after the Placement and the issue of the Cornerstone Shares for the respective financial year/period has been computed based on the profit attributable to equity holders of the Company and our share capital EPS immediately after the Placement and the issue of the Cornerstone Shares of 246,000,000 Shares.

(3) The exchange rates used to compute the pro forma EPS in S$ cents, were based on the average exchange rates between A$ and S$ for the respective financial year/period.

UNAUDITED PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

(A$'000)	As at 30 June 2018	As at 31 December 2018
ASSETS		
Non-current assets		
Property, plant and equipment	9,937	13,582
Intangible assets	1,966	3,675
Investment in associated companies	21	–
Available-for-sale financial assets	110	–
Financial assets at fair value through other comprehensive income	–	110
Deferred tax asset	1,000	1,335
Restricted cash	1,012	1,692
Other receivables	257	319
Total non-current assets	14,303	20,713
Current assets		
Contract assets	–	6
Inventories	1,423	1,839
Trade and other receivables	4,506	4,624
Cash and cash equivalents	6,026	4,468
Total current assets	11,955	10,937
Total assets	26,258	31,650
EQUITY AND LIABILITIES		
Equity		
Share capital	6,701	15,618
Other reserves	(219)	(7,662)
Retained earnings	2,557	4,545
Equity attributable to equity holders of the Company, total	9,039	12,501
Non-controlling interests	1,577	2,508
Total equity	10,616	15,009
Non-current liabilities		
Borrowings	1,327	1,909
Trade and other payables	1,420	1,738
Contract liabilities	607	1,100
Total non-current liabilities	3,354	4,747

(A$'000)	As at 30 June 2018	As at 31 December 2018
Current liabilities		
Trade and other payables	9,210	8,072
Contract liabilities	653	495
Borrowings	1,022	1,164
Tax payable	1,403	2,164
Total current liabilities	12,288	11,895
Total liabilities	15,642	16,642
Total equity and liabilities	26,258	31,651
NAV per Share (A$ cents)[(1)]	4.32	5.98
NAV per Share (S$ cents)[(1)(2)]	4.37	5.75

Notes:

(1) For comparative purposes, our pro forma NAV per Share as at 30 June 2018 and 31 December 2018 has been computed based on our share capital immediately before the Placement and the issue of the Cornerstone Shares of 209,000,000 Shares.

(2) The exchange rates used to compute the pro forma NAV per Share in S$ cents, were based on the closing exchange rates between A$ and S$ as at 30 June 2018 and 31 December 2018 respectively.

The following discussion of our results of operations and financial position should be read in conjunction with the "Audited Combined Financial Statements for the Financial Years Ended 30 June 2016, 2017 and 2018", the "Interim Condensed Unaudited Combined Financial Statements for the Six-Month Period Ended 31 December 2018" and the "Unaudited Pro Forma Combined Financial Information for the Financial Year Ended 30 June 2018 and Six-Month Period Ended 31 December 2018", as set out in Appendices A, B and C to this Offer Document.

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

OVERVIEW

We are an established F&B group headquartered in Australia. As at the Latest Practicable Date, we own exclusive franchise and licence rights to six (6) internationally popular F&B brands or concepts in various territories in Australia, New Zealand, Malaysia and England, United Kingdom (as the case may be). We have also developed our own brand concepts, "PAFU" and "KURIMU".

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

Revenue

For the Period Under Review, our revenue comprised the following:

(a) F&B retail sales at our outlets, including dine-in, takeaway and delivery ("**F&B Retail Sales**");

(b) sale of F&B ingredients and other supplies to our sub-franchisees and sub-licensees ("**Supply Chain Sales**");

(c) franchise fees, licence fees and royalty income from the sub-franchising and sub-licensing of various brands to our sub-franchisees and sub-licensees. This also includes project income in relation to the renovation and fitting-out of new outlets for our sub-franchisees and sub-licensees ("**Franchise Revenue**"); and

(d) machine income derived from "iDarts" electronic dart machines ("**Other Revenue**").

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of goods and services tax, rebates and discounts. It is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to our Group, and the amount of revenue and related cost can be reliably measured.

Revenue from F&B Retail Sales is recognised at the point of sale, net of discounts and goods and services tax. Payments are made on cash terms (including credit card and electronic payments) on completion of the sale of the F&B items. Revenue from Supply Chain Sales is recognised upon delivery of the F&B ingredients and other supplies, when significant risks and reward of ownership of the goods have been passed.

Franchise fees, licence fees and royalty income comprises initial and renewal franchise fees and licence fees, and ongoing royalties received from our sub-franchisees and sub-licensees. Initial and renewal franchise fees and licence fees received are recognised over the term of the related franchise or licence agreement. Royalties are based on a percentage of gross sales at sub-franchised and sub-licensed outlets and are recognised when earned and collectability is reasonably assured.

Project income is derived from equipment sales at establishment of new sub-franchised and sub-licensed outlets and in connection with sub-franchised and sub-licensed outlet renewal or renovation and other franchise-related fees. Project income is recognised using the percentage-of-completion method. The stage of completion is measured by reference to the contract costs incurred up to the reporting date as a percentage of total estimated costs for each contract.

Other Revenue represents the net takings from game play by users of the "iDarts" electronic dart machines. Revenue is reported after deduction of goods and services tax.

The breakdown of our revenue by business and geographical segments for the Period Under Review are set out in the tables below.

Revenue by business segments

	FY2016		FY2017		FY2018		HY2018		HY2019	
	A$'000	%	A$'000	%	A$'000	%	A$'000	%	A$'000	%
F&B Retail Sales	11,444	47.3	17,109	56.4	23,665	64.9	11,094	60.8	16,954	68.0
Supply Chain Sales	7,442	30.7	8,506	28.1	7,882	21.6	4,301	23.6	4,355	17.4
Franchise Revenue	4,934	20.4	4,294	14.2	4,524	12.4	2,644	14.5	3,468	13.9
Other Revenue	384	1.6	405	1.3	408	1.1	212	1.1	174	0.7
Total	24,204	100.0	30,314	100.0	36,479	100.0	18,251	100.0	24,951	100.0

Revenue by geographical segments

	FY2016		FY2017		FY2018		HY2018		HY2019	
	A$'000	%	A$'000	%	A$'000	%	A$'000	%	A$'000	%
Australia	23,180	95.8	28,558	94.2	32,726	89.7	16,605	90.9	21,243	85.1
New Zealand	1,024	4.2	1,756	5.8	3,093	8.5	1,646	9.1	2,179	8.8
Malaysia	–	–	–	–	660	1.8	–	–	1,529	6.1
Total	24,204	100.0	30,314	100.0	36,479	100.0	18,251	100.0	24,951	100.0

Number of outlets by brands (as at the end of the year/period)

	FY2016		FY2017		FY2018		HY2018		HY2019	
	Owned	Sub-franchised/ sub-licensed	Owned	Sub-franchised/ sub-licensed	Owned	Sub-franchised/ sub-licensed	Owned	Sub-franchised/ sub-licensed	Owned	Sub-franchised/ sub-licensed
PappaRich										
– Australia	2	18	4	21	4	23	4	22	6	23
– New Zealand	–	1	–	3	–	4	–	3	–	3
NeNe Chicken										
– Australia	2	5	2	9	2	10	2	10	2	14
– Malaysia	–	–	–	–	2	–	–	–	4	1
Gong Cha										
– New Zealand	2	–	3	–	3	1	3	1	6	3
Hokkaido Baked Cheese Tart										
– Australia	–	–	6	2	9	6	9	6	10	7
– New Zealand	–	–	–	–	1	–	1	–	1	–
iDarts										
– Australia	–	6	–	5	–	4	–	4	–	4
PAFU										
– Australia	–	–	–	–	2	1	1	–	5	4
IPPUDO										
– Australia	–	–	–	–	1	–	–	–	2	–
Total	6	30	15	40	24	49	20	46	36	59

Our revenue is primarily affected by, *inter alia*, the following factors:

(a) the number of outlets we operate and our ability to successfully execute our expansion plans (including securing strategic locations for our outlets);

(b) the number of sub-franchised and sub-licensed outlets in our network and the revenue of these outlets;

(c) our ability to compete successfully with our competitors in terms of quality of F&B items offered, services, competitive pricing as well as brand image;

(d) negative publicity (whether genuine or otherwise) concerning quality and hygiene of F&B items served at our outlets or sub-franchised and sub-licensed outlets or other operational issues relating to these outlets;

(e) changes in economic conditions in the key geographical markets in which we and our sub-franchisees and sub-licensees operate, which may affect consumers' sentiments, disposable income and level of discretionary spending;

(f) our ability to continually keep up with changes in consumer tastes and preferences; and

(g) outbreak of diseases in livestock, food scares, illnesses or other health concerns relating to the F&B items we serve at our outlets.

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

Other income

Other income comprises mainly:

(a) rebates and incentive payments received from suppliers, based on an agreed percentage of the value of purchases made by our Group and our sub-franchisees and sub-licensees, in accordance with the terms of our supply agreements with our suppliers;

(b) management fees which mainly relate to the reimbursement of staff costs by our sub-franchisees and sub-licensees. From time to time we may provide assistance to sub-franchisees and sub-licensees in the operations of their outlets on an ad hoc basis, usually during the initial start-up period, for which we charge a management fee. The management fees are agreed with our sub-franchisees and sub-licensees prior to the deployment of our staff to assist at their outlets; and

(c) others, including interest income, training income from training programmes which we conduct for our sub-franchisees and sub-licensees and which are charged in accordance with the terms of our sub-franchise and sub-licence agreements, rental income mainly from the sub-lease of space at our outlet premises, as well as other miscellaneous income.

Other income amounted to A$0.9 million, A$1.0 million, A$1.8 million, A$0.5 million and A$0.9 million in FY2016, FY2017, FY2018, HY2018 and HY2019 respectively, representing approximately 3.7%, 3.4%, 4.9%, 2.8% and 3.5% of our revenue during the respective periods.

Changes in inventories

Our inventories comprise mainly raw materials and consumables and finished goods. Changes in inventories amounted to an increase of A$0.7 million, a decrease of A$0.1 million, an increase of A$0.3 million, an increase of approximately A$30,000 and an increase of A$0.4 million in FY2016, FY2017, FY2018, HY2018 and HY2019 respectively. Fluctuations in the balances of our inventories were due mainly to the timing of purchase and consumption or sale of inventories.

Purchases of inventories

Our purchases of inventories amounted to A$8.0 million, A$8.9 million, A$10.0 million, A$4.6 million and A$6.8 million in FY2016, FY2017, FY2018, HY2018 and HY2019 respectively, and relate to the cost of items purchased from our Master Franchisors, Licensor and other third party suppliers, including (a) ingredients for the preparation of the F&B items sold at the outlets operated by us and (b) ingredients and supplies for sale to our sub-franchisees and sub-licensees.

The inventories we require are readily available from the market and can be purchased from various suppliers. Nevertheless, the cost of our inventories may be affected by, among others, the following factors:

(a) our ability to obtain favourable pricing from our Master Franchisors, Licensor and suppliers, and the availability of food sources;

(b) fluctuations in prices and supply of F&B ingredients generally (which may in turn be affected by factors such as outbreak of diseases in livestock, food scares, adverse changes in climate, seasonality, natural disasters, changes in government regulations affecting the prices of imported ingredients, or any other circumstances that may affect global food supply and demand);

(c) our ability to control and reduce food wastage; and

(d) fluctuation in the exchange rates of our subsidiaries' respective functional currencies (being AUD, NZD, SGD and MYR) against other currencies such as USD and KRW, as certain of our purchases of F&B ingredients are denominated in these currencies.

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

Franchise restaurants and stores related establishment costs

Franchise restaurants and stores related establishment costs relate to project and material costs for the renovation and fitting-out of outlets for our sub-franchisees and sub-licensees. This amounted to A$2.3 million, A$1.6 million, A$1.0 million, A$0.9 million and A$1.1 million in FY2016, FY2017, FY2018, HY2018 and HY2019 respectively.

Rental on operating leases

Rental on operating leases relates mainly to expenses incurred for the rental of our Central Kitchen, as well as the various outlets we operate. Rental expenses for our outlets generally comprise a fixed amount or a fixed amount plus a variable component which is based on a percentage of our revenue for the outlets. Please refer to the section entitled "General Information on our Group – Material Properties and Fixed Assets" of this Offer Document for further details on the properties we lease for our business operations.

Rental on operating leases amounted to A$1.9 million, A$2.4 million, A$3.9 million, A$1.7 million and A$2.5 million in FY2016, FY2017, FY2018, HY2018 and HY2019 respectively, representing approximately 10.0%, 9.5%, 12.2%, 11.1% and 11.5% of our aggregate revenue from F&B Retail Sales and Supply Chain Sales during the respective periods.

Staff costs

Staff costs comprise mainly wages and salaries, including statutory contributions and bonuses, payroll tax as well as other related expenses such as staff training and staff welfare.

Staff costs amounted to A$7.1 million, A$8.5 million, A$11.2 million, A$5.1 million and A$7.7 million in FY2016, FY2017, FY2018, HY2018 and HY2019 respectively, representing approximately 29.4%, 28.0%, 30.6%, 28.1% and 30.9% of our revenue during the respective periods.

Depreciation expense

Depreciation expense relates to depreciation of our machinery and equipment, furniture and fittings, renovation, office equipment and motor vehicles.

Depreciation expense amounted to A$0.7 million, A$0.9 million, A$1.5 million, A$0.7 million and A$1.1 million in FY2016, FY2017, FY2018, HY2018 and HY2019 respectively, representing approximately 2.8%, 2.9%, 4.2%, 3.7% and 4.2% of our revenue during the respective periods.

Amortisation expense

Amortisation expense relates to master franchise fees and licence fees paid by our Group, which are capitalised as intangible assets and amortised on a straight-line basis over the term of the respective Master Franchise Agreements or NeNe Chicken Licence Agreement.

Amortisation expense amounted to approximately A$38,000, A$58,000, A$89,000, A$33,000 and A$126,000 in FY2016, FY2017, FY2018, HY2018 and HY2019 respectively, representing approximately 0.2%, 0.2%, 0.2%, 0.2% and 0.5% of our revenue during the respective periods.

Finance costs

Finance costs comprise mainly interest expense on finance lease liabilities and bank loans.

Finance costs amounted to approximately A$88,000, A$116,000, A$122,000, A$64,000 and A$89,000 in FY2016, FY2017, FY2018, HY2018 and HY2019 respectively, representing approximately 0.4%, 0.4%, 0.3%, 0.4% and 0.4% of our revenue during the respective periods.

Other expenses

Other expenses comprise mainly:

(a) management fees paid to ST Group Pty Ltd for the provision of management services, further details of which are set out in the section entitled "Interested Person Transactions" of this Offer Document;

(b) royalty fees paid to our Master Franchisors and Licensor;

(c) advertising and marketing expenses;

(d) legal and professional, audit and consultancy fees; and

(e) other operating expenses, which mainly consist of utilities, cleaning expenses, general supplies, travel and accommodation expenses, insurance expenses and repair and maintenance costs.

Other expenses amounted to A$2.6 million, A$3.6 million, A$5.2 million, A$2.6 million and A$3.1 million in FY2016, FY2017, FY2018, HY2018 and HY2019 respectively, representing approximately 10.5%, 12.0%, 14.4%, 14.1% and 12.4% of our revenue during the respective periods.

Share of results of associates

Share of results of associates amounted to approximately A$14,000, A$8,000 and A$7,000 in FY2017, FY2018 and HY2018 respectively, and mainly relates to our Group's 32.0% interest in JCT (Chadstone) Pty Ltd. As part of the Restructuring Exercise undertaken by our Group in connection with the Placement, we acquired the remaining 68.0% interest in JCT (Chadstone) Pty Ltd in September 2018 (the "**JCT Chadstone Acquisition**") and it became a wholly-owned subsidiary of our Group.

Income tax

Our subsidiaries were subject to income tax at the applicable statutory tax rates of 27.5% to 30.0% in Australia, 28.0% in New Zealand and 18.0% in Malaysia during the Period Under Review.

A breakdown of our income tax expense and overall effective income tax rates for the Period Under Review is as follows:

	FY2016	FY2017	FY2018	HY2018	HY2019
Income tax expenses (A$'000)	1,030	1,578	1,607	899	1,127
Profit before tax (A$'000)	3,152	5,124	5,525	3,083	3,895
Effective tax rate (%)	32.7	30.8	29.1	29.2	28.9

Our profits for the Period Under Review were mainly derived from our subsidiaries in Australia. Our effective tax rate for FY2016 was higher than the statutory tax rate in Australia, due mainly to non-tax-deductible expenses relating to the write-off of non-trade advances.

INFLATION

We believe that inflation does not have a material impact on our business, results of operations or financial condition during the Period Under Review. However, if we experience a significantly higher inflation rate than we have experienced in the past, our business, results of operations and financial condition may be materially and adversely affected if we are not able to partially or fully offset such higher costs through price increases.

REVIEW OF RESULTS OF OPERATIONS

FY2017 vs FY2016

Revenue

Revenue increased by A$6.1 million or 25.2%, from A$24.2 million in FY2016 to A$30.3 million in FY2017, due mainly to an increase in revenue from F&B Retail Sales and Supply Chain Sales, partially offset by a decrease in Franchise Revenue.

Revenue from F&B Retail Sales increased by A$5.7 million or 49.5%, due mainly to the following:

(a) revenue from "PappaRich" outlets operated by our Group increased by A$2.3 million, due to an increase in revenue from both new and existing outlets. Increase in revenue from new outlets was due mainly to the opening of the Monash Outlet in Melbourne, Australia, in August 2016, which contributed A$1.2 million of revenue in FY2017. Revenue from existing outlets increased by A$1.1 million in FY2017 compared to FY2016, due mainly to the closure of our restaurant in QV Melbourne, Melbourne, Australia for renovation, for a period of approximately seven (7) weeks in FY2016;

(b) our Group launched the "Hokkaido Baked Cheese Tart" brand in Australia in FY2017, opening our first outlet in Melbourne Central, Melbourne, Australia in December 2016. By the end of FY2017, our Group was operating six (6) "Hokkaido Baked Cheese Tart" outlets, and these outlets contributed A$3.2 million to our revenue in FY2017;

(c) revenue from "Gong Cha" outlets operated by our Group increased by A$0.7 million, due to the opening of an additional outlet at Newmarket, Auckland, New Zealand in December 2016 and a full year of operations for two (2) existing outlets at Lorne Street and Queen Street in Auckland, New Zealand, which commenced operations in August 2015 and December 2015 respectively; and

(d) the above was partially offset by a decrease in revenue from "NeNe Chicken" outlets operated by our Group of A$0.5 million, due mainly to the opening of new outlets by competing brands.

Revenue from Supply Chain Sales increased by A$1.1 million or 14.3%, due mainly to the opening of 11 new sub-franchised outlets in our franchise network, comprising three (3) "PappaRich" outlets in Australia, two (2) "PappaRich" outlets in New Zealand, four (4) "NeNe Chicken" outlets in Australia and two (2) "Hokkaido Baked Cheese Tart" outlets in Australia.

Franchise Revenue decreased by A$0.6 million or 13.0%, due mainly to a A$1.0 million decrease in project income. Project income may fluctuate across periods, depending on whether our sub-franchisees engage our project management services for the renovation and fitting-out of new sub-franchised outlets, as well as the size of the outlets and the extent of renovation works required. The decrease in project income was partially offset by a A$0.4 million increase in franchise fees and royalty income. The increase in franchise fees and royalty income was in line with the abovementioned increase in the number of sub-franchised outlets in our franchise network.

Other Revenue remained stable at A$0.4 million in FY2016 and FY2017.

Other income

Other income increased by A$0.1 million or 14.4%, from A$0.9 million in FY2016 to A$1.0 million in FY2017. This was mainly contributed by an increase in rebates from our suppliers, as a result of an increase in purchases of inventories by our Group and our sub-franchisees. The increase in purchases was in line with the increase in the number of outlets in our franchise network.

Changes in inventories

We recorded a decrease of A$0.1 million in the closing balance of our inventories in FY2017, as compared to an increase of A$0.7 million in FY2016. The fluctuations in the balance of our inventories were due mainly to timing of purchases and consumption of inventories.

Purchases of inventories

Purchases of inventories increased by A$0.9 million or 11.6%, from A$8.0 million in FY2016 to A$8.9 million in FY2017, in line with the increase in our revenue from F&B Retail Sales and Supply Chain Sales.

However, inventories consumed (taking into account purchases of inventories and changes in inventories) as a percentage of revenue from F&B Retail Sales and Supply Chain Sales decreased from 38.8% in FY2016 to 35.1% in FY2017, due mainly to improved cost efficiencies for our operations under the "Gong Cha" and "NeNe Chicken" brands, as well as the introduction of the "Hokkaido Baked Cheese Tart" brand in FY2017, which has relatively lower inventory cost as compared to other brands within our portfolio.

Franchise restaurants and stores related establishment costs

Franchise restaurants and stores related establishment costs decreased by A$0.7 million or 30.0%, from A$2.3 million in FY2016 to A$1.6 million in FY2017, in line with the decrease in project income in relation to fitting-out of sub-franchised outlets.

Rental on operating leases

Rental on operating leases increased by A$0.5 million or 30.1%, from A$1.9 million in FY2016 to A$2.4 million in FY2017, in line with the opening of new outlets operated by our Group in FY2017 and as a result of annual rental escalations.

Staff costs

Staff costs increased by A$1.4 million or 19.6%, from A$7.1 million in FY2016 to A$8.5 million in FY2017, due mainly to an increase in salaries and statutory provisions such as superannuation. This was mainly a result of an increase in number of employees to cater to our business expansion. In particular, we hired more kitchen staff and service crew for our new outlets which were opened during FY2017.

The above was partially offset by a decrease in staff costs relating to certain of our management staff of approximately A$0.6 million. In October 2016, in line with the growing number of brands within our portfolio, we entered into a management services agreement with ST Group Pty Ltd, pursuant to which ST Group Pty Ltd was engaged to process the disbursement of remuneration

to certain management staff, to facilitate the allocation of their costs to the respective brands within our Group. The allocation of costs was determined based on the estimated time spent by each of our management staff on the respective brands. Our Group paid ST Group Pty Ltd management fees in respect of the above arrangement on a reimbursement basis at cost and without any mark-up, and these management fees were reflected under other expenses in our Group's combined statements of comprehensive income. Please refer to the section entitled "Interested Person Transactions – Past Interested Person Transactions" of this Offer Document for further information on the abovementioned management services agreement with ST Group Pty Ltd.

Depreciation expense

Depreciation expense increased by A$0.2 million or 28.1%, from A$0.7 million in FY2016 to A$0.9 million in FY2017, due mainly to renovation of premises and addition of new equipment, furniture and fittings for new outlets opened by our Group during the year.

Amortisation expense

Amortisation expense increased by approximately A$20,000 or 52.2%, from approximately A$38,000 in FY2016 to approximately A$58,000 in FY2017. This was mainly attributable to amortisation of the initial franchise fee paid by our Group in relation to the "Hokkaido Baked Cheese Tart" brand, for which we were granted franchise rights in FY2017.

Finance costs

Finance costs increased by approximately A$28,000 or 31.3%, from approximately A$88,000 in FY2016 to approximately A$116,000 in FY2017, in line with an increase in our level of borrowings to finance our business expansion.

Other expenses

Other expenses increased by A$1.1 million or 42.9%, from A$2.5 million in FY2016 to A$3.6 million in FY2017, due mainly to the following:

(a) payment of management fees to ST Group Pty Ltd of A$0.6 million;

(b) an increase in advertising and marketing expense of A$0.2 million;

(c) an increase in royalty fees paid to our Master Franchisors of A$0.2 million, in line with the increase in the number of Group-owned and sub-franchised outlets and revenue derived from these outlets;

(d) an increase in consultancy and legal fees of A$0.1 million, which were mainly incurred in relation to the preparation of sub-franchise agreements and review of lease agreements. The increase in consultancy and legal fees was in line with an increase in the number of Group-owned and sub-franchised outlets in FY2017;

(e) an increase in other operating expenses (including general supplies, insurance, utilities, transport and travel and accommodation expenses) of A$0.5 million, in line with our business expansion; and

(f) partially offset by the absence of (i) property, plant and equipment written off amounting to A$0.3 million in FY2016 due to renovation of our "PappaRich" outlet located at QV Melbourne, Melbourne, Australia; and (ii) non-trade advances to Idarts QV Pty Ltd of A$0.2 million, which were written off in FY2016. The amounts had been advanced to Idarts QV Pty Ltd for working capital purposes while Idarts QV Pty Ltd was a subsidiary of the Company and were written off as Idarts QV Pty Ltd was loss-making and we had assessed the amounts owing to be non-recoverable. We disposed of our interest in Idarts QV Pty Ltd in January 2018 pursuant to the Restructuring Exercise. Please refer to the section entitled "Restructuring Exercise" of this Offer Document for further information. Our Group's combined financial statements have been prepared by applying the pooling of interest method where the Company is treated as the holding company of our subsidiaries following the Restructuring Exercise, for the financial years presented rather than from the completion of the Restructuring Exercise. Idarts QV Pty Ltd was excluded from our Group following the Restructuring Exercise. Accordingly, it has not been included in our Group's combined financial statements for the Period Under Review and transactions between our Group and Idarts QV Pty Ltd have been presented as transactions with related parties in our combined financial statements.

Share of results of associates

Share of results of associates amounted to approximately A$14,000 in FY2017 and relates to JCT (Chadstone) Pty Ltd, which commenced operations in FY2017.

Profit before tax

As a result of the foregoing, our profit before tax increased by A$1.9 million or 62.6%, from A$3.2 million in FY2016 to A$5.1 million in FY2017.

Income tax

Income tax expense increased by A$0.6 million or 53.3%, from A$1.0 million in FY2016 to A$1.6 million in FY2017, due to the higher profit achieved in FY2017.

Profit for the year

As a result of the foregoing, our profit after tax increased by A$1.4 million or 67.1%, from A$2.1 million in FY2016 to A$3.5 million in FY2017.

FY2018 vs FY2017

Revenue

Revenue increased by A$6.2 million or 20.3%, from A$30.3 million in FY2017 to A$36.5 million in FY2018, due mainly to an increase in revenue from F&B Retail Sales and Franchise Revenue, partially offset by a decrease in Supply Chain Sales.

Revenue from F&B Retail Sales increased by A$6.6 million or 38.3%, due mainly to the following:

(a) revenue from "PappaRich" outlets operated by our Group increased by A$0.5 million, due mainly to the opening of a new outlet in Collins Street, Melbourne, Australia in June 2017;

(b) revenue from "Hokkaido Baked Cheese Tart" outlets operated by our Group increased by A$3.1 million, due to the opening of three (3) new outlets in Australia and one (1) new outlet in New Zealand, which contributed an additional A$2.0 million to our revenue in FY2018. Revenue from existing outlets increased by A$1.1 million, due mainly to a full year of operations in FY2018, as compared to approximately seven (7) months or less in FY2017, as we only launched the "Hokkaido Baked Cheese Tart" brand in December 2016;

(c) revenue from "Gong Cha" outlets operated by our Group increased by A$0.6 million, due mainly to a full year of operations for our outlet at Newmarket, Auckland, New Zealand which opened in December 2016;

(d) our Group launched the "IPPUDO" and "PAFU" brands in Australia in FY2018. Our first "IPPUDO" outlet opened at Kings Square, Perth, Australia in March 2018, and contributed A$1.1 million to our revenue in FY2018. Our "PAFU" outlets located at QV Melbourne, Melbourne, Australia and Southern Cross Station, Melbourne, Australia were opened in December 2017 and June 2018 respectively, and contributed A$0.6 million to our revenue in FY2018; and

(e) we secured licence rights to the "NeNe Chicken" brand in Malaysia and launched outlets located at SkyAvenue, Genting Highlands, Malaysia and Starling Mall, Petaling Jaya, Malaysia in February 2018 and March 2018 respectively. These outlets contributed A$0.5 million to our revenue in FY2018.

Revenue from Supply Chain Sales decreased by A$0.6 million or 7.3% despite an increase in the number of sub-franchised outlets, due mainly to the following:

(i) a reduction in the range of F&B ingredients supplied from our Central Kitchen following an internal review of our Central Kitchen operations for operating and cost efficiency, with such F&B ingredients (mainly ingredients which do not require or which require minimal processing) being procured directly by our sub-franchisees from our suppliers instead. This allows for better utilisation of resources at our Central Kitchen and also improves the Group's management of working capital; and

(ii) an improvement in stock management by our logistics service provider, Daiwa Food Corporation Pty Ltd ("**Daiwa**"). Pursuant to an agency and supply agreement entered into with Daiwa, Daiwa purchases food ingredients and products from our Central Kitchen and is responsible for all aspects of the supply of these food ingredients and products to outlets across our franchise network in certain states of Australia, including maintaining adequate level of inventories in its warehouses to meet the demand of the outlets.

As a result of the above factors, the level of inventories required to be maintained by Daiwa was reduced. This in turn resulted in a decrease in purchases by Daiwa from our Group in FY2018 and resulted in a decrease in Supply Chain Sales.

Franchise Revenue increased by A$0.2 million or 5.4%, due mainly to a A$0.7 million increase in franchise fees and royalty income, from A$2.6 million in FY2017 to A$3.3 million in FY2018. The increase in franchise fees and royalty income was due mainly to an increase of 10 sub-franchised outlets in our franchise network, comprising two (2) "PappaRich" outlets in Australia, one (1) "PappaRich" outlet in New Zealand, one (1) "NeNe Chicken" outlet in Australia, one (1) "Gong Cha" outlet in New Zealand, four (4) "Hokkaido Baked Cheese Tart" outlets in Australia and one (1) "PAFU" outlet in Australia. The increase in franchise fees and royalty income was partially offset by a A$0.5 million decrease in project income, from A$1.7 million in FY2017 to A$1.2 million in FY2018. Project income may fluctuate across periods, depending on whether our sub-franchisees engage our project management services for the renovation and fitting-out of new sub-franchised outlets, as well as the size of the outlets and the extent of renovation works required.

Other Revenue remained stable at A$0.4 million in FY2017 and FY2018.

Other income

Other income increased by A$0.8 million or 73.4%, from A$1.0 million in FY2017 to A$1.8 million in FY2018. This was mainly due to gains on the sale of our Monash Outlet. We had received an offer from an unrelated third party to purchase the Monash Outlet for a cash consideration of A$1.0 million. Our Group assessed the offer to be attractive, taking into consideration our cost of investment in the outlet and the gains to be realised from the sale, which could be deployed towards our business expansion.

Changes in inventories

We recorded an increase of A$0.3 million in the closing balance of our inventories in FY2018, as compared to a decrease of A$0.1 million in FY2017. The fluctuations in the balance of our inventories were due mainly to timing of purchases and consumption of inventories.

Purchases of inventories

Purchases of inventories increased by A$1.1 million or 12.2%, from A$8.9 million in FY2017 to A$10.0 million in FY2018, in line with the overall increase in revenue from F&B Retail Sales and an increase in the closing balance of our inventories.

However, inventories consumed (taking into account purchases of inventories and changes in inventories) as a percentage of revenue from F&B Retail Sales and Supply Chain Sales decreased from 35.1% in FY2017 to 30.8% in FY2018, due mainly to (a) improved inventory management for our operations under the "NeNe Chicken" brand in Australia and (b) an increase in revenue contribution from our operations under the "Hokkaido Baked Cheese Tart" brand, which has relatively lower inventory cost as compared to other brands within our portfolio.

Franchise restaurants and stores related establishment costs

Franchise restaurants and stores related establishment costs decreased by A$0.6 million or 34.8%, from A$1.6 million in FY2017 to A$1.0 million in FY2018, in line with the decrease in project income in relation to fitting-out of sub-franchised outlets.

Rental on operating leases

Rental on operating leases increased by A$1.5 million or 57.5%, from A$2.4 million in FY2017 to A$3.9 million in FY2018, in line with the opening of new outlets operated by our Group in FY2018 and as a result of annual rental escalations.

Staff costs

Staff costs increased by A$2.7 million or 31.2%, from A$8.5 million in FY2017 to A$11.2 million in FY2018, due mainly to an increase in salaries and statutory provisions such as superannuation. This was mainly a result of an increase in number of employees to cater to our business expansion. In particular, we hired more kitchen staff and service crew for our new outlets which were opened during FY2018.

Depreciation expense

Depreciation expense increased by A$0.6 million or 73.1%, from A$0.9 million in FY2017 to A$1.5 million in FY2018, due mainly to renovation of premises and addition of new equipment, furniture and fittings for new outlets opened by our Group during the year.

Amortisation expense

Amortisation expense increased by approximately A$31,000 or 53.4%, from approximately A$58,000 in FY2017 to approximately A$89,000 in FY2018. This was mainly attributable to amortisation of the initial licence fee paid by our Group in relation to the "NeNe Chicken" brand in Malaysia, for which we were granted licence rights in June 2017 and additional amortisation arising from the initial franchise fee paid by our Group in relation to the Gong Cha (NZ) Master Franchise Agreement entered into with the Master Franchisor of the "Gong Cha" brand in May 2018, which granted us franchise rights to the brand across New Zealand.

Finance costs

Finance costs increased by approximately A$6,000 or 5.2%, from approximately A$116,000 in FY2017 to approximately A$122,000 in FY2018, in line with an increase in our level of borrowings to finance our business expansion.

Other expenses

Other expenses increased by A$1.6 million or 43.8%, from A$3.6 million in FY2017 to A$5.2 million in FY2018, due mainly to the following:

(a) an increase in audit fees of A$0.5 million, due mainly to statutory audits performed on our Group's subsidiaries for FY2016, FY2017 and FY2018 in preparation for the Listing;

(b) an increase in management fee expense paid to ST Group Pty Ltd of A$0.3 million, due mainly to a full year of management fees in FY2018 as compared to approximately eight (8) months in FY2017, as well as new management staff hired in connection with the launch of the "PAFU" and "IPPUDO" brands during FY2018;

(c) write-off of non-trade advances to Papparich (NZ) Pty Ltd, of approximately A$0.1 million, further details of which are set out in the section entitled "Interested Person Transactions" of this Offer Document;

(d) a A$0.1 million write-off of property, plant and equipment due to the renovation of our "PappaRich" outlet at Chadstone Shopping Centre, Melbourne, Australia;

(e) an increase in royalty fees paid to our Master Franchisors of A$0.1 million, in line with the increase in the number of Group-owned and sub-franchised outlets and revenue derived from these outlets; and

(f) an increase in other operating expense (including utilities, transport, travel and accommodation and other expenses) of A$0.5 million, in line with our business expansion.

Share of results of associates

Share of results of associates decreased by approximately A$6,000 or 45.3%, from approximately A$14,000 in FY2017 to approximately A$8,000 in FY2018, due mainly to a decrease in sales of the associated company.

Profit before tax

As a result of the foregoing, our profit before tax increased by A$0.4 million or 7.8%, from A$5.1 million in FY2017 to A$5.5 million in FY2018.

Income tax

Income tax expense remained stable at A$1.6 million in FY2017 and FY2018.

Profit for the year

As a result of the foregoing, our profit after tax increased by A$0.4 million or 10.5%, from A$3.5 million in FY2017 to A$3.9 million in FY2018.

HY2019 vs HY2018

Revenue

Revenue increased by A$6.7 million or 36.7%, from A$18.3 million in HY2018 to A$25.0 million in HY2019, due mainly to an increase in revenue from F&B Retail Sales and Franchise Revenue.

Revenue from F&B Retail Sales increased by A$5.9 million or 52.8%, due mainly to the following:

(a) revenue from "PappaRich" outlets operated by our Group increased by A$2.4 million, due mainly to the opening of two (2) new outlets at Southern Cross Station, Melbourne, Australia and Fountain Gate, Melbourne, Australia in June 2018 and October 2018 respectively. In addition, as part of the Restructuring Exercise, our Group acquired PPR Ryde (NSW) Pty Ltd (which owned a sub-franchised outlet located at Macquarie Centre, Sydney, Australia) in September 2018 (the "**PPR Ryde Acquisition**"). These new outlets collectively contributed A$2.3 million to the increase in F&B Retail Sales in HY2019. Revenue from existing

"PappaRich" outlets increased by A$0.1 million due to an increase in revenue from our outlet at Chadstone Shopping Centre, Melbourne, Australia as the outlet was closed for refurbishment in August and September 2017, partially offset by a loss of revenue arising from the sale of our Monash Outlet to an unrelated third party in May 2018;

(b) revenue from "Gong Cha" outlets operated by our Group increased by A$0.3 million, due mainly to revenue contribution from three (3) new outlets in Auckland, New Zealand. These outlets were opened at Takapuna in July 2018, followed by Westfield St Lukes in September 2018 and Onehunga in December 2018;

(c) our Group launched the "IPPUDO" brand in Australia during the second half of FY2018. Following the opening of our first "IPPUDO" outlet at Kings Square, Perth, Australia in March 2018, our second outlet opened in November 2018 in Westfield Carousel, Perth, Australia. Collectively, both outlets contributed A$2.1 million to F&B Retail Sales for HY2019;

(d) the "PAFU" brand was launched in Australia in December 2017. Revenue from "PAFU" outlets operated by our Group increased by A$0.7 million, due mainly to the addition of four (4) new outlets. This comprised three (3) outlets in Melbourne, Australia, namely outlets at Southern Cross Station, Melbourne Central and Box Hill Central which opened in June 2018, November 2018 and December 2018 respectively, and one (1) outlet at World Square, Sydney, Australia which opened in August 2018; and

(e) while revenue from "NeNe Chicken" outlets operated by our Group in Australia remained relatively consistent in HY2018 and HY2019, our "NeNe Chicken" outlets in Malaysia, which were first launched in January 2018, contributed A$1.1 million in retail revenue for HY2019. These outlets, located at (i) SkyAvenue, Genting Highlands, (ii) Starling Mall, Petaling Jaya, (iii) Avenue K, Kuala Lumpur and (iv) Mid Valley Mega Mall, Kuala Lumpur commenced operations in February 2018, March 2018, July 2018 and December 2018 respectively.

The above increase in F&B Retail Sales was partially offset by a A$0.7 million decrease in revenue from our "Hokkaido Baked Cheese Tart" outlets. The higher level of sales in HY2018 was mainly due to higher initial sales following the launch of the "Hokkaido Baked Cheese Tart" brand in FY2017 and sales and marketing initiatives in connection with the opening of new outlets.

Revenue from Supply Chain Sales amounted to A$4.3 million and A$4.4 million in HY2018 and HY2019 respectively. Although there was an increase in the number of sub-franchised and sub-licensed outlets, revenue from Supply Chain Sales remained relatively consistent, due mainly to (a) a reduction in the range of F&B ingredients supplied from our Central Kitchen following an internal review of our Central Kitchen operations, with such F&B ingredients being procured directly by our sub-franchisees from our suppliers instead, and (b) an improvement in stock management by our logistics service provider, Daiwa.

Franchise Revenue increased by A$0.8 million or 31.2%, due mainly to an increase of 13 sub-franchised and sub-licensed outlets in our franchise network, comprising one (1) "PappaRich" outlet in Australia, four (4) "NeNe Chicken" outlets in Australia, one (1) "NeNe Chicken" outlet in Malaysia, two (2) "Gong Cha" outlets in New Zealand, one (1) "Hokkaido Baked Cheese Tart" outlet in Australia, and four (4) "PAFU" outlets in Australia.

Other Revenue remained at A$0.2 million for the respective periods.

Other income

Other income increased by A$0.4 million or 70.5%, from A$0.5 million in HY2018 to A$0.9 million in HY2019, due mainly to:

(a) an increase in rental income from the sub-lease of space at our outlet premises of A$0.1 million;

(b) an increase in suppliers' rebates of A$0.1 million as a result of increase in purchases of inventories by our Group and our sub-franchisees and sub-licensees. The increase in purchases was in line with the increase in the number of outlets in our franchise network; and

(c) a fair value gain of A$0.1 million arising from the remeasurement of our Group's existing 32.0% interest in JCT (Chadstone) Pty Ltd at fair value, in connection with the JCT Chadstone Acquisition.

Changes in inventories

We recorded an increase of A$0.4 million in the closing balance of our inventories in HY2019 as compared to an increase of approximately A$30,000 in HY2018. The fluctuations in the balance of our inventories were due mainly to timing of purchases and consumption of inventories.

Purchases of inventories

Purchases of inventories increased by A$2.2 million or 46.2%, from A$4.6 million in HY2018 to A$6.8 million in HY2019, in line with the overall increase in our aggregate revenue from F&B Retail Sales and Supply Chain Sales. Inventories consumed (taking into account purchases of inventories and changes in inventories) as a percentage of revenue from F&B Retail Sales and Supply Chain Sales remained relatively stable at 29.9% in HY2018 and 29.8% in HY2019.

Franchise restaurants and stores related establishment costs

Franchise restaurants and stores related establishment costs remain stable at A$1.0 million in both HY2018 and HY2019.

Rental on operating leases

Rental on operating leases increased by A$0.8 million or 43.4%, from A$1.7 million in HY2018 to A$2.5 million in HY2019, in line with the opening of new outlets operated by our Group and as a result of annual rental escalations.

Staff costs

Staff costs increased by A$2.6 million or 50.2%, from A$5.1 million in HY2018 to A$7.7 million in HY2019, due mainly to an increase in salaries and statutory provisions such as superannuation. The increase in number of employees was in line with our business expansion and the growth of our franchise network.

Depreciation expense

Depreciation expense increased by A$0.4 million or 57.3%, from A$0.7 million in HY2018 to A$1.1 million in HY2019, due mainly to renovation of premises and addition of new equipment, furniture and fittings for new outlets opened by our Group.

Amortisation expense

Amortisation expense increased by approximately A$93,000 from approximately A$33,000 in HY2018 to approximately A$126,000 in HY2019. This was mainly due to additional amortisation expense arising from the initial franchise fee paid by our Group in relation to the Gong Cha (NZ) Master Franchise Agreement and the Gong Cha (England) Master Franchise Agreement which were entered into in May 2018 and June 2018 respectively. These Master Franchise Agreements granted us franchise rights to the "Gong Cha" brand in New Zealand and England, United Kingdom. Pursuant to SFRS(I)1-38, amortisation of an intangible asset begins when the asset is available for use. Accordingly, while we have not commenced the operation of any "Gong Cha" outlets in England, United Kingdom during the Period Under Review, the initial franchise fee paid in relation to the Gong Cha (England) Master Franchise Agreement is amortised over the term of the agreement, being the period in which the franchise rights are granted to our Group.

The increase in amortisation expense was also in relation to acquisition of sub-franchisees for the "PappaRich" brand in New South Wales, Australia from Asian Delicious Cuisine Pty Ltd ("**ADC**"). In 2013, our Group had appointed ADC as the area master franchisee for the "PappaRich" brand in the New South Wales region. In June 2018, we terminated the arrangement with ADC and acquired the sub-franchisees and franchise rights in New South Wales from ADC for a consideration of A$1.0 million. This amount was capitalised as an intangible asset and is amortised over the remaining term of the franchise rights. Please refer to the section entitled "General Information on our Group – Major Customers" of this Offer Document for further information on ADC.

Finance costs

Finance costs increased by approximately A$25,000 or 39.1%, from approximately A$64,000 in HY2018 to approximately A$89,000 in HY2019, in line with an increase in our level of borrowings to finance our business expansion.

Other expenses

Other expenses increased by A$0.5 million or 20.5%, from A$2.6 million in HY2018 to A$3.1 million in HY2019, due mainly to the following:

(a) an increase in professional fees incurred in relation to the Listing of A$0.2 million;

(b) an increase in royalty fees paid to our Master Franchisors and Licensor of A$0.2 million, in line with the increase in the number of Group-owned, sub-franchised and sub-licensed outlets and revenue derived from these outlets; and

(c) an increase in write-off of property, plant and equipment of A$0.1 million due to relocation of the outlet operated by JCT (Doncaster) Pty Ltd.

Share of results of associates

Our Group did not recognise any share of results of associates in HY2019, as compared to approximately A$7,000 in HY2018, as JCT (Chadstone) Pty Ltd became our wholly-owned subsidiary following the JCT Chadstone Acquisition in September 2018.

Profit before tax

As a result of the foregoing, our profit before tax increased by A$0.8 million or 26.3%, from A$3.1 million in HY2018 to A$3.9 million in HY2019.

Income tax

Income tax expense increased by A$0.2 million or 25.4%, from A$0.9 million in HY2018 to A$1.1 million in HY2019, in line with the increase in our profit before tax.

Profit for the period

As a result of the foregoing, our profit after tax increased by A$0.6 million or 26.7%, from A$2.2 million in HY2018 to A$2.8 million in HY2019.

Reconciliation of audited combined statements of comprehensive income for FY2018, unaudited combined statements of comprehensive income for HY2019 and unaudited pro forma combined statements of comprehensive income for FY2018 and HY2019

In FY2018, our Group recorded profit for the year of A$3.9 million. Based on the unaudited pro forma combined statement of comprehensive income, we recorded profit for the year of A$3.8 million. The decrease in profit for the year of A$0.1 million was due to the unaudited pro forma adjustments to exclude the 10-month results of our Monash Outlet, and adjustment to the gain on disposal as if the disposal had occurred on 1 July 2017. After accounting for non-controlling interests, profit for the year attributable to equity holders of the Company based on our unaudited pro forma combined statement of comprehensive income amounted to A$2.7 million.

In HY2019, our Group recorded profit for the period of A$2.8 million. Based on our unaudited pro forma combined statement of comprehensive income, there were no changes to our Group's profit for the period or profit for the period attributable to equity holders of the Company.

REVIEW OF FINANCIAL POSITION

Current assets

Our current assets comprise mainly (a) inventories; (b) trade and other receivables; and (c) cash and cash equivalents. Current assets amounted to A$13.6 million and A$11.8 million and accounted for 48.7% and 36.2% of our total assets as at 30 June 2018 and 31 December 2018, respectively.

Inventories

Inventories mainly comprise raw materials and consumables and finished goods. Inventories amounted to A$1.4 million and A$1.8 million and accounted for 5.1% and 5.7% of our total assets as at 30 June 2018 and 31 December 2018, respectively.

Trade and other receivables

Our trade and other receivables mainly consist of trade receivables (mainly due from our logistics service provider, Daiwa, and our sub-franchisees and sub-licensees), deferred expenditure (relating to fees paid to our Master Franchisors and Licensor for new outlets opened, as well as Listing-related expenses), prepayments (mainly relating to purchase of ingredients from our Master Franchisor for the "Gong Cha" brand), deposits (relating to rental bonds, utilities and inventories), sundry receivables, accrued income relating to royalty fees and supplier rebates, and other current assets. Trade and other receivables amounted to A$4.5 million and A$4.6 million and accounted for 16.2% and 14.2% of our total assets as at 30 June 2018 and 31 December 2018, respectively.

Non-current assets

Our non-current assets mainly comprise (a) property, plant and equipment; (b) intangible assets; (c) financial assets at fair value through other comprehensive income; (d) investment in an associated company; (e) deferred tax assets; (f) restricted cash; and (g) other receivables. Non-current assets amounted to A$14.3 million and A$20.7 million and accounted for 51.3% and 63.8% of our total assets as at 30 June 2018 and 31 December 2018, respectively.

Property, plant and equipment

Property, plant and equipment consist of machinery and equipment, furniture and fittings, renovation, office equipment and motor vehicles. Property, plant and equipment amounted to A$9.9 million and A$13.6 million and accounted for 35.6% and 41.8% of our total assets as at 30 June 2018 and 31 December 2018, respectively. The increase in property, plant and equipment was due mainly to the additions of machinery and equipment, furniture and fittings and renovation in connection with the expansion of our network of outlets.

Intangible assets

Intangible assets mainly relate to master franchise fees and licence fees paid by our Group, which are capitalised and amortised on a straight-line basis over the term of the respective Master Franchise Agreements or NeNe Chicken Licence Agreement, and goodwill. Intangible assets amounted to A$2.0 million and A$3.7 million and accounted for 7.0% and 11.3% of our total assets as at 30 June 2018 and 31 December 2018, respectively.

The increase in intangible assets was mainly due to initial franchise fees paid by our Group in relation to the "Gong Cha" brand in England, United Kingdom, as well as fees paid to the Master Franchisor for the opening of our second "IPPUDO" outlet in Western Australia, in accordance with the terms of the IPPUDO (WA) Master Franchise Agreement. In addition to the above, we also recognised goodwill of A$0.9 million, arising from the PPR Ryde Acquisition and the JCT Chadstone Acquisition in September 2018, as part of the Restructuring Exercise.

Available-for-sale financial assets/Financial assets at fair value through other comprehensive income

Available-for-sale financial assets/financial assets at fair value through other comprehensive income ("**FVOCI**") amounted to A$0.1 million as at 30 June 2018 and 31 December 2018 and accounted for 0.4% and 0.3% of our total assets as at the respective dates. This relates to our Group's 25.0% interest in PPR Cockburn Pty Ltd as at the respective dates. PPR Cockburn Pty Ltd owns and operates a sub-franchised "PappaRich" outlet located in Cockburn, Perth, Australia. Investment in unquoted equity shares classified as available-for-sale financial assets at cost as at 30 June 2018 are classified and measured as equity instrument designated at FVOCI beginning 1 July 2018. We elected to classify irrevocably the non-listed equity investment under this category at the date of initial application of SFRS(I) 9 Financial Instruments.

Investment in an associated company

Investment in an associated company amounted to approximately A$21,000 as at 30 June 2018, and was in relation to our Group's 32.0% interest in JCT (Chadstone) Pty Ltd. Following the JCT Chadstone Acquisition, JCT (Chadstone) Pty Ltd became a wholly-owned subsidiary of our Group. As at 31 December 2018, our Group did not have any investment in associated companies.

Deferred tax asset

Deferred tax asset amounted to A$1.0 million and A$1.3 million and accounted for 3.6% and 4.1% of our total assets as at 30 June 2018 and 31 December 2018, respectively. Deferred tax asset was mainly in relation to temporary differences in the tax bases of lease incentives, deferred income and provisions as compared to their carrying amounts in our Group's combined statements of financial position.

Restricted cash

Restricted cash consists of term deposits pledged to financial institutions as bank guarantees provided to the landlords for certain leased premises during the lease term. Our restricted cash amounted to A$1.0 million and A$1.7 million and accounted for 3.6% and 5.2% of our total assets as at 30 June 2018 and 31 December 2018, respectively. The increase in restricted cash was due to an increase in the number of premises leased for Group-owned outlets.

Other receivables

The non-current portion of our other receivables, which mainly comprise rental bonds, the deposit paid by our Group to the Master Franchisor of the "Gong Cha" brand pursuant to the terms of the Gong Cha (NZ) Master Franchise Agreement and deferred expenditure paid to our Master Franchisors and Licensor in relation to new outlet establishments, amounted to A$0.3 million and A$0.3 million and accounted for 0.9% and 1.0% of our total assets as at 30 June 2018 and 31 December 2018, respectively.

Current liabilities

Our current liabilities comprise (a) trade and other payables; (b) contract liabilities; (c) borrowings; and (d) tax payable. Current liabilities amounted to A$12.3 million and A$11.9 million and accounted for 78.6% and 71.5% of our total liabilities as at 30 June 2018 and 31 December 2018, respectively.

Trade and other payables

Trade and other payables mainly consist of trade payables (mainly due to our suppliers, Master Franchisors and Licensor), other payables comprising mainly statutory goods and services and payroll related tax and superannuation payables, franchise deposits received from our potential new sub-franchisees, accrued operating expenses, amounts due to related parties, lease incentives and straight-line lease liabilities. Please refer to the section entitled "Interested Person Transactions" of this Offer Document for further details on amounts due to related parties.

Trade and other payables amounted to A$9.2 million and A$8.1 million and accounted for 58.7% and 48.5% of our total liabilities as at 30 June 2018 and 31 December 2018, respectively. The decrease in trade and other payables was due to repayment of advances from related parties of A$1.3 million and the absence of subscription monies received in advance of A$0.5 million, following the allotment and issue of Preference Shares to certain Pre-IPO Investors in July 2018. The above was partially offset by an increase in accrued operating expenses of A$0.5 million and an increase in franchise deposits received from potential new sub-franchisees of A$0.1 million.

Contract Liabilities

Contract liabilities mainly consist of (a) deferred income resulting from initial franchise or licence fees paid by sub-franchisees or sub-licensees which are recognised on a straight-line basis over the term of the underlying sub-franchise or sub-licence agreement; and (b) billings in excess of revenue recognised to-date for projects, which are recognised as revenue when the Group satisfies the performance obligations under its agreements. Contract liabilities amounted to A$0.7 million and A$0.5 million and accounted for 4.2% and 3.0% of our total liabilities as at 30 June 2018 and 31 December 2018, respectively.

Borrowings

Borrowings consist of bank loans and finance lease liabilities. The current portion of our borrowings amounted to A$1.0 million and A$1.2 million and accounted for 6.5% and 7.0% of our total liabilities as at 30 June 2018 and 31 December 2018, respectively.

Tax payable

Tax payable amounted to A$1.5 million and A$2.2 million and accounted for 9.3% and 13.0% of our total liabilities as at 30 June 2018 and 31 December 2018, respectively.

Non-current liabilities

Our non-current liabilities comprise (a) borrowings; (b) other payables; and (c) contract liabilities. Non-current liabilities amounted to A$3.4 million and A$4.7 million and accounted for 21.4% and 28.5% of our total liabilities as at 30 June 2018 and 31 December 2018, respectively.

Borrowings

Non-current portion of borrowings amounted to A$1.3 million and A$1.9 million and accounted for 8.5% and 11.5% of our total liabilities as at 30 June 2018 and 31 December 2018, respectively.

Trade and other payables

Non-current portion of trade and other payables, comprising mainly lease incentives and straight-line lease liability amounted to A$1.4 million and A$1.7 million and accounted for 9.0% and 10.4% of our total liabilities as at 30 June 2018 and 31 December 2018, respectively. The increase in non-current portion of trade and other payables was due to increase in lease incentives received from landlords for new leases.

Contract liabilities

Non-current contract liabilities amounted to A$0.6 million and A$1.1 million and accounted for 3.9% and 6.6% of our total liabilities as at 30 June 2018 and 31 December 2018, respectively. The increase in non-current contract liabilities was due to an increase in initial franchise and licence fees received from sub-franchisees and sub-licensees, in line with the increase in the number of sub-franchised and sub-licensed outlets.

Equity attributable to owners of the Company

Equity attributable to owners of the Company amounted to A$10.1 million and A$13.3 million as at 30 June 2018 and 31 December 2018, respectively.

Reconciliation of audited combined statements of financial position as at 30 June 2018, unaudited combined statements of financial position as at 31 December 2018 and unaudited pro forma combined statements of financial position as at 30 June 2018 and 31 December 2018

Current assets

Based on our unaudited pro forma combined statements of financial position as at 30 June 2018, current assets decreased by A$1.6 million to A$12.0 million. This was due to a decrease in cash and cash equivalents, comprising an adjustment of A$0.2 million to reflect the disposal of the Monash Outlet, and the distribution of dividends of A$1.4 million.

Based on our unaudited pro forma combined statements of financial position as at 31 December 2018, current assets decreased by A$0.8 million to A$10.9 million, due to a decrease in cash and cash equivalents as a result of the distribution of interim dividends of A$0.8 million.

Non-current assets

Based on our unaudited pro forma combined statements of financial position as at 30 June 2018 and 31 December 2018, no adjustments were made to our Group's non-current assets.

Current liabilities

Based on our unaudited pro forma combined statements of financial position as at 30 June 2018, current liabilities decreased by A$0.1 million to A$12.3 million, due to a decrease in tax payable as a result of the disposal of the Monash Outlet.

Based on our unaudited pro forma combined statements of financial position as at 31 December 2018, no adjustments were made to our Group's current liabilities.

Non-current liabilities

Based on our unaudited pro forma combined statements of financial position as at 30 June 2018 and 31 December 2018, no adjustments were made to our Group's non-current liabilities.

Shareholders' equity

Based on our unaudited pro forma combined statements of financial position as at 30 June 2018, equity attributable to owners of the Company decreased by A$1.1 million to A$9.0 million, due to a decrease in retained earnings. The decrease in retained earnings was due to (a) a A$0.1 million decrease in profit for the year attributable to equity holders of the Company as a result of the disposal of the Monash Outlet; and (b) distribution of dividends to the owners of the Company amounting to A$1.0 million.

Based on our unaudited pro forma combined statements of financial position as at 31 December 2018, equity attributable to owners of the Company decreased by A$0.8 million to A$12.5 million, due to a decrease in retained earnings, as a result of distribution of dividends to the owners of the Company amounting to A$0.8 million.

LIQUIDITY AND CAPITAL RESOURCES

We financed our growth and operations through a combination of shareholders' equity (including retained profits), shareholder's loans, net cash generated from operating activities and bank borrowings. Our principal uses of cash have been for working capital requirements and to fund our capital investment in property, plant and equipment as we expand our network of outlets.

As at 30 June 2018, we had cash and cash equivalents of A$7.4 million and working capital of A$1.2 million. Our shareholders' equity (excluding non-controlling interests) amounted to A$10.1 million and our total borrowings amounted to A$2.3 million, comprising mainly bank borrowings and finance lease liabilities. As at 31 December 2018, we had cash and cash equivalents of A$5.1 million and negative working capital of A$0.1 million. Our shareholders' equity (excluding non-controlling interests) amounted to A$13.3 million and our total borrowings amounted to A$3.1 million, comprising mainly bank borrowings and finance lease liabilities.

The negative working capital was mainly due to significant investments which we had financed using our internal sources of funds to support the rapid expansion of our operations in HY2019, as the number of Group-owned outlets increased by 12, from 24 as at 30 June 2018 to 36 as at 31 December 2018. In line with our expansion in HY2019, (a) term deposits pledged to financial institutions as bank guarantees given to landlords of our leased premises increased by A$0.7 million; and (b) additions to property, plant and equipment (comprising furniture and fittings, renovation and equipment) amounted to A$4.0 million. Our Group also had additions to intangible

assets of A$0.9 million (relating to initial franchise fees paid by our Group in relation to the "Gong Cha" brand in England, United Kingdom of A$0.8 million and fees paid to the Master Franchisor for the opening of our second "IPPUDO" outlet in Western Australia of A$0.1 million).

Based on our unaudited pro forma combined statements of financial position as at 30 June 2018, we had cash and cash equivalents of A$5.8 million and negative working capital of A$0.3 million. Our shareholders' equity (excluding non-controlling interests) amounted to A$9.0 million and our total borrowings amounted to A$2.3 million comprising mainly bank borrowings and finance lease liabilities. Based on our unaudited pro forma combined statements of financial position as at 31 December 2018, we had cash and cash equivalents of A$4.2 million and negative working capital of A$1.0 million. Our shareholders' equity (excluding non-controlling interests) amounted to A$12.5 million and our total borrowings amounted to A$3.1 million comprising mainly bank borrowings and finance lease liabilities.

The negative working capital in our unaudited pro forma combined statements of financial position as at 30 June 2018 and 31 December 2018 was mainly due to pro forma adjustments for dividends of A$0.6 million and A$0.8 million, which were declared and paid in HY2019 and subsequent to HY2019, respectively. Please refer to the section entitled "Selected Pro Forma Financial Information" of this Offer Document for further information.

As at the Latest Practicable Date, we had cash and cash equivalents of A$4.9 million.

Please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – Review of Financial Position" of this Offer Document for more information.

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

(a) our Group's negative working capital as at 31 December 2018 was mainly due to significant investments which we had financed using internal sources of funds to support the rapid expansion of our operations in HY2019, as detailed above. In particular, the number of Group-owned outlets increased by 12 in HY2019. Comparatively, for the second half of FY2019 ("**2H2019**") and FY2020, we intend to establish a total of five (5) Group-owned outlets in 2H2019 and four (4) Group-owned outlets in FY2020;

(b) we had cash and cash equivalents of approximately A$4.9 million as at the Latest Practicable Date;

(c) our Group had generated strong operating cash flows in FY2016, FY2017, FY2018 and HY2019 amounting to A$3.1 million, A$5.4 million, A$5.6 million and A$4.8 million respectively;

(d) our Group's retail sales transactions, which amounted to A$23.7 million and A$17.0 million, and accounted for approximately 64.9% and 68.0% of total revenue in FY2018 and HY2019 respectively, are substantially conducted on a cash basis (including credit card and electronic payments);

(e) our Directors believe that our Group would be able to obtain additional bank borrowings from its principal bankers if and when required in the future;

(f) going forward, in considering the level of dividend payments, our Group will take into account various factors, such as expected working capital requirements to support our future growth, financial position, cash flows and investment plans; and

(g) our future plans as set out in the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document will be partially funded by net proceeds from the Placement and the issue of the Cornerstone Shares and the extent and timing of the future plans may be managed based on the amount raised from the Placement and the issue of the Cornerstone Shares.

Having considered the factors above, our Directors are of the reasonable opinion that, after taking into consideration the cash flows generated from operating activities, together with our existing cash and cash equivalents and available credit facilities, we have sufficient working capital available to meet our present requirements and for at least 12 months after the listing of our Company on Catalist.

The Sponsor and Issue Manager is of the reasonable opinion that, having regard to the above, after having made due and careful inquiry and after taking into account our Group's existing cash and cash equivalents and available credit facilities, our Group has sufficient working capital available to meet our present requirements and for at least 12 months after the listing of our Company on Catalist.

We set out below a summary of our combined statements of cash flows for the Period Under Review. The following cash flow summary should be read in conjunction with the full text of this Offer Document, including the "Audited Combined Financial Statements for the Financial Years Ended 30 June 2016, 2017 and 2018", the "Interim Condensed Unaudited Combined Financial Statements for the Six-Month Period Ended 31 December 2018" and the "Unaudited Pro Forma Combined Financial Information for the Financial Year Ended 30 June 2018 and Six-Month Period Ended 31 December 2018", as set out in Appendices A, B and C to this Offer Document.

(A$'000)	**FY2016**	**FY2017**	**FY2018**	**HY2019**
Net cash generated from operating activities	3,080	5,382	5,606	4,771
Net cash used in investing activities	(1,245)	(3,634)	(4,523)	(4,711)
Net cash (used in)/generated from financing activities	(2,265)	(1,220)	4,767	(2,441)
Net (decrease)/increase in cash and cash equivalents	(430)	528	5,850	(2,381)
Cash and cash equivalents at beginning of financial year/period	1,461	1,031	1,559	7,429
Effects of foreign exchange rate changes	–	–	20	9
Cash and cash equivalents at end of financial year/period	1,031	1,559	7,429	5,057

FY2016

We generated net cash from operating activities before changes in working capital of A$4.4 million. Net cash used in working capital amounted to A$0.3 million, due mainly to an increase in payables of A$1.3 million as a result of an increase in deferred income arising from initial franchise fees as well as deposits received from our sub-franchisees. In FY2016, five (5) new sub-franchised "PappaRich" outlets and five (5) new sub-franchised "NeNe Chicken" outlets were opened. The increase in payables was offset by an increase in inventories of A$0.7 million and an increase in receivables of A$1.0 million, in line with our business expansion. We also paid income tax of A$1.0 million. As a result, net cash generated from operating activities amounted to A$3.1 million.

Net cash used in investing activities amounted to A$1.2 million, due mainly to additions to property, plant and equipment (comprising furniture and fittings, renovation, equipment and motor vehicles) of A$1.7 million as we expanded our operations and increased our number of outlets, partially offset by the repayment by related parties of advances amounting to A$0.5 million.

Net cash used in financing activities amounted to A$2.3 million, due mainly to the payment of dividends of A$2.2 million, repayment of bank borrowings of A$0.2 million, acquisition of additional interests in our subsidiary, Delicious Foodcraft Pty Ltd, of A$0.2 million which was accounted for on a common control basis and interest paid on bank borrowings of A$0.1 million. The above was partially offset by a decrease in fixed deposits pledged of A$0.1 million and advances from related parties amounting to A$0.3 million. Please refer to the section entitled "Interested Person Transactions" of this Offer Document for further details.

FY2017

We generated net cash from operating activities before changes in working capital of A$6.1 million. Net cash generated from working capital amounted to A$0.5 million, due mainly to an increase in payables of A$2.4 million as a result of an increase in deferred income arising from initial franchise fees received from our sub-franchisees and an increase in lease incentives received from landlords for new outlets, as well as operating costs of six (6) Group-owned "Hokkaido Baked Cheese Tart" outlets which were opened in FY2017. This was partially offset by an increase in receivables of A$2.1 million, due mainly to an increase in trade balances owing from our logistics service provider, Daiwa. The increase in Supply Chain Sales to Daiwa was in line with our business expansion and in particular, the introduction of the "Hokkaido Baked Cheese Tart" brand in FY2017. We also paid income tax of A$1.2 million. As a result, net cash generated from operating activities amounted to A$5.4 million.

Net cash used in investing activities amounted to A$3.6 million, due mainly to additions to property, plant and equipment (comprising furniture and fittings, renovation and equipment) of A$3.1 million as we expanded our operations and increased our number of outlets, and additions to intangible assets (comprising initial franchise fees paid in relation to the "Hokkaido Baked Cheese Tart" and "IPPUDO" brands) of A$0.5 million.

Net cash used in financing activities amounted to A$1.2 million, due mainly to the payment of dividends of A$2.0 million, repayment of bank borrowings of A$0.4 million, interest paid on bank borrowings of A$0.1 million and an increase in fixed deposits pledged of A$0.1 million. The above was partially offset by proceeds from bank borrowings of A$0.4 million and advances from related parties amounting to A$1.0 million. These related parties include certain shareholders of our subsidiaries, STG Confectionery Pty Ltd, STG Food Industries 5 Pty Ltd and IPR (WA) Pty Ltd. Please refer to the section entitled "Interested Person Transactions" of this Offer Document for further details.

FY2018

We generated net cash from operating activities before changes in working capital of A$6.7 million. Net cash generated from working capital amounted to A$0.5 million, due mainly to (a) an increase in contract work-in-progress of A$0.2 million; and (b) an increase in payables of A$1.4 million as a result of an increase in lease incentives, straight-line lease liabilities and other payables in connection with the opening of nine (9) new Group-owned outlets during FY2018 as well as an increase in other payables relating to statutory goods and services and payroll-related tax, superannuation payables and Listing-related expenses. The above was partially offset by (a) an increase in receivables of A$0.8 million due to increase in deposits paid for the rental of outlets and office premises for our operations under the "NeNe Chicken" brand in Malaysia and deferred expenditure (relating to fees paid to our Master Franchisors for new outlets opened, as well as in relation to Listing-related expenses); and (b) an increase in inventories of A$0.3 million. We also paid income tax of A$1.6 million. As a result, net cash generated from operating activities amounted to A$5.6 million.

Net cash used in investing activities amounted to A$4.5 million, due mainly to (a) additions to property, plant and equipment (comprising furniture and fittings, renovation and equipment) of A$4.1 million as we expanded our operations and increased our number of outlets; (b) additions to intangible assets (comprising the initial licence fee paid by our Group in relation to the "NeNe Chicken" brand in Malaysia, the initial franchise fee paid by our Group in relation to the Gong Cha (NZ) Master Franchise Agreement, which granted us franchise rights to the "Gong Cha" brand across New Zealand, and the acquisition of sub-franchisees and franchise rights for the "PappaRich" brand in New South Wales, Australia from ADC) of A$1.3 million; and (c) the acquisition of an additional 10% interest in PPR Cockburn Pty Ltd amounting to A$0.1 million. The above was partially offset by proceeds of A$0.9 million from the sale of the Monash Outlet to an unrelated third party, as well as capital contributions from non-controlling interests in our subsidiaries of A$0.1 million.

Net cash generated from financing activities amounted to A$4.8 million, due mainly to net proceeds from the issuance of the Series 1A Preference Shares and the Series 1B Preference Shares of A$7.2 million, proceeds from bank borrowings of A$0.4 million and capital contributions of A$0.1 million from shareholders of our subsidiary, Delicious Foodcraft Pty Ltd, which was accounted for on a common control basis. The above was partially offset by payment of dividends of A$1.6 million, repayment of bank borrowings of A$0.6 million, an increase in fixed deposits pledged of A$0.4 million, acquisition of the non-controlling interests in our subsidiaries, HBCT (Aust) Pty Ltd and HBCT (WA) Pty Ltd of A$0.2 million, interest paid on bank borrowings of A$0.1 million and repayment of advances from related parties of A$0.1 million. Please refer to the section entitled "Interested Person Transactions" of this Offer Document for further details.

HY2019

We generated net cash from operating activities before changes in working capital of A$5.2 million. Net cash generated from working capital amounted to A$0.3 million, due mainly to an increase in payables and contract liabilities of A$0.9 million. The increase in payables and contract liabilities was mainly due to additional initial franchise fees received from sub-franchisees and potential new sub-franchisees' deposits, increase in lease incentives and increase in accrued operating expenses. This was partially offset by (a) an increase in inventories of A$0.4 million; and (b) an increase in receivables and contract assets of A$0.2 million. We also paid income tax of A$0.8 million. As a result, net cash generated from operating activities amounted to A$4.8 million.

Net cash used in investing activities amounted to A$4.7 million, due mainly to (a) additions to property, plant and equipment (comprising furniture and fittings, renovation and equipment) of A$3.6 million as we expanded our operations and increased our number of outlets, (b) net cash outflows arising from the PPR Ryde Acquisition and the JCT Chadstone Acquisition of A$0.2 million, and (c) additions to intangible assets of A$0.9 million. Additions to intangible assets comprised the initial franchise fee paid by our Group in relation to the "Gong Cha" brand in England, United Kingdom of A$0.8 million and fees paid to the Master Franchisor for the opening of our second "IPPUDO" outlet in Western Australia pursuant to the IPPUDO (WA) Master Franchise Agreement.

Net cash used in financing activities amounted to A$2.4 million, due mainly to payment of dividends of A$0.6 million, repayment of bank borrowings of A$0.5 million, an increase in fixed deposits pledged of A$0.7 million, interest paid on bank borrowings of A$0.1 million and repayment of advances from related parties of A$1.3 million. These related parties include Asian Delicious Cuisine Pty Ltd, as well as certain shareholders of our subsidiaries, Idarts Australia Pty Ltd, STG Confectionery Pty Ltd, GCHA (NZ) Pty Ltd and STG Food Industries Malaysia Sdn Bhd. The above was partially offset by proceeds from bank borrowings of A$0.7 million. Please refer to the section entitled "Interested Person Transactions" of this Offer Document for further details.

CAPITAL EXPENDITURES, DIVESTMENTS, COMMITMENTS AND CONTINGENT LIABILITIES

Capital Expenditures and Divestments

Capital expenditures and divestments made by us during the Period Under Review and for the period from 1 January 2019 to the Latest Practicable Date were as follows:

(A$'000)	FY2016	FY2017	FY2018	HY2019	1 January 2019 to the Latest Practicable Date
Capital expenditures					
Machinery and equipment	563	963	1,073	904	295
Furniture and fittings	885	30	2,107	1,145	7
Office equipment	96	27	21	25	1
Motor vehicles	36	–	67	25	53
Renovation	673	2,793	1,620	2,765	676
Intangible assets	–	490	1,264	886	–
Total expenditures	**2,253**	**4,303**	**6,152**	**5,750**	**1,032**

(A$'000)	FY2016	FY2017	FY2018	HY2019	1 January 2019 to the Latest Practicable Date
Divestments					
Machinery and equipment	–	–	158	–	–
Furniture and fittings	–	–	–	–	–
Office equipment	–	–	–	–	–
Motor vehicles	–	–	–	–	–
Renovation	–	–	270	–	–
Intangible assets	–	–	–	–	–
Total divestments	**–**	**–**	**428**	**–**	**–**

The capital expenditures in relation to property, plant and equipment during the Period Under Review were in line with our business expansion and increase in the number of outlets.

The additions to intangible assets of A$1.3 million in FY2018 mainly comprise initial licence fees paid by our Group in relation to the "NeNe Chicken" brand in Malaysia, the initial franchise fees paid by our Group in relation to the Gong Cha (NZ) Master Franchise Agreement, which granted us franchise rights to the "Gong Cha" brand across New Zealand, and the acquisition of sub-franchisees and franchise rights for the "PappaRich" brand in New South Wales, Australia from ADC.

Additions to intangible assets of A$0.9 million in HY2019 mainly comprise the initial franchise fee paid by our Group in relation to the "Gong Cha" brand in England, United Kingdom of A$0.8 million and fees paid to the Master Franchisor for the opening of our second "IPPUDO" outlet in Western Australia pursuant to the IPPUDO (WA) Master Franchise Agreement.

The above capital expenditures were funded by a combination of bank borrowings, hire purchase facilities, related party loans and internally generated funds.

Commitments

Capital Commitments

As at the Latest Practicable Date, we had capital commitments of approximately A$0.3 million in relation to contracted amounts for fit-out and equipment for new outlets.

Operating Lease Payment Commitments

As Lessee

As at the Latest Practicable Date, we have the following operating lease payment commitments:

	(A$'000)
Not later than one (1) year	5,396
Later than one (1) year and not later than five (5) years	16,833
Later than five (5) years	4,602
Total	**26,831**

Our operating lease commitments comprise rent payable by us for our Central Kitchen, office and outlet premises.

We intend to finance the above operating lease commitments by internally generated funds.

Please refer to the section entitled "General Information on our Group – Material Properties and Fixed Assets" of this Offer Document for further details.

As Lessor

As at the Latest Practicable Date, we do not have any material operating lease payments receivable in respect of non-cancellable operating leases.

Contingent Liabilities

As at the Latest Practicable Date, we do not have any contingent liabilities.

FOREIGN EXCHANGE MANAGEMENT

The individual financial statements of each entity in our Group are measured and presented in the currency of the primary economic environment in which the entity operates (the functional currency). The combined financial statements of our Group are presented in A$, which is the functional currency of our Company and the presentation currency for the combined financial statements.

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

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

For the purpose of presenting the combined financial statements, the assets and liabilities of the entities in our Group that have a functional currency different from our presentation currency of A$, are translated using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under foreign currency translation reserve.

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

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

Foreign Currency Exposure

Our reporting currency is in A$ and our operations are primarily carried out in Australia.

The percentage of our revenues, purchases and expenses denominated in the different currencies for the Period Under Review were as follows:

Revenue

(%)	FY2016	FY2017	FY2018	HY2019
AUD	95.8	94.2	89.7	85.1
NZD	4.2	5.8	8.5	8.8
MYR	–	–	1.8	6.1
	100.0	**100.0**	**100.0**	**100.0**

Purchases

(%)	FY2016	FY2017	FY2018	HY2019
AUD	81.2	89.6	81.2	76.1
USD	3.9	4.9	7.0	9.8
NZD	0.8	0.3	2.9	1.5
MYR	10.1	2.5	6.0	8.7
KRW	4.0	2.7	2.9	3.9
	100.0	**100.0**	**100.0**	**100.0**

Operating expenses

(%)	FY2016	FY2017	FY2018	HY2019
AUD	89.3	74.5	76.8	75.9
USD	7.1	12.0	9.7	9.4
NZD	3.6	13.5	8.1	6.4
MYR	–	–	4.5	5.6
JPY	–	–	0.9	2.6
SGD	–	–	–	0.1
	100.0	**100.0**	**100.0**	**100.0**

To the extent that our revenue, purchases and expenses are not naturally matched in the same currency and to the extent that there are timing differences between invoicing and collection or payment, we will be exposed to fluctuations of the various currencies against A$, which may adversely affect our financial results.

At present, we do not have any formal policy for hedging against foreign exchange exposure. We have not in the past used any financial hedging instruments to manage our foreign exchange risks. We will continue to monitor our foreign exposure and may employ hedging instruments to manage our foreign exchange exposure should the need arise.

Prior to implementing any formal hedging policies, we will seek the approval of our Board on the policy and put in place adequate procedures which shall be reviewed and approved by our Audit Committee. Thereafter, all hedging transactions entered into by our Group will be in accordance with the set policies and procedures.

SIGNIFICANT ACCOUNTING POLICY CHANGES

On 1 July 2018, our Group adopted the new SFRS(I) reporting framework which is identical to the International Financial Reporting Standards as issued by the International Accounting Standards Board. There are no reconciling differences between SFRS and SFRS(I) for the combined statement of comprehensive income, combined statement of changes in equity, combined statement of cash flows of our Group for FY2018 and the combined statement of financial position as at 30 June 2018.

There has been no significant change in the accounting policies of our Group during the Period Under Review. The accounting policies have been consistently applied by our Group during the Period Under Review, except for the changes in accounting policies and related notes as discussed in the "Audited Combined Financial Statements for the Financial Years Ended 30 June 2016, 2017 and 2018" as set out in Appendix A to this Offer Document.

A number of new or revised SFRS(I)s and the related interpretations to SFRS(I)s have been issued but are not yet effective for the financial year ended 30 June 2018, and as such, have not been applied in preparing our audited combined financial statements. Save for SFRS(I) 16 Leases, none of these are expected to have a significant effect on the financial statements of our Group and the Company.

Description	Effective for annual periods beginning on or after
SFRS(I) 15 Revenue from Contracts with Customers	1 January 2018
SFRS(I) 9 Financial Instruments	1 January 2018
SFRS(I) 16 Leases	1 January 2019

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts. SFRS(I) 15 provides a single, principle-based model to be applied to all contracts with customers. Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

SFRS(I) 15 includes disclosure requirements that will result in disclosure of comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group plans to adopt SFRS(I) 15 in its financial statements for the financial year ending 30 June 2019 using the full retrospective approach. As a result, the Group will apply the changes in accounting policies retrospectively to each reporting year presented. The Group has performed an analysis of the requirements of the initial application of SFRS(I) 15 and anticipates that the adoption of SFRS(I) 15 will not have a material impact on the financial statements of the Group in the period of their initial adoption except for additional disclosure required to be made in the Group's financial statements.

SFRS(I) 9 Financial Instruments

SFRS(I) 9 includes guidance on (a) the classification and measurement of financial assets and financial liabilities; (b) impairment requirements for financial assets; and (c) general hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SFRS(I) 9 are based on an expected credit loss model instead of an incurred loss model.

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognise any differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 at the date of initial application in the opening retained earnings and reserves as at 1 July 2018.

The Group will adopt SFRS(I) 9 when it becomes effective in financial year ending 30 June 2019. The Group has performed an analysis of the requirements of the initial application of the new SFRS(I) 9 which will result in changes to the accounting policies relating to the impairment provisions of financial assets, and anticipates that the adoption of SFRS(I) 9 will not have a material impact on the financial statements of the Group in the period of initial adoption.

SFRS(I) 16 Leases

SFRS(I) 16 reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their balance sheets to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, the nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability. The accounting for lessors will not change significantly.

The standard is effective for annual periods beginning on or after 1 January 2019. The standard will affect primarily the accounting for the Group's operating leases. The Group anticipates that the adoption of SFRS(I) 16 may potentially have a material impact on the amounts reported and disclosures made in the financial statements. It is not practicable to provide a reasonable estimate of the impact of SFRS(I) 16 until the Group performs a detailed assessment. The Group is in the process of performing a detailed assessment of the impact and plans to adopt the standard on the required effective date.

HISTORY

Our Company was incorporated in Singapore on 11 January 2018 under the Companies Act as a private company limited by shares, under the name of "ST Group Food Industries Holdings Pte. Ltd." Our Company's registration number is 201801590R. Our Company was converted into a public company limited by shares and the name of our Company was changed to "ST Group Food Industries Holdings Limited" in connection therewith on 10 June 2019. Our Company became the holding company of our Group following completion of the Restructuring Exercise. For more information, please refer to the section entitled "Restructuring Exercise" of this Offer Document.

Our history can be traced back to 2011, when we entered into a joint venture with PappaRich Group Sdn Bhd to establish a network of "PappaRich" restaurants in Australia and New Zealand, and opened our first "PappaRich" outlet in Melbourne, Australia in 2012.

Prior to this, our Executive Chairman and CEO, Mr. Saw Tatt Ghee had accumulated considerable experience in the F&B business. He made his first foray into the F&B industry in 2002 when he opened a kiosk which served bubble tea in the University of Melbourne, Australia. The bubble tea business became profitable in less than two (2) years and was subsequently sold to an unrelated third party.

After the success of this first F&B venture, Mr. Saw Tatt Ghee opened two (2) Malaysian food restaurants, namely, Old Town Kopitiam (Malaysian Restaurant) and Old Town Kopitiam Mamak, in Melbourne's Chinatown and QV Melbourne respectively. This deepened his knowledge and expanded his network of industry contacts in the local F&B scene.

PappaRich

In 2011, encouraged by the strong demand for quality Malaysian food in Australia, we entered into a joint venture with Papparich Group Sdn Bhd, a leading restaurant chain brand in Malaysia. Pursuant to the joint venture, Papparich Australia Pty Ltd was incorporated with the purpose of establishing a network of restaurants in Australia and New Zealand under the name "PappaRich". Papparich Australia Pty Ltd then entered into the Papparich Master Franchise Agreement with Roti Roti International Sdn Bhd, the owner of the "PappaRich" trade marks and trade names and an indirect subsidiary of Papparich Group Sdn Bhd, for the exclusive rights to operate restaurants under the name "PappaRich" in Australia and New Zealand. In order to devote his full attention and resources into developing and establishing the "PappaRich" brand in Australia and New Zealand, Mr. Saw Tatt Ghee sold Old Town Kopitiam (Malaysian Restaurant) to an unrelated third party, while the Old Town Kopitiam Mamak restaurant at QV Melbourne was closed, and our first "PappaRich" restaurant was subsequently opened at the same premises in 2012.

Opening of Central Kitchen in Melbourne

In preparation for the launch and expansion of our network of "PappaRich" restaurants in Australia and New Zealand, we established our Central Kitchen at Port Melbourne, Melbourne in 2012. Our Central Kitchen initially occupied a floor area of approximately 100 sq m, and was used to centrally procure and process food ingredients and products, in order to achieve operational efficiency and maintain consistency in the quality of the food served at our restaurants.

To further promote brand presence and to accelerate the expansion of our network of "PappaRich" restaurants, we subsequently commenced the sub-franchising of the "PappaRich" brand. Our sub-franchise arrangements have also enabled us to rapidly expand regionally into New Zealand, and the first "PappaRich" restaurant in New Zealand was opened in October 2015.

Since the establishment of our first "PappaRich" restaurant, our network of "PappaRich" outlets as at the Latest Practicable Date has grown to 32 outlets in Australia and New Zealand, including those operated by our sub-franchisees.

Expansion of our Central Kitchen

With the rapid expansion of our network of "PappaRich" outlets, in 2013, we expanded our existing Central Kitchen to a total floor area of approximately 3,000 sq m to cope with the rising demand for food ingredients and products. Our new Central Kitchen also houses our corporate headquarters, as well as a newly furbished stock warehouse with digital temperature-controlled zones designed to ensure the quality and freshness of our food ingredients and products.

iDarts

In 2013, we entered into the iDarts Master Franchise Agreement with iDarts Group Limited (which was amalgamated with Dartslive Asia Limited on 1 April 2017 pursuant to Section 680/681 of the Companies Ordinance (Cap. 622) of Hong Kong), for the exclusive rights to the "iDarts" brand in Australia. The "iDarts" brand offers a bar concept integrating electronic dart machines under the "iDarts" and "DARTSLIVE" brands, and the first of such bars was opened in April 2013 in Melbourne, Australia. As at the Latest Practicable Date, there are five (5) bars under the "iDarts" brand located across Australia, which are all operated by sub-franchisees.

NeNe Chicken

In 2014, we observed a global trend of the Korean Wave (*Hallyu*) and the increased popularity of Korean fried chicken. We entered into the NeNe Chicken (AUS) Master Franchise Agreement with Hyein Foods Co., Ltd. for the exclusive franchise rights to the "NeNe Chicken" brand in Australia. Our first "NeNe Chicken" restaurant was launched in Melbourne, Australia in June 2015, and as at the Latest Practicable Date, we have expanded to 17 outlets in Australia, including those operated by our sub-franchisees. These outlets are located across Australia in Victoria, New South Wales, Western Australia, Queensland and the Northern Territory.

As we continue to deliver growth to the brands under our management, we expanded our business presence internationally by securing an exclusive licence to operate chicken specialty stores or restaurants under the "NeNe Chicken" brand in Malaysia in 2017. Our first restaurant in Malaysia was opened in February 2018 at Skyway Avenue, Genting Highlands. As at the Latest Practicable Date, our network of outlets in Malaysia has grown to eight (8) outlets, including those operated by our sub-licensees.

Gong Cha

In 2014, recognising the potential of introducing bubble tea into the market in New Zealand, we entered into a master franchise agreement with Royal Tea Taiwan Co., Ltd. for the exclusive franchise rights to the "Gong Cha" brand in Auckland, New Zealand. In August 2015, we opened our first "Gong Cha" outlet in Auckland, New Zealand. As at the Latest Practicable Date, our network of "Gong Cha" outlets in New Zealand has grown to nine (9) outlets, including those operated by our sub-franchisees.

In 2018, we entered into the Gong Cha (NZ) Master Franchise Agreement with Royal Tea Taiwan Co., Ltd., which superseded the previous master franchise agreement, granting us the exclusive franchise rights to the "Gong Cha" brand across New Zealand. We also entered into the Gong Cha (England) Master Franchise Agreement with Royal Tea Taiwan Co., Ltd., for the exclusive

franchise rights to the "Gong Cha" brand in England, United Kingdom. Our first "Gong Cha" outlet in England, United Kingdom commenced operations in June 2019 at City Tower, Manchester, England.

Hokkaido Baked Cheese Tart

As Japanese desserts influenced by Western baking techniques and ingredients gain popularity in Japan and other countries in Asia such as Singapore and Malaysia, we diversified our brand portfolio to include "Hokkaido Baked Cheese Tart".

In 2016, we entered into the HBCT Master Franchise Agreements with Secret Recipe International Pte. Ltd. for the exclusive franchise rights to the "Hokkaido Baked Cheese Tart" brand in Australia and New Zealand, and opened our first outlet in Melbourne, Australia at Melbourne Central. The number of "Hokkaido Baked Cheese Tart" outlets within our network, including those operated by our sub-franchisees, has since grown to a total of 18 outlets located across Australia and New Zealand as at the Latest Practicable Date.

IPPUDO

In 2016, we also entered into the IPPUDO Master Franchise Agreements with Chikaranomoto Holdings Co., Ltd. for the exclusive rights to operate ramen restaurants under the "IPPUDO" brand in (a) Western Australia, (b) Queensland, Australia and (c) New Zealand. Our first "IPPUDO" restaurant commenced operations in March 2018 in Perth, Australia at Kings Square and our second restaurant opened in November 2018 in Perth, Australia at Westfield Carousel Shopping Centre.

PAFU

To expand our range of F&B offerings, we tapped onto our knowledge of the tastes and preferences of consumers in Australia to develop our own brand, "PAFU" pastry puffs. We opened our first outlet in December 2017 in Melbourne, Australia at QV Square. As at the Latest Practicable Date, our network of outlets in Australia has grown to 10 outlets, including those operated by sub-franchisees.

KURIMU

Encouraged by the success of our own brand, "PAFU", we formulated "KURIMU" cream choux pastries in 2019. Our first "KURIMU" outlet is expected to open in July 2019.

BUSINESS OVERVIEW

We are an established F&B group headquartered in Australia. As at the Latest Practicable Date, we own exclusive franchise and licence rights to six (6) internationally popular F&B brands or concepts in various territories in Australia, New Zealand, Malaysia and England, United Kingdom (as the case may be). We have also developed our own brand concepts, "PAFU" and "KURIMU".

We have four (4) main business segments: (a) F&B retail sales under the various brands through outlets owned and operated by our Group, (b) the sub-franchising and sub-licensing of various brands to our sub-franchisees and sub-licensees, (c) the sale of F&B ingredients and other supplies to our franchise network through our Central Kitchen and (d) the receipt of machine income from the electronic dart machines installed at sub-franchised "iDarts" outlets. As at the Latest Practicable Date, our network of outlets includes 38 outlets which are owned and operated by our Group and 63 outlets which are owned and operated by our sub-franchisees and sub-licensees.

			Number of Outlets as at the Latest Practicable Date	
Brand	**Description/ Specialty**	**Territories of Exclusive Franchise/ Licensing Rights**	**Owned**	**Sub-Franchised/ Sub-Licensed**
PappaRich	Casual dine-in restaurants and kiosks serving Malaysian cuisine	Australia	6	23
		New Zealand	–	3
NeNe Chicken	Casual dine-in restaurants and kiosks serving Korean fried chicken	Australia	2	15
		Malaysia	5	3
Hokkaido Baked Cheese Tart	Kiosks serving Hokkaido-style baked cheese tarts	Australia	10	7
		New Zealand	1	–
Gong Cha	Kiosks serving Taiwanese-style tea, coffee and juices	New Zealand	6	3
		England, United Kingdom	–[(1)]	–
IPPUDO	Casual dine-in restaurants specialising in Japanese ramen	Western Australia	2	–
		Queensland, Australia	–	–
		New Zealand	–	–
iDarts	Bars with electronic dart machines	Australia	–	5

			Number of Outlets as at the Latest Practicable Date	
Brand	**Description/ Specialty**	**Territories of Exclusive Franchise/ Licensing Rights**	**Owned**	**Sub-Franchised/ Sub-Licensed**
PAFU	Kiosks serving fruit puff pastries	Group-owned brand with outlets in Australia	6	4
KURIMU	Kiosks serving cream choux pastries	Group-owned brand with outlets in Australia	–	–
		Total	**38**	**63**

Note:

(1) Our first "Gong Cha" outlet in England, United Kingdom was opened in June 2019.

In addition to the above, we are also a distributor of digital beer pong systems which are installed mainly in bars.

PRINCIPAL ACTIVITIES

(1) F&B Retail Sales

We own and operate the outlets under the following brands:

PappaRich



"PappaRich" is a popular franchise which offers a wide range of Malaysian cuisine featuring a mix of herbs, spices and fresh produce, cooked according to traditional recipes. Signature dishes offered under the "PappaRich" brand include *Nasi Lemak*, *Curry Laksa* and *Char Kway Teow*.

Roti Roti International Sdn Bhd is the owner of the "PappaRich" brand. Pursuant to the PappaRich Master Franchise Agreement, we were granted the exclusive right to operate and carry on business under the "PappaRich" brand in Australia and New Zealand for a term of 20 years commencing from 28 September 2011 and renewable for a further term of five (5) years. Under the terms of the PappaRich Master Franchise Agreement, we are required to pay Roti Roti International Sdn Bhd (a) a one-time initial franchise fee and (b) an annual franchise fee for the subsequent five (5) years.

The PappaRich Master Franchise Agreement may be terminated if, *inter alia*, (a) we fail to pay any amounts exceeding a certain threshold or for a period of three (3) consecutive months; (b) we fail to operate the business in accordance with the material terms and conditions of the agreement; or (c) we are convicted of a criminal offence which substantially impairs the goodwill associated with the intellectual property, provided that Roti Roti International Sdn Bhd first issues a written notice stating the breach and we are given 30 days to remedy such breach. Upon the termination of the PappaRich Master Franchise Agreement, Roti Roti International Sdn Bhd may replace us as the franchisor in all of our existing sub-franchise agreements without our consent.

We conceptualise our menu and outlet concepts based on the varied dining needs of our customers for different occasions. Our "PappaRich" outlets offer the following two (2) dining concepts:

(a) Restaurants offering full menu

We offer a diverse range of over 80 to 120 items of Malaysian food for customers seeking the full dine-in experience in a comfortable setting. Our restaurants also feature décor characteristic of Malaysia's heavily British-influenced Colonial past, with patterned Peranakan-style tiles, ivory lattices and dark meranti wood, coupled with a glass-wrapped open kitchen to attract customers who desire an authentic dining experience of a traditional coffee shop in Malaysia with a modern twist. Our restaurants range in size from approximately 180 to 250 sq m and can accommodate approximately 70 to 90 diners.

Our restaurants are strategically located in areas with high foot traffic such as Chadstone Shopping Centre and QV Square in Melbourne, Australia and train stations such as Southern Cross Station in Melbourne, Australia.

(b) Kiosks offering express menu

To cater to customers seeking to order their meals for take-away, "PappaRich" kiosks offer an express menu featuring signature best-selling Malaysian delights. As at the Latest Practicable Date, the "PappaRich" kiosks within our franchise network are operated by our sub-franchisees. These kiosks range in size from approximately 50 to 120 sq m and are strategically located in food courts and university campuses such as the food court in Westfield Doncaster Shopping Centre and Monash University Clayton campus in Melbourne, Australia. Please refer to the section entitled "General Information on our Group – Principal Activities – Sub-franchising brands to third parties" of this Offer Document for further details on our sub-franchising arrangements.

As at the Latest Practicable Date, we own and operate six (6) "PappaRich" outlets in Australia.

NeNe Chicken



"NeNe Chicken" is a South Korean-based international fried chicken restaurant franchise which serves up to nine (9) varieties of Korean fried chicken marinated with flavours of sweet, salty and spicy. With over 1,000 stores across South Korea, the signature fried chicken is made from chicken marinated for a minimum of 12 hours which increases the juiciness of the meat and elevates its flavour.

Hyein Foods Co., Ltd. is the owner of the "NeNe Chicken" brand. Pursuant to the NeNe Chicken (AUS) Master Franchise Agreement, we were granted an exclusive franchise to operate chicken speciality stores or restaurants under the "NeNe Chicken" brand in Australia for a term of 10 years commencing from 21 May 2014 and renewable for a further term of 10 years. Pursuant to the terms of the NeNe Chicken (AUS) Master Franchise Agreement, we are required to pay (a) a one-time franchise fee, (b) a fixed development fee for each store which is opened by us or our sub-franchisees, and (c) a percentage of the total sales amount as royalty fees. We are required under the NeNe Chicken (AUS) Master Franchise Agreement to purchase certain key ingredients and raw materials such as sauces from Hyein Foods Co., Ltd.. The NeNe Chicken (AUS) Master Franchise Agreement may be terminated if, *inter alia*, (i) we fail to pay any amounts which are required to be paid to Hyein Foods Co., Ltd. for more than 60 days; (ii) if we obtain certain of our supplies from unauthorised third parties; or (iii) if we breach any advertising guidelines prescribed by Hyein Foods Co., Ltd., and such breach is not remedied by us within 30 days from the request to remedy.

In addition, we were also granted an exclusive licence to operate chicken speciality stores or restaurants under the "NeNe Chicken" brand in Malaysia for a term of four (4) years commencing from 19 June 2017 and renewable for a further term of four (4) years. Under the terms of the NeNe Chicken Licence Agreement, we are required to pay Hyein Foods Co., Ltd. (a) a fixed licence fee, (b) a percentage of the total sales amount, and (c) a fixed fee as development fee for every new outlet established. We are required under the NeNe Chicken Licence Agreement to purchase certain key ingredients and raw materials such as sauces from Hyein Foods Co., Ltd.. The NeNe Chicken Licence Agreement may be terminated if, *inter alia*, (i) we fail to pay any amounts which are required to be paid to Hyein Foods Co., Ltd. for more than 60 days; (ii) if we obtain certain of our supplies from unauthorised third parties; or (iii) if we breach any advertising guidelines prescribed by Hyein Foods Co., Ltd., and such breach is not remedied by us within 30 days from the request to remedy.

In Australia, our restaurants range in size from approximately 75 to 130 sq m and can accommodate approximately 20 to 45 diners while our kiosks range in size from approximately 38 to 50 sq m.

In Malaysia, our restaurants range in size from approximately 140 to 200 sq m and can accommodate approximately 75 to 100 diners.

As at the Latest Practicable Date, we own and operate seven (7) "NeNe Chicken" outlets, comprising two (2) in Australia and five (5) in Malaysia. Our "NeNe Chicken" outlets in Australia and Malaysia are mainly located in shopping districts and shopping centres such as Melbourne Central and Boxhill Central in Melbourne, Australia, as well as Starling Mall, Petaling Jaya, Midvalley Megamall and Avenue K Shopping Mall, Kuala Lumpur and SkyAvenue, Genting Highlands in Malaysia.

Hokkaido Baked Cheese Tart



Founded in Malaysia, "Hokkaido Baked Cheese Tart" draws its inspiration from the flavours of cheese made from Hokkaido dairy. The "Hokkaido Baked Cheese Tart" offering is a mini tart with a crisp, buttery shortcrust pastry base and filled with a cheese mousse blend. Although best served warm straight from the oven, the tarts continue to grow in demand as customers find new ways to enjoy them, such as gently chilling them in a fridge to maintain a smooth, creamy and refreshing experience, or freezing it to enjoy a cheesy ice-cream treat. We believe these tarts are a treat that can be consumed through all four seasons.

Secret Recipe International Pte. Ltd. is the owner of the "Hokkaido Baked Cheese Tart" brand. Pursuant to the HBCT Master Franchise Agreements, we were granted an exclusive franchise to operate and carry on the business under the "Hokkaido Baked Cheese Tart" brand in Australia and New Zealand for a term of 10 years commencing from 15 August 2016 and renewable for a further term of 10 years. Under the terms of the HBCT Master Franchise Agreements, we are required to pay Secret Recipe International Pte. Ltd. (a) a one-time franchise fee, (b) a percentage of the total sales amount as royalty fees, (c) a fixed fee for every new outlet opened after the fourth outlet and (d) a percentage of the royalty fees we receive from our sub-franchisees. Each of the HBCT Master Franchise Agreements may be terminated if, *inter alia*, (i) either party fails to comply with a term of the agreement; (ii) we fail to open the specified minimum number of outlets and fail to

pay the compensation required; or (iii) if we fail to obtain any prior written approval or consent of the Master Franchisor expressly required under the respective agreements, and such breach is not remedied within 120 days.

As at the Latest Practicable Date, we own and operate 11 "Hokkaido Baked Cheese Tart" outlets, comprising 10 in Australia and one (1) in New Zealand. Our "Hokkaido Baked Cheese Tart" kiosks range in size from approximately 10 to 80 sq m and are strategically located in areas with high foot traffic such as Melbourne Central and shopping malls such as Chadstone Shopping Centre and QV Square in Melbourne, Australia, World Square in Sydney, Australia and Westfield Carousel in Perth, Australia.

Gong Cha



Originating from Taiwan, "Gong Cha" offers an extensive menu of natural, healthy, freshly brewed tea and other beverages which can be personalised according to individual tastes and preferences. Customers may also add desired toppings to their beverage, such as its signature pearls made using the original recipe of Taiwan Jikiden, which is a glutinous rice cake, to achieve its chewy texture. The house specialty is the "Gong Cha Milk Foam Series", which is a refreshing beverage of brewed tea of the customer's choice, such as jasmine green tea, oolong tea or black tea, topped with a layer of frothy fresh milk foam.

Royal Tea Taiwan Co., Ltd. is the owner of the "Gong Cha" brand. Pursuant to the Gong Cha (NZ) Master Franchise Agreement, we were granted an exclusive franchise to operate and carry on the business under the "Gong Cha" brand in New Zealand for a term commencing from 1 May 2018 to 30 November 2024. Under the terms of the Gong Cha (NZ) Master Franchise Agreement, we are required to pay Royal Tea Taiwan Co., Ltd., *inter alia*, (a) a one-time franchise fee, and (b) a percentage of the gross revenue as royalty fees. We are required under the Gong Cha (NZ) Master Franchise Agreement to purchase all goods, products or supplies from Royal Tea Taiwan Co., Ltd. or from approved or designated suppliers. The Gong Cha (NZ) Master Franchise Agreement may be terminated if, *inter alia*, (i) we fail to pay any amounts which are required to be paid to Royal Tea Taiwan Co., Ltd. when due and such amounts continue to remain unpaid for 10 days; (ii) if we fail to comply with a term or condition of the agreement and such failure or default is not remedied within 30 days from the request to remedy; (iii) if we obtain certain of our supplies from unauthorised third parties; or (iv) if we fail to open the required number of outlets and still do not meet the required number of outlets within 12 months. Our "Gong Cha" kiosks in New Zealand range in size from approximately 20 to 100 sq m and are located in strategic locations such as Auckland Central and Sylvia Park Shopping Centre in Auckland, New Zealand. As at the Latest Practicable Date, we own and operate six (6) "Gong Cha" outlets in New Zealand.

In addition, pursuant to the Gong Cha (England) Master Franchise Agreement, we were granted an exclusive franchise to operate and carry on the business under the "Gong Cha" brand in England, United Kingdom for a term commencing from 15 August 2018 to 14 August 2026. Under the terms of the Gong Cha (England) Master Franchise Agreement, we are required to pay Royal Tea Taiwan Co., Ltd., *inter alia*, (a) a one-time franchise fee, and (b) a percentage of the gross revenue as royalty fees. We are required under the Gong Cha (England) Master Franchise Agreement to purchase all goods, products or supplies from Royal Tea Taiwan Co., Ltd. or from approved or designated suppliers. The Gong Cha (England) Master Franchise Agreement may be terminated if, *inter alia*, (i) we fail to pay any amounts which are required to be paid to Royal Tea Taiwan Co., Ltd. when due and such amounts continue to remain unpaid for 10 days; (ii) if we fail to comply with a term or condition of the agreement and such failure or default is not remedied within 30 days from the request to remedy; (iii) we obtain certain of our supplies from unauthorised third parties; or (iv) if we fail to open the required number of outlets and still do not meet the required number of outlets within 12 months. Our first "Gong Cha" outlet in England, United Kingdom commenced operations in June 2019 at City Tower, Manchester, England.

IPPUDO



"IPPUDO" was founded in the 1980s in Hakata, Japan and has over 80 stores in Japan, and globally in places such as Singapore, Hong Kong, Taiwan, Seoul, Malaysia, China and Thailand. One of its specialties is its tonkotsu-based ramen, which is served in a tonkotsu broth made from pork bones and simmered for many hours.

Chikaranomoto Holdings Co., Ltd. is the owner of the "IPPUDO" brand. Pursuant to the IPPUDO Master Franchise Agreements, we were granted exclusive rights to operate and carry on the business under the "IPPUDO" brand in (a) Western Australia, (b) Queensland, Australia and (c) New Zealand for a term of seven (7) years commencing from the date of the opening of the first restaurant in the respective territories, and automatically renewable for a further term of three (3) years. We opened our first "IPPUDO" outlet in Western Australia on 23 March 2018, which is the date of commencement of the IPPUDO (WA) Master Franchise Agreement in respect of Western Australia. As at the date of this Offer Document, we have not opened any "IPPUDO" outlets in Queensland, Australia or New Zealand.

Under the terms of the IPPUDO Master Franchise Agreements, we are required to pay Chikaranomoto Holdings Co., Ltd. (a) a one-time franchise fee, (b) a percentage of the net sales

amount as licence fees and (c) a fixed fee for every new restaurant opened after the first restaurant in the respective territories. We are required under the IPPUDO Master Franchise Agreements to purchase noodles, soup, toppings and any other ingredients and seasonings used at the "IPPUDO" outlets from suppliers accredited by Chikaranomoto Holdings Co., Ltd.. The IPPUDO Master Franchise Agreements may be terminated if, *inter alia*, (i) we breach any of the provisions in the agreements; (ii) we suspend our business operations during the opening hours specified in the agreements; or (iii) if we engage in conduct which hinders or is likely to hinder the business operated by Chikaranomoto Holdings Co., Ltd. or any third party, provided that Chikaranomoto Holdings Co., Ltd. has issued a written notice requiring us to discontinue or remedy the breach within a reasonable period.

As at the Latest Practicable Date, we own and operate two (2) restaurants in Western Australia, each with a built-in area of approximately 250 sq m and a seating capacity of approximately 90 diners.

PAFU



Heavily inspired by Japanese-styled pastries, "PAFU" is our own home-grown brand which was created to satisfy the tastes and preferences of our customers in Australia. "PAFU" pastry puffs are golden crisp pastries with a smooth custard and sweet diced fruit filling freshly baked with locally-sourced ingredients. Our kiosks are conveniently located in areas with high foot traffic, making "PAFU" puffs a ready-to-eat and convenient snack.

As at the Latest Practicable Date, we own and operate six (6) kiosks in Australia, with built-in areas ranging from approximately 13 to 30 sq m.

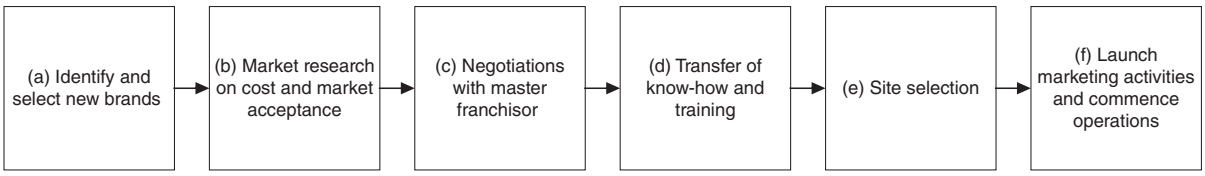
KURIMU



Following the success of our "PAFU" brand, we conceptualised the "KURIMU" brand in 2019. "KURIMU" Japanese cream choux pastries are pastry sticks which are coated with almonds before baking to create a crispy texture and are filled with a smooth custard. Our first "KURIMU" kiosk is expected to open in July 2019.

Process of franchise selection and launching of a new brand

The following flow-chart illustrates the typical process of our brand selection and launch of a new brand:



(a) Identify and select new brands

As part of our Group's strategy to continue expanding and diversifying our portfolio of F&B brands, we identify global trends in the F&B industry and evaluate possible opportunities for the introduction of new brands in the geographical markets which we operate in.

In selecting a new brand, we will assess, among others, the following factors:

- **Local culinary habits and taste preferences**: the ever-changing consumer tastes and preferences in the geographical areas we operate in, which helps us assess whether a particular brand will be well-received. We will also consider the demographics of our consumers such as age groups, income levels and exposure to international brands so as to determine their spending patterns and preferences.
- **Competition**: the existing F&B establishments in the geographical markets we operate in which offer similar products.
- **Brand reputation**: the reputation of the brand and number of outlets it currently has in other geographical markets.
- **Barriers to entry**: the expected start-up costs of bringing the franchise to the desired markets.

(b) Market research on cost and market acceptance

Once a particular brand is identified, we will conduct a franchise feasibility study. This includes a detailed research on factors which have led to the acceptance of the particular brand in other geographical markets, and an analysis of those various factors in the market(s) which we intend to introduce the brand to.

We will also obtain a list of food ingredients and products which are prescribed by the master franchisor of the brand, and conduct our own assessment to determine if the cost of procuring such supplies from the master franchisor and/or suppliers which have been approved by them and sourcing other food ingredients and products from local suppliers are feasible.

(c) Negotiations with master franchisor

Once we have conducted our feasibility studies, we will commence negotiations with the master franchisor for the exclusive franchise rights to the brand in one (1) or several territories. We will take into consideration, *inter alia*, factors such as the franchise fees, tenure of the franchise, mode of payment of fees and exclusivity rights.

(d) Transfer of know-how and training

Prior to the commencement of operations of our first restaurant or kiosk under a new brand, the master franchisors will typically conduct training for our employees, which includes cooking and preparation demonstrations. We will also be provided with a copy of the operational manual of the brand, which sets out specifications and guidelines relating to the operation of the restaurant or kiosk, including the methods for manufacturing and processing ingredients.

(e) Site selection

Concurrently, we will also conduct research to identify suitable and strategic locations for our restaurants and kiosks, based on, among other things, accessibility and foot traffic, visibility, demographics, surrounding businesses and competition, rental costs and lease duration. As part of the site selection process, we typically classify our outlets into two (2) categories: (i) restaurants which offer a dine-in experience and (ii) kiosks which serve take-away food. After securing a suitable location, we will engage designers and architects to design, renovate and fit out the interiors of the restaurants or kiosks according to the intended concept for the brand in consultation with the master franchisor.

(f) Launch marketing activities and commence operations

Concurrent with the renovation of the new outlet, we will typically engage an advertising and public relations consultant for a period of four (4) to six (6) months, to create a marketing program for the new brand.

Nearing the date of opening of the restaurant or kiosk, we may publicise the event through various channels including, *inter alia*, social media platforms, brand website and banners around the new restaurant or kiosk. We may also invite social media influencers, media representatives and photographers to attend and cover the event.

(2) Sub-franchising brands to third parties

To further promote brand presence and to accelerate the expansion of the network of outlets across the territories over which we have been granted franchise rights, we may enter into sub-franchise arrangements with third parties in respect of such brands to operate in specific locations. For instance, in relation to the "Hokkaido Baked Cheese Tart" brand, out of the 18 outlets across Australia and New Zealand as at the Latest Practicable Date, 11 outlets are owned and operated by our subsidiaries and the remaining seven (7) outlets are owned and operated by third parties under sub-franchising arrangements.

Our sub-franchisees enter into our standardised sub-franchise agreements for each brand. Under the terms of these agreements, our sub-franchisees are generally required to pay us (a) a one-time initial franchise fee for each outlet, (b) on-going royalty fees payable each month for each outlet based on a percentage of total sales, and (c) training and marketing fees.

Further, to maintain quality and consistency, our sub-franchisees are required under the terms of our sub-franchise agreements to purchase certain food ingredients, such as sauces, pastes and dough, solely from our Central Kitchen or our logistics service provider(s). Please refer to the section entitled "General Information on our Group – Principal Activities – Central Kitchen" of this Offer Document for further information.

Sub-franchising process

The following flow-chart illustrates the typical sub-franchising process:



(a) Identify and select sub-franchisees

To establish a stronger brand presence across a wider geographic area, we seek to form deep localised partnerships with experienced third parties who have a better understanding of local consumers' tastes and preferences. We typically receive enquiries from prospective sub-franchisees through our website. The selection process for sub-franchisees is overseen by our senior management. We will take into consideration, *inter alia*, the experience of our potential partners in the F&B industry, their level of commitment to stringent quality standards and consistency, as well as their ability to work full-time to devote time and effort to ensure the smooth operation of the restaurant or kiosk. In addition, these prospective sub-franchisees must satisfy our internal due diligence checks and suitability assessment, which includes, *inter alia*, a police check on the sub-franchisees, a review of their business plan and financial model and whether they have sought independent legal and accounting and business advice. This is to ensure that we engage suitable sub-franchisees who share our values and commitment to quality to safeguard the reputation of the brands.

(b) Review of business plan and financial model

We treat our sub-franchisees as our business partners and work closely with them to ensure that they receive the support they need. Before they decide to join our franchise network, we will advise them to seek independent business and accounting advice, as well as to speak with other sub-franchisees to understand the business better. We may also assist the prospective sub-franchisees in reviewing their business plans and provide input on major expense items such as ingredients, manpower and rental, based on our experience and feedback from other sub-franchisees, to ensure that they are making an informed decision.

(c) Enter into sub-franchise agreements and commence training programme

As part of our sub-franchisee engagement checklist, all of our sub-franchisees are expected to sign an independent advice certificate which confirms that they have sought independent legal, business and accounting advice before entering into the sub-franchise agreements. We will also provide copies of the code of conduct which they are expected to adhere to. This is in line with our policy of treating our sub-franchisees as our close business partners whom we advise and mentor. To ensure that our sub-franchisees comply with their obligations under the sub-franchise agreements, we will require them to guarantee the prompt performance of their obligations, and indemnify us against losses. The sub-franchisees will also grant a first-priority security interest in all of their personal property used in the sub-franchised business as security for their monetary and other obligations under the sub-franchise agreement. In addition, the sub-franchise agreements also require our sub-franchisees to effect and maintain throughout the duration of the sub-franchise arrangement certain insurance policies as detailed in the section entitled "General Information on our Group – Insurance" of this Offer Document.

Once our sub-franchisees have signed the sub-franchise agreements with us, we will commence our training programme to provide them with the necessary information and training on the business. They will also have access to our online standard operating procedures platform, which we have established for some brands, which provides all our sub-franchisees with guides and resources required for the operation of the restaurant or kiosk. For example, a guide to managing employees, which recommends a minimum probation period of three (3) months for all new employees, and online resources which can educate our sub-franchisees on workplace health and safety requirements. Please refer to the sections entitled "General Information on our Group – Quality Control" of this Offer Document for more information.

(d) Site selection

We will also work together with our sub-franchisees to identify a suitable location for the restaurant or kiosk. Some factors we will consider include, *inter alia,* (i) the number of existing restaurants and/or kiosks in the vicinity of the proposed outlet; (ii) rental of the proposed site; and (iii) foot traffic of the proposed site.

After a suitable location has been identified, we will also advise our sub-franchisees on the renovation of the restaurants and kiosks, including the interior design concept and the building materials to be used to ensure we upkeep a consistent image of the brands. Where required, we may also provide our sub-franchisees with project management services for the renovation and fitting-out of their premises.

(e) Launch marketing activities and commence operations

Prior to the launch of sub-franchised outlets, our marketing team will provide support to our sub-franchisees by advising on promotional campaigns that can be rolled out, and assisting to publicise and promote awareness of the new outlet.

Following the commencement of operations, in accordance with the terms of the sub-franchise and sub-licence agreements, we charge ongoing royalties and marketing fees to our sub-franchisees and sub-licensees. Such fees are generally computed as a percentage of gross sales at sub-franchised and sub-licensed outlets, which are in turn based on monthly sales declarations submitted by the sub-franchisees and sub-licensees.

We monitor the completeness and reasonableness of these sales declarations based on our assessment of our sub-franchisees' and sub-licensees' historical sales information, comparison among similar outlets and evaluating the procurement information of our sub-franchisees and sub-licensees. We also conduct regular audits at least three (3) times a year on the operations of our sub-franchisees and sub-licensees, the scope of which includes the verification of sales declarations submitted.

(f) Termination

Pursuant to the terms of our sub-franchise agreements, we may terminate the sub-franchise agreement by giving seven (7) days' notice in writing if, *inter alia*, our sub-franchisee operates the business in a way that endangers public health or safety and that danger is not rectified within 24 hours after the receipt of notice from us requiring rectification, or our sub-franchisee becomes bankrupt or goes into liquidation. Our sub-franchise agreements also give us the right to immediately terminate the sub-franchise agreement if, *inter alia*, our sub-franchisee breaches any of its obligations under the agreement, including any breach of our standard operating procedures, and such breach is not remedied within 30 days from the written notice from us of such breach.

(3) Central Kitchen

Our Central Kitchen is located in Melbourne, Australia and has a total floor area of approximately 3,000 sq m. It supports the operations of our franchise network through central procurement, processing and preparation of certain food ingredients and products, which are supplied to outlets in Australia and New Zealand operated by our Group and our sub-franchisees. To maintain consistency in the quality and tastes of our food offerings, certain key food ingredients and products such as pre-packaged seasoning, pre-cooked pastes, pre-cooked sauces, marinades, marinated meats, pastries and some finished products are prepared by trained staff at our Central Kitchen. We also automate the processing of other fresh food ingredients at our Central Kitchen, reducing labour costs as well as the time required for food preparation at the restaurants and kiosks. As a testament to our commitment to food quality and safety, our Central Kitchen has been HACCP (Hazard Analysis & Critical Control Points) compliant since 2014 and ISO 9001:2015 Quality Management System certified since 2015.

Our Central Kitchen also houses our warehouse, which is equipped with an automated inventory management system and digital temperature-controlled cool zones designed to maintain the freshness of our food ingredients and products before they are distributed to the outlets. To facilitate the distribution of supplies from our Central Kitchen, we have a reliable logistics system which enables us to make deliveries to all outlets in our franchise network across Australia and New Zealand three (3) times a week. We have four (4) trucks for deliveries to outlets located in Victoria, Australia, while deliveries to other outlets in Australia and New Zealand are outsourced to third party vendors.

We believe that the technology and processes we employ at our Central Kitchen will enable us to:

(a) increase productivity at the restaurants and kiosks we supply to through central production;

(b) optimise the use of space at the outlets by reducing kitchen and storage areas required; and

(c) enhance product consistency and safety through centralised process control.

The supply of food ingredients and products through our Central Kitchen also allows us to ensure that all outlets owned and operated by us, as well as those that are operated by our sub-franchisees, are in compliance with the terms of our Master Franchise Agreements, which typically require us to purchase ingredients from our Master Franchisors and/or suppliers which have been approved by them and/or adhere to food recipes and standard operating procedures of the particular brand.

Our Central Kitchen does not supply to our outlets in Malaysia. As at the Latest Practicable Date, our Group's licence network in Malaysia comprises five (5) Group-owned outlets and three (3) sub-licensed outlets. The key ingredient for the "NeNe Chicken" outlets is marinated chicken, and this is prepared and supplied to the respective outlets by external suppliers (using the marinades which we sell to those suppliers). As we increase the scale of our business operations, our Group has plans to establish a new central kitchen in Malaysia to support outlets in the region. Please refer to the section entitled "General Information – Business Strategies and Future Plans" of this Offer Document for further details.

(4) Sub-franchising of the "iDarts" brand

We have entered into the iDarts Master Franchise Agreement with iDarts Group Limited (which was amalgamated with Dartslive Asia Limited on 1 April 2017 pursuant to Section 680/681 of the Companies Ordinance (Cap. 622) of Hong Kong), for the exclusive rights to the "iDarts" brand in Australia for a term of five (5) years from 1 December 2012 with an automatic extension for a further term of five (5) years, until 30 November 2022. Under the terms of the iDarts Master Franchise Agreement, we are required to pay iDarts Group Limited (a) a one-time franchise fee, (b) monthly royalty fees, (c) a fixed fee for every new store or concept opened under the "iDarts" brand, and (d) network service fee for the operation of the electronic darts machines.



"iDarts" provides customers with electronic dart consoles in a fun-filled, friendly atmosphere. It is a modern interpretation of the traditional sport of darts which is played in pubs and bars. Coupled with lights, computer-generated imagery (CGI), audio and online connectivity, which allows customers to access a wide range of variations of darts games, it uses precision sensors to accurately keep score. This technology is also being used in professional dart tournaments today.

Whilst our Group has the exclusive rights to the "iDarts" brand in Australia, as at the Latest Practicable Date, we do not own or operate any "iDarts" outlets. We have five (5) outlets in Australia which are operated by our sub-franchisees. Our sub-franchisees are generally required to pay us (a) a one-time initial franchise fee for each outlet, (b) on-going royalty fees payable each month for each outlet, and (c) a percentage of the machine income derived and machine connection fee.

(5) Others

In addition, we have also entered into a distributorship agreement for the rights to distribute electronic beer pong products in Australasia for a term of three (3) years until 1 February 2020, which (unless otherwise terminated) may be renewed on the same terms. Under the terms of the distributorship agreement, the electronic beer pong products shall be sold by us on a cost-plus basis, at a fixed mark-up as agreed with the manufacturer. Pursuant to the distributorship agreement, we are also required to maintain a minimum order quantity to maintain our rights to distribute the electronic beer pong products as well as pay a monthly network fee for the network service for each set of electronic beer pong products. For the Period Under Review, revenue derived from the sale of electronic beer pong products was not significant. It amounted to approximately A$36,000 and A$75,000 in FY2018 and HY2019 respectively, accounting for 0.1% and 0.3% of our revenue for the respective periods. There was no sale of electronic beer pong products in FY2016 and FY2017.

Whilst our Group is a distributor of the electronic beer pong products, as at the Latest Practicable Date, we do not own or operate any bars which use the electronic beer pong products.

QUALITY CONTROL

We are committed to delivering both high quality food products and high standards of service at all the restaurants and kiosks under our portfolio of brands, including those operated by our sub-franchisees and sub-licensees.

Food quality

In order to ensure stringent quality standards and consistency in tastes of the food we serve, we have established our Central Kitchen for the central procurement, processing and preparation of certain food ingredients and products, which are supplied to outlets in Australia and New Zealand operated by our Group and our sub-franchisees.

Since 2015, the food safety management systems of our Central Kitchen have been certified to be in compliance with the requirements of ISO 9001:2015. The ISO 9001:2015 is a standard developed and published by the International Organisation for Standardisation, setting out the requirements for a food safety management system, including, among other things, compliance with applicable statutory and regulatory food safety requirements, effective communication of food safety requirements to suppliers, customers and relevant interested parties in the food chain and conformity with food safety policies. Our Central Kitchen has also been certified to be in compliance with HACCP (Hazard Analysis & Critical Control Points) since 2014. The HACCP adopts a science-based systematic approach to identify specific hazards and measures for control to ensure the safety of food for consumption and is a universally recognised and accepted method for food safety assurance.

We maintain a comprehensive quality control programme which consists of various procedures and measures, including the following:

(a) Incoming supplies

The quality of food ingredients used is critical to the final quality and safety of the food products which we serve to our customers. The terms of the master franchise agreements or licence agreements we enter into typically require us to purchase ingredients from our master franchisors or licensors, and/or suppliers which have been approved by our master franchisors or licensors. We select suppliers for inclusion in the approved supplier list based on factors such as quality, timely delivery, price, consistency and ability to deliver to our outlets. We will also conduct an annual review of our suppliers in our approved supplier list to assess and evaluate, *inter alia*, the quality and consistency of their products, and provide our feedback to these suppliers.

When food ingredients are delivered to our Central Kitchen and to our outlets operated by us, we conduct inspections in relation to, *inter alia*, the appearance, net weight, date of production and expiry date of the supplies, and general cleanliness of the delivery trucks. We also require perishable goods to be refrigerated and maintained in the appropriate temperature zones when they are delivered to us. We will conduct checks on the temperatures of the supplies when they are delivered, and reject them if found to be outside the stipulated temperature zones.

(b) Food processing and preparation

Our Central Kitchen is equipped with tools and equipment which enable us to measure and monitor attributes such as the density and flavours of our food ingredients and products, to maintain high standards of consistency and quality. Each production batch is carefully labelled with a batch number, which is systematically recorded into our database. If a complaint is received from a particular restaurant or kiosk regarding the quality of the ingredients, we will be able to trace and recall that particular batch of ingredients from all restaurants and kiosks.

Staff at our Central Kitchen, restaurants and kiosks are also required to undergo relevant training and to follow standardised recipes and procedures, in order to ensure consistency in the quality, taste and presentation of final food products served.

(c) Storage and delivery

The various ingredients and food processed at our Central Kitchen facility are refrigerated or stored at the appropriate temperatures and conditions in our warehouse before they are required for delivery to the restaurants and kiosks. We make regular and scheduled deliveries to restaurants and kiosks in our franchise network across Australia and New Zealand, through our own logistics team and third party vendors, with vehicles which are equipped with the necessary refrigeration and temperature controls.

(d) Sanitation and hygiene control

All personnel involved in food preparation and food handling at our Central Kitchen, restaurants and kiosks are trained in food handling, cooking and hygiene control. All food-handlers must maintain a high standard of personal hygiene to prevent food contamination and transmission of harmful pathogens. Food-handlers are required to observe good practices such as wearing proper attire at all times.

We also adopt stringent guidelines and procedures in the cleaning and sanitisation of food preparation areas and equipment, as well as general maintenance of the kitchen facilities at our Central Kitchen, restaurants and kiosks.

Service quality

We aim to achieve a high level of responsiveness to our customers' preferences and needs. To ensure high standards of service, service staff are required to undergo extensive training emphasising, *inter alia*, the importance of being attentive to customers and familiarity with the menus, as well as high standards of personal hygiene and appearance. We also regularly collate customer feedback through social media platforms and/or survey forms. We have also implemented policies and procedures at all the restaurants and kiosks for service recovery in the event of customer complaint. We will also conduct inspections at the restaurants and kiosks and identify areas for improvement to the restaurant or kiosk manager.

Quality control and monitoring for the outlets

In order to ensure that our sub-franchisees and sub-licensees maintain consistently high levels of food and service quality and uphold the reputation of the brands, all sub-franchisees and sub-licensees are required to attend training conducted by our Group to familiarise themselves with our quality control system and operating procedures, and to comply with these procedures.

For instance, our sub-franchisees and sub-licensees are required to ensure that all ingredients used for the preparation of food at outlets are either purchased from our Central Kitchen or suppliers on our approved supplier list. They must also ensure proper sanitation and hygiene control at their premises at all times.

We conduct surprise audits on the restaurants and kiosks in our franchise network not less than three (3) times a year on, *inter alia*, the food safety procedures, quality of finished products, service standards and cleanliness, to ensure that our sub-franchisees' and sub-licensees' operations are in compliance with our requirements as well as the requirements of our Master Franchisors and Licensor. We will then issue a report and warning letter which sets out areas for improvement and a deadline for rectifications to be made. Depending on the severity of the non-compliance, after the third warning letter, we may issue a formal written notice to our sub-franchisee or sub-licensee for a breach of our standard operating procedures and terminate the sub-franchise or sub-licence agreement (as the case may be) in accordance with its terms.

CERTIFICATIONS AND ACCREDITATIONS

The main certifications and accreditations that we have received for our Central Kitchen are as follows:

Date of grant/ Expiry date	Recipient	Certifications and accreditations	Awarding Organisation/Country of award
14 April 2019/ 13 April 2020	Papparich Central (Melbourne) Pty Ltd	HACCP (Hazard Analysis & Critical Control Points) – Central Kitchen	HACCP Australia Pty Ltd
20 February 2018/ 19 February 2021	Papparich Central (Melbourne) Pty Ltd	ISO 9001:2015 Quality Management System	ICG Compliance Pty Ltd

AWARDS

Over the years, we have received awards and accolades from various government bodies, industry authorities and media and food enthusiasts. A selection of the awards and accolades we have received is set out below.

Year of Award	Recipient	Award	Awarding Organisation/Country of award
2017	PPR Co Outlets Pty Ltd (trading as Papparich Monash)	City of Monash Golden Plate Award for 5 stars in the Food Safety Assessment 2017	City of Monash Public Health Unit, Australia
2017	"PappaRich Express"	5 Star Food Safety Awards in recognition of 5 Star Food Safety Practices	City of Manningham, Victoria, Australia
2017	"ST Group, Hokkaido Baked Cheese Tart"	Best New Concept	QSR Media Detpak Awards 2017, Australia

Year of Award	Recipient	Award	Awarding Organisation/Country of award
2018	"PappaRich"	Lord Mayor's Choice Award	Lord Mayor Andrew Wilson, Parramatta, Sydney, Australia
2018	"Pappa Rich"	Chadstone 2018 Annual Retail Excellence Awards – Winner in the food category for January 2018	Chadstone Shopping Centre, Melbourne, Australia
2018	"Pappa Rich"	Chadstone 2018 Annual Retail Excellence Awards – Winner in the food category for July 2018	Chadstone Shopping Centre, Melbourne, Australia
2018	"Gong Cha"	Fast 50 Contender	Deloitte Fast 50 2018 Regional Awards, New Zealand
2018	"Gong Cha Newmarket"	Best Cafe of the Year 2018	Newmarket Business Awards 2018, New Zealand
2018-2019	"NeNe Chicken"	The BrandLaureate SMEs BESTBRANDS™ Award – F&B Korean Fried Chicken	The BrandLaureate, Malaysia

MARKETING AND BUSINESS DEVELOPMENT

Our overall marketing and business development activities are headed by our Marketing Manager. From time to time, we may also engage the services of an advertising and public relations consultant to create a marketing program for a new brand.

Advertising and promotion of our existing portfolio of brands

Our marketing approach focuses on increasing brand awareness for our existing portfolio of brands through various communication channels such as social media and in-store marketing initiatives. We may also engage culinary ambassadors to endorse the brands in our portfolio to raise brand awareness. We may also leverage upon our Master Franchisors and/or Licensor in relation to their marketing efforts and collaterals. In certain cases, they would send across marketing materials which we may use.

We work closely with third parties such as social media influencers and maintain regular contact with newspaper and magazine columnists and often invite them for store openings and tasting events. These social media influencers typically post pictures and reviews on various social media platforms for sharing with their followers and the columnists may publish their reviews in the local newspapers and magazines.

Leveraging on the digital economy, we actively maintain social media profiles on various social media platforms, where we update customers on new promotional activities or launch of new products, educate them about our brands and host social competitions where winners are given dining vouchers for our restaurants and kiosks. We also advertise our brands on local magazines and online food review websites.

In addition, we work closely with leading food delivery and online reservations platforms, which enables us to tap into new sales channels and extend our reach to a wider pool of consumers, in order to accelerate the growth of our brands.

We also actively organise or participate in events in the local regions near where the restaurants and kiosks are located to increase publicity and promote brand awareness. For example, we set up food stalls at local food events where we serve take-away food from our "PappaRich" express menu. In addition, as we believe there is a demand for our internationally popular brands amongst university students, we also provide sponsorships to student societies and student perks and discounts when they patronise our restaurants and kiosks.

In order to build customer loyalty as well as attract new customers, we offer customer loyalty programmes such as our "PappaRich" loyalty App and "Hokkaido Baked Cheese Tart" loyalty card, which offer discounts, dining rebates and other special offers at our outlets. As at the Latest Practicable Date, our "PappaRich" loyalty App has approximately 66,500 users in Australia.

Sub-franchisees and sub-licensees

Under the terms of our sub-franchise and sub-licence agreements, we typically collect a marketing fee from our sub-franchisees and sub-licensees, which is applied towards developing general marketing, advertising or promotional activities or campaigns for all sub-franchisees and sub-licensees of the brand.

RESEARCH AND DEVELOPMENT

Our Central Kitchen staff conduct research and development at our Central Kitchen with a focus on improving our food preparation processes, in particular cooking time and methods, in order to achieve greater consistency in food quality. We are also constantly looking for ways to increase our productivity and cost efficiency, for instance through the automation or streamlining of certain processes.

To stay competitive, we also believe that it is important to innovate and introduce new food concepts and products of our own. For instance, leveraging on our knowledge of the food production process, as well as the tastes and preferences of consumers in Australia, we developed our own recipe for the "PAFU" pastry puff, which we successfully launched in 2017, as well as our "KURIMU" cream choux pastry, which is expected to be launched in July 2019.

Our research and development-related expenses were not significant during the Period Under Review.

INVENTORY MANAGEMENT

Our inventories primarily comprise (a) raw materials and consumables, including (i) food cost items comprising ambient, chilled and frozen raw ingredients (such as seafood, meats and vegetables, unprocessed sauces and marinades) and (ii) non-food cost items such as packaging, napkins, uniforms, marketing collaterals; and (b) finished goods which primarily comprise soup bases, processed sauces and marinades and frozen pastries.

To ensure the freshness and quality of our food products, we generally do not maintain a significant level of inventories for ingredients which are perishable in nature. In respect of products which have a longer shelf life, such as unprocessed sauces and marinades, as well as certain frozen raw ingredients, we usually maintain an adequate level of supply of approximately three (3) months of our estimated requirements at our Central Kitchen.

Our average inventory turnover for the Period Under Review was as follows:

	FY2016	FY2017	FY2018	HY2019
Average inventory turnover (days)	45	48	48	47

Note:

(1) For FY2016, FY2017 and FY2018, average inventory turnover (days) = (average inventory balance/cost of inventories consumed) x 365 days. For HY2019, average inventory turnover (days) = (average inventory balance/cost of inventories consumed) x 184 days. Cost of inventories consumed comprises changes in inventories and purchases of inventories.

MAJOR CUSTOMERS

Our revenue primarily comprises (a) F&B retail sales under the various brands through outlets owned and operated by our Group, (b) the sale of F&B ingredients and other supplies to our franchise network, (c) franchise fees, licence fees and royalty income from the sub-franchising and sub-licensing of various brands to our sub-franchisees and sub-licensees including project management income in relation to the renovation and fitting-out of new outlets for our sub-franchisees and sub-licensees and (d) machine income derived from "iDarts" electronic dart machines.

In relation to our F&B retail sales, our customers mainly comprise walk-in, takeaway and food delivery customers. As these customers are diverse, none of our retail customers accounted for 5.0% or more of our total revenue during the Period Under Review.

In relation to the supply of F&B ingredients and other supplies to our franchise network, our customers mainly comprise (a) sub-franchisees within the state of Victoria, Australia who make direct purchases of supplies from our Central Kitchen, and (b) logistics service providers who purchase supplies from our Central Kitchen and sell and deliver these supplies to our sub-franchisees located in other states of Australia and New Zealand.

Revenue derived from the sub-franchising and sub-licensing of various brands includes franchise and licence fees, royalty income, as well as project income in cases where we provide our sub-franchisees and sub-licensees with project management services for the renovation and fitting-out of their premises.

Other revenue, comprising machine income derived from "iDarts" electronic dart machines, accounted for less than 5.0% of our total revenue during the Period Under Review.

The following are the customers that accounted for 5.0% or more of our total revenue during the Period Under Review:

		Percentage of total revenue (%)			
Customer	**Type of revenue**	**FY2016**	**FY2017**	**FY2018**	**HY2019**
Daiwa Food Corporation Pty Ltd ("**Daiwa**")[(1)]	Sale of supplies from Central Kitchen	11.2	17.8	13.7	9.7
Asian Delicious Cuisine Pty Ltd[(2)]	Sale of supplies from Central Kitchen	6.6	–	–	–
PPR Brisbane Pty Ltd[(3)]	Project income and royalty income	6.4	0.7	0.5	0.4
PPR Joondalup Pty Ltd[(3)]	Project income and royalty income	5.2	0.4	0.3	0.2

Notes:

(1) Pursuant to an agency and supply agreement dated 1 February 2016 between Papparich Australia Pty Ltd and Daiwa, Daiwa purchases certain ingredients and food products required by our outlets and our sub-franchisees' outlets from our Central Kitchen, and supplies such products to these outlets in other parts of Australia, being Australian Capital Territory, South Australia, Western Australia, Queensland, and New South Wales. The percentage of revenue contributed by Daiwa increased in FY2017 following the cessation of our supply arrangement with Asian Delicious Cuisine Pty Ltd. Daiwa's percentage of revenue contribution decreased thereafter in FY2018 and HY2019, in line with the reduction in the range of F&B ingredients supplied from our Central Kitchen following an internal review of our Central Kitchen operations for operating and cost efficiency, with such F&B ingredients (mainly ingredients which do not require or which require minimal processing) being procured directly by our sub-franchisees from our suppliers instead.

(2) In 2013, our Group appointed Asian Delicious Cuisine Pty Ltd as an area master franchisee for the "PappaRich" brand in the New South Wales region in Australia. In connection with the above, we supplied certain ingredients and food products produced at our Central Kitchen to Asian Delicious Cuisine Pty Ltd. Asian Delicious Cuisine Pty Ltd would then supply such ingredients and food products to our outlets and our sub-franchisees' outlets in New South Wales. However, due to a change in our supply chain management to improve efficiency, we ceased the supply arrangement with Asian Delicious Cuisine Pty Ltd and outsourced the delivery of F&B ingredients and supplies from our Central Kitchen to Daiwa in February 2016.

The shareholders of Asian Delicious Cuisine Pty Ltd at the relevant time were (a) ST (NSW) Food Industries Pty Ltd, an entity owned by certain of our Directors, Substantial Shareholders and Executive Officers, (b) Roti Roti (NSW) Pty Ltd, an entity which is 50% held by our former employee, (c) Creative Fox Pty Ltd, an entity owned by our former employee, and (d) Jeevent Ramanaidu, an unrelated third party, who each held approximately 25%, 25%, 16.7% and 33.3% of the issued and paid-up capital of Asian Delicious Cuisine Pty Ltd respectively.

The shareholders of ST (NSW) Food Industries Pty Ltd at the relevant time were (i) our Executive Chairman and CEO, Mr. Saw Tatt Ghee, (ii) our Executive Director and CAO, Ms. Saw Lee Ping, (iii) their brother, Mr. Saw Tatt Jin, (iv) our Executive Officer and the spouse of Ms. Saw Lee Ping, Mr. Tan Tee Ooi, (v) our Executive Officer, Mr. Pang Kher Chink, (vi) our Executive Officer, Mr. Ng Yee Siang and (vii) our Executive Officer, Mr. Leong Weng Yu, who each held approximately 51%, 7%, 11%, 7%, 8%, 8% and 8% respectively of the issued and paid-up share capital of ST (NSW) Food Industries Pty Ltd.

(3) Revenue from PPR Brisbane Pty Ltd and PPR Joondalup Pty Ltd was higher in FY2016 due to project income derived from the renovation and fitting-out of new outlets for these sub-franchisees. Revenue from PPR Brisbane Pty Ltd and PPR Joondalup Pty Ltd in FY2017 and FY2018 was mainly derived from royalty fees. PPR Joondalup Pty Ltd is an unrelated third party. Please refer to the section entitled "Interested Person Transactions" of this Offer Document for further details on PPR Brisbane Pty Ltd.

Our Directors are of the view that our business and profitability is not materially dependent on any of the above major customers.

Save as disclosed above, none of our Directors, Substantial Shareholders or Executive Officers or their respective associates has any interest, direct or indirect, in any of the above major customers.

MAJOR SUPPLIERS

Our suppliers primarily comprise (a) suppliers of food cost items required for the operations of our Central Kitchen and outlets and (b) contractors who provide renovation and fitting-out services for the outlets of our sub-franchisees and sub-licensees. The following are the suppliers that supplied 5.0% or more of these costs during the Period Under Review:

Supplier	Products supplied/ services provided	Percentage of total costs (%)			
		FY2016	FY2017	FY2018	HY2019
Victoria Fresh Meat and Poultry Pty Ltd[(1)]	Food cost items	14.0	14.9	14.4	8.8
Oceania Seafoods Pty Ltd[(1)]	Food cost items	9.1	9.9	7.4	4.0
Wing Cheong Trading Company Pty Ltd[(1)]	Food cost items	7.5	9.1	8.6	6.2
Cadell Food Service Pty Ltd[(2)]	Food cost items	0.7	2.0	4.9	5.3
Royal Tea Taiwan Co., Ltd.[(3)]	Food cost items	1.8	3.4	4.0	6.5
Hammer Brothers Pty Ltd[(4)]	Fitting-out	–	6.1	5.8	5.6
Next Level Commercial Interiors Pty Ltd[(5)]	Fitting-out	4.7	5.3	–	–
K & K Industries (Aust) Pty Ltd[(5)]	Fitting-out	9.0	–	–	–
Transformer Retail and Design Pty Ltd[(5)]	Fitting-out	5.4	–	–	–

Notes:

(1) Victoria Fresh Meat and Poultry Pty Ltd, Oceania Seafoods Pty Ltd and Wing Cheong Trading Company Pty Ltd are suppliers of food cost items mainly required for "PappaRich" and/or "NeNe Chicken" outlets. Purchases from these suppliers as a percentage of total costs decreased during the Period Under Review, due mainly to the expansion of our operations under other brands, in particular the "Hokkaido Baked Cheese Tart", "Gong Cha" and "PAFU" brands.

(2) Cadell Food Service Pty Ltd is a supplier of food cost items mainly required for "Hokkaido Baked Cheese Tart" and "PAFU" outlets. The increase in purchases from Cadell Food Service Pty Ltd during the Period Under Review was in line with the increase in the number of "Hokkaido Baked Cheese Tart" and "PAFU" outlets within our franchise network.

(3) Royal Tea Taiwan Co., Ltd. is our Master Franchisor in respect of the "Gong Cha" brand. Pursuant to the Gong Cha (NZ) Master Franchise Agreement, we are required to purchase certain ingredients from Royal Tea Taiwan Co., Ltd.. The increase in purchases from Royal Tea Taiwan Co., Ltd. during the Period Under Review was in line with the increase in the number of "Gong Cha" outlets within our franchise network.

(4) Hammer Brothers Pty Ltd is a contractor which provided us with interior design and fit-out services in respect of the establishment of new outlets during the Period Under Review. The level of transactions with such suppliers may vary across periods depending on, *inter alia*, the number of new outlets opened and the location of these outlets.

(5) Next Level Commercial Interiors Pty Ltd, K & K Industries (Aust) Pty Ltd and Transformer Retail and Design Pty Ltd are contractors which we had engaged to provide interior design and fit-out services in respect of certain specific outlets. Following the completion of the projects in respect of those outlets, we ceased our engagements with them.

Our Directors are of the view that our business and profitability are currently not dependent on any particular contract with any supplier.

To the best of our Directors' knowledge, we are not aware of any information or arrangement, which would lead to a cessation or termination of our current relationship with any of our major suppliers.

None of our Directors, Substantial Shareholders or Executive Officers or their respective associates has any interest, direct or indirect, in any of the above major suppliers.

PRODUCTION CAPACITY AND FACILITY

Our Central Kitchen is located at 120-130 Turner Street, Port Melbourne, Victoria, Australia and has a floor area of approximately 3,000 sq m. We currently use the Central Kitchen to prepare and process certain food ingredients and products which are supplied to our franchise network.

Our capacity to prepare these food products are dependent on the number of staff we employ and/or allocate to our Central Kitchen and varies from time to time depending on our business needs. Accordingly, production capacity and utilisation data is neither available nor meaningful.

MATERIAL PROPERTIES AND FIXED ASSETS

Our fixed assets mainly comprise (a) machinery and equipment, (b) furniture and fittings and (c) renovations. As at the Latest Practicable Date, our Group does not own any properties and we lease or license the following material properties:

Outlets under the "PappaRich" brand

Leased/ Licensed By	Landlord(s)	Location	Tenure	Approximate Gross Area (sq m)	Usage
Australia					
PPR Co Outlets Pty Ltd	Perpetual Trustee Company Limited and Dexus Wholesale Property Limited	Shop 5, 360 Collins Street, Melbourne VIC 3000, Australia	1 June 2017 to 31 May 2024 (7 years)	96	"PappaRich" outlet
PPR Ryde (NSW) Pty Ltd	AMP Macquarie Pty Limited, ACPP Retail Pty Limited and AMP Capital Funds Management Limited	Shop 449, Macquarie Centre, Corner Herring and Waterloo Roads, North Ryde, NSW 2113, Australia	23 October 2014 to 22 October 2022 (8 years)	200	"PappaRich" outlet

Leased/ Licensed By	Landlord(s)	Location	Tenure	Approximate Gross Area (sq m)	Usage
Oldtown QV (Aust) Pty Ltd	Dexus Funds Management Limited and Victoria Square QV Investment Pty Ltd	Level 2, Shop 11, QV Square Queen Victoria, Melbourne VIC 3000, Australia	1 January 2015 to 31 December 2024 (10 years)	350	"PappaRich" outlet
Delicious Foodcraft Pty Ltd	Perpetual Limited and Bridgehead Pty Limited	Shop F029, Chadstone Shopping Centre, F029/1341 Dandenong Road, Malvern East, VIC 3148, Australia	20 March 2017 to 19 March 2024 (7 years)	250	"PappaRich" outlet
Malaysian Fine Foods Pty Ltd	P.T. Limited	Shop 2103, 25-55 Overland Drive Shop 2103, Level 2, Westfield Fountain Gate, Narre Warren VIC 3805, Australia	10 September 2018 to 9 September 2025 (7 years)	147	"PappaRich" and "Hokkaido Baked Cheese Tart" outlets
Malaysian Fine Foods Pty Ltd	SCS Retail Pty Ltd	L1-CS-03, Southern Cross Station, 99 Spencer Street, Docklands, VIC 3008, Australia	1 April 2018 to 31 March 2025 (7 years)	163	"PappaRich" outlet

Outlets under the "Hokkaido Baked Cheese Tart" brand

Leased/ Licensed By	Landlord(s)	Location	Tenure	Approximate Gross Area (sq m)	Usage
Australia					
JCT (Chadstone) Pty Ltd	Perpetual Limited and Bridgehead Proprietary Limited	Shop K0009A, Chadstone Shopping Centre, 1341 Dandenong Road, Malvern East, VIC 3148, Australia	1 November 2016 to 31 October 2022 (6 years)	23	"Hokkaido Baked Cheese Tart" and "PAFU" outlets
HBCT Co Outlets Pty Ltd	Dexus Funds Management Limited and Victoria Square QV Investments Pty Ltd	Shop RCL22, QV Melbourne, Lonsdale Street & Swanston Street, Melbourne, VIC 3000, Australia	12 December 2016 to 11 December 2023 (7 years)	44	"Hokkaido Baked Cheese Tart" outlet
HBCT (WA) Pty Ltd	Scentre Management Limited and RE1 Limited	Kiosk 142, Westfield Carousel, 1382 Albany Highway, Cannington, WA 6107, Australia	22 May 2017 to 21 May 2022 (5 years)	15	"Hokkaido Baked Cheese Tart" outlet
HBCT (NSW) Co Pty Ltd	ISPT Pty Ltd and AWPF Management No.2 Pty Ltd	Kiosk 9.K5B, World Square Shopping Centre, 644 George Street, Sydney, NSW 2000, Australia	17 December 2016 to 16 January 2021 (5 years and 1 month)	25	"Hokkaido Baked Cheese Tart" and "PAFU" outlets
HBCT (NSW) Co Pty Ltd	P.T Limited, RE1 Limited and Scentre Management Ltd	Kiosk K1, Westfield Burwood, 100 Burwood Road, Burwood, NSW 2134, Australia	23 June 2017 to 22 June 2022 (5 years)	26	"Hokkaido Baked Cheese Tart" outlet

Leased/ Licensed By	Landlord(s)	Location	Tenure	Approximate Gross Area (sq m)	Usage
HBCT Co Outlets Pty Ltd	Melbourne Central Custodian Pty Ltd	Shop LG19A, Melbourne Central Shopping Centre, 211 La Trobe Street, Melbourne VIC 3000, Australia	15 October 2016 to 14 October 2023 (7 years)	30	"Hokkaido Baked Cheese Tart" outlet
HBCT (NSW) Co Pty Ltd	AMP Macquarie Pty Limited and AMP Capital Funds Management Limited	Shop K3408, Floor 3, Macquarie Centre, Corner Herring Road & Waterloo Road, North Ryde, NSW 2113, Australia	15 May 2017 to 14 May 2020 (3 years)	14	"Hokkaido Baked Cheese Tart" outlet
JCT Queensland Pty Ltd	Perpetual Limited and IPST Pty Ltd	Shop 006A, the Myer Centre, 91 Queen Street, Brisbane City, QLD 4000, Australia	3 October 2017 to 2 October 2022 (5 years)	43	"Hokkaido Baked Cheese Tart" outlet
HBCT (WA) Pty Ltd	Hakata Gensuke WA Pty Ltd	850 Albany Highway, East Victoria Park, Perth, WA 6101, Australia	1 July 2017 to 31 December 2023 (6.5 years)	36	"Hokkaido Baked Cheese Tart" outlet
New Zealand					
JCT Auckland Limited	New South Investment Limited (previously QLR Limited)	Shop 5, 350 Queen Street, Auckland 1010, New Zealand	1 June 2017 to 1 June 2022 (5 years)	64	"Hokkaido Baked Cheese Tart" outlet

Outlets and operations under the "NeNe Chicken" brand

Leased/ Licensed By	Landlord(s)	Location	Tenure	Approximate Gross Area (sq m)	Usage
Australia					
NN MC Pty Ltd	Melbourne Central Custodian Pty Ltd	Shop L01 147, Lower Ground, Ground and Level 1, Melbourne Central Shopping Centre, 211 La Trobe Street, Melbourne VIC 3000, Australia	28 April 2015 to 27 April 2022 (7 years)	37	"NeNe Chicken" outlet
NN BH Pty Ltd	Federation Manager Ltd	Shop SP038 (formerly known as Shop 69), Box Hill Central (South Precinct), 1 Main Street, Box Hill, VIC 3128, Australia	28 March 2015 to 27 March 2022 (7 years)	90	"NeNe Chicken" outlet
Malaysia					
TGR Food Industries Sdn Bhd	Goh Hun Poh	No. 13, Jalan Mivo 1, Mivo Industrial Avenue, Industri Desa Aman, 47000 Sungai Buloh, Selangor, Malaysia.	1 May 2019 to 30 April 2020 (1 year)	753	Warehouse and office

Leased/ Licensed By	Landlord(s)	Location	Tenure	Approximate Gross Area (sq m)	Usage
NNC Food Avenue Sdn Bhd	City Properties Sdn Bhd	M-20 & SAC-M-1, Level Mezzanine, Avenue K. Shopping Mall, 156 Jalan Ampang, 50450 Kuala Lumpur, Malaysia	1 August 2018 to 31 July 2021 (3 years)	169	"NeNe Chicken" outlet
NNC Restaurants Damansara Sdn Bhd	Damansara Uptown Retail Centre Sdn Bhd	Unit S-226, Level 2, Lot No. 226 The Starling, 6, Jalan SS 21/37, Damansara Utama, 47400 Petaling Jaya, Selangor, Malaysia	1 March 2018 to 28 February 2021 (3 years)	196	"NeNe Chicken" outlet
NNC Restaurants Damansara Sdn Bhd	Damansara Uptown Retail Centre Sdn Bhd	Pusat Perniagaan, The Starling, 6, Jalan SS 21/37, Damansara Utama, 47400 Petaling Jaya, Selangor, Malaysia	1 March 2018 to 28 February 2021 (3 years)	33	External seating area of the "NeNe Chicken" outlet
NNC F&B Restaurants Sdn Bhd	Genting Malaysia Berhad	Lot No. T2C-09, Level 4 and Lot No. T3-09, Level 5, Sky Avenue Mall, Genting Highlands Resort, Genting Highlands, 69000 Genting Highlands, Pahang, Malaysia	1 December 2017 to 30 November 2020 (3 years)	194	"NeNe Chicken" outlet

Leased/ Licensed By	Landlord(s)	Location	Tenure	Approximate Gross Area (sq m)	Usage
NNC F&B Restaurants Sdn Bhd	Genting Malaysia Berhad	Lot No. B2-18, Sky Avenue Mall, Genting Highlands Resort, Genting Highlands, 69000 Genting Highlands, Pahang, Malaysia	1 January 2018 to 30 November 2020 (2 years and 11 months)	28	Storage space
NNC Food City Sdn Bhd	MTrustee Berhad	1-T-013D & 061, Mid Valley Megamall, Lingkaran Syed Putra, Mid Valley City, 59200 Kuala Lumpur, Wilayah Persekutuan, Kuala Lumpur, Malaysia	20 December 2018 to 19 December 2021 (3 years)	203	"NeNe Chicken" outlet
NNC F&B Restaurants Sdn Bhd	D'Kiara Place Sdn Bhd	Lot 1F-11, Level first floor 163 Retail Park, Jalan Kiara, 50480 Kuala Lumpur, Malaysia	1 May 2019 to 30 April 2022 (3 years)	81	"NeNe Chicken" outlet
NNC Food City Sdn Bhd	Lee Soon Nam	Unit 47-3-7 Kristal Court Robson Heights, Jalan Permai, 50460 Kuala Lumpur, Malaysia	10 December 2018 to 9 December 2019 (1 year)	98	Employees' accommodation
NNC Food Avenue Sdn Bhd	Chan Wai Meng	Unit 47-18-11 Menara Orchid, Sentul Perdana, Off Jalan 3/48A, Bandar Baru Sentul, 55100 Kuala Lumpur, Malaysia	15 July 2018 to 15 July 2020 (2 years)	75	Employees' accommodation

Leased/ Licensed By	Landlord(s)	Location	Tenure	Approximate Gross Area (sq m)	Usage
NNC Food Avenue Sdn Bhd	Roslina Binti Ismail	Unit 47-2-11 Menara Orkid, Jalan 48A, Bandar Baru Sentul, 51000 Kuala Lumpur, Malaysia	15 July 2018 to 15 July 2019 (1 year)	19	Employees' accommodation
NNC Restaurants Damansara Sdn Bhd	Tam Ging Wei	Unit D-02-05 Block D, Pelangi Damansara Apartment, Jalan PJU 6, Persiaran Surian, 46200, Petaling Jaya, Selangor, Malaysia	19 February 2018 to 18 February 2020 (2 years)	102	Employees' accommodation
NNC F&B Restaurants Sdn Bhd	Brilliance Pact Sdn Bhd	Unit 5408, Fifth Floor, Pahang Tower, Ria Apartment, Genting Highlands, 69000 Genting Highlands Resort, Pahang Darul Makmur, Malaysia	1 February 2018 to 31 January 2021 (3 years)	502	Employees' accommodation

Outlets and operations under the "Gong Cha" brand

Leased/ Licensed By	Landlord(s)	Location	Tenure	Approximate Gross Area (sq m)	Usage
New Zealand					
Gong Cha Limited	88 Broadway Limited	Unit 5-6, Ground floor, 88 Broadway, Newmarket, Auckland 1023, New Zealand	14 August 2016 to 13 August 2021 (5 years)	100	"Gong Cha" outlet
Gong Cha Limited	Wilco Investments Limited	Shop 7, 38 Lorne Street, Auckland CBD, Auckland 1010, New Zealand	15 May 2015 to 14 May 2021 (6 years)	92	"Gong Cha" outlet
Gong Cha Limited	Shihe NZ Limited	Unit G2, 166-174 Queen Street, Auckland CBD, Auckland 1010, New Zealand	1 September 2015 to 31 August 2020 (5 years)	82	"Gong Cha" outlet
Gong Cha Limited	Bean Rock Properties Limited	Shop 3, 88 Hurstmere Road, Takapuna, Auckland 0622, New Zealand	1 July 2018 to 30 June 2023 (5 years)	68	"Gong Cha" outlet
Gong Cha Limited	St Lukes Square (1993) Limited	Kiosk K043 St Lukes Mall, 80 St Lukes Road, Mount Albert, Auckland 1346, New Zealand	7 September 2018 to 6 September 2023 (5 years)	20	"Gong Cha" outlet

Leased/ Licensed By	Landlord(s)	Location	Tenure	Approximate Gross Area (sq m)	Usage
Gong Cha Limited	Lendlease Funds Management Limited	Kiosk B, Dress-Smart Factory Outlet, 151 Arthur Street, Onehunga, Auckland 1061, New Zealand	5 December 2018 to 4 December 2023 (5 years)	22	"Gong Cha" outlet
Gong Cha Limited	Shihe NZ Limited	Unit 4G, 166-174 Queen Street, Auckland CBD, Auckland 1010, New Zealand	1 May 2018 to 30 April 2020 (2 years)	82	Office
Gong Cha Limited	PSPIB/CPPIB Waiheke Inc.	Shop SP0155 in Botany Town Centre, 588 Chapel Rd, East Tamaki, Auckland 2016, New Zealand	17 June 2019 to 16 June 2025 (6 years)	61	"Gong Cha" outlet to be opened
Gong Cha Limited	The University of Auckland	Level 2, Student Union Commons, The University of Auckland, 34 Princes Street, Auckland 1010, New Zealand	17 June 2019 to 29 November 2021 (2 years and 5 months)	12	"Gong Cha" outlet to be opened

Leased/ Licensed By	Landlord(s)	Location	Tenure	Approximate Gross Area (sq m)	Usage
England, United Kingdom					
Gong Cha England Outlets Limited	BNP Paribas Depositary Services Limited and BNP Paribas Depositary Services (Jersey) Limited as trustees of the City Tower Unit Trust	Unit B2, City Tower, Manchester, Piccadilly Plaza, New York Street, Manchester M1 4BT, United Kingdom	10 May 2019 to 9 May 2040 (21 years)	141	"Gong Cha" outlet
Gong Cha England Outlets Limited	The District Estates Limited	Ground floor and basement, 78 Market Street, Manchester M1 1PD, United Kingdom	30 May 2019 and 29 May 2029 (10 years)	135	"Gong Cha" outlet to be opened
Gong Cha England Limited	ICL Pension Trust Limited	Unit 12 Ashburton Park, Wheel Forge Way, Trafford Park, Manchester, England M17 1EH, United Kingdom	24 January 2019 to 23 January 2025 (6 years)	464	Warehouse and offices

Outlets under the "IPPUDO" brand

Leased/ Licensed By	Landlord(s)	Location	Tenure	Approximate Gross Area (sq m)	Usage
Australia					
IPR (WA) Pty Ltd	Dexus Funds Management Limited	Shop 1.2 and 1.3, KS1, Kings Square, 556 Wellington Street, Perth, WA 6000, Australia	1 September 2017 to 31 August 2027 (10 years)	288	"IPPUDO" outlet
IPR (WA) Pty Ltd	Scentre Management Limited and RE1 Limited	Shop R204, Westfield Carousel, 1382 Albany Highway, Cannington, WA 6107, Australia	5 November 2018 to 4 November 2028 (10 years)	230	"IPPUDO" outlet

Outlets under the "PAFU" brand

Leased/ Licensed By	Landlord(s)	Location	Tenure	Approximate Gross Area (sq m)	Usage
Australia					
Pafu Co Outlets Pty Ltd	Dexus Funds Management Limited and Victoria Square QV Investments Pty Ltd	Shop 1-034, QV Urban Market, QV Melbourne, Melbourne, VIC 3000, Australia	16 December 2017 to 15 December 2022 (5 years)	14	"PAFU" outlet
Pafu Co Outlets Pty Ltd[(1)]	SCS Retail Pty Ltd	L1-CS-03, Southern Cross Station, 99 Spencer Street, Docklands, VIC 3008, Australia	1 June 2018 to 30 March 2025 (7 years)	23	"PAFU" outlet

Note:

(1) Pafu Co Outlets Pty Ltd had entered into a sub-licence agreement with our subsidiary, Malaysian Fine Foods Pty Ltd, in respect of the premises at Southern Cross Station. Malaysian Fine Foods Pty Ltd had entered into a concession licence with the landlord, SCS Retail Pty Ltd for the premises.

Leased/ Licensed By	Landlord(s)	Location	Tenure	Approximate Gross Area (sq m)	Usage
JCT (Doncaster) Pty Ltd	Vicinity Manager Pty Limited	Shop SP017, Box Hill Central (South Precinct), 1 Main Street, Box Hill, VIC 3128, Australia	22 October 2018 to 21 October 2023 (5 years)	35	"PAFU" outlet
Pafu Co Outlets Pty Ltd	Melbourne Central Custodian Pty Ltd	Shop L01 151B, Melbourne Central Shopping Centre, 211 La Trobe Street, Melbourne VIC 3000, Australia	22 August 2018 to 21 August 2023 (5 years)	40	"PAFU" outlet

Our Central Kitchen

Leased/ Licensed By	Landlord	Location	Tenure	Approximate Gross Area (sq m)	Usage
Australia					
Papparich Central (Melbourne) Pty Ltd	SCL Property Australia Pty Ltd	120–130 Turner Street, Port Melbourne, VIC 3207, Australia	1 November 2017 to 31 October 2024 (7 years)	3,027	Central Kitchen, warehouse and corporate headquarters

As at the Latest Practicable Date, our Directors are not aware of any existing breach of any obligations under the abovementioned lease agreements that would result in their termination by the lessors or non-renewal, if required, when they expire.

Certain of our leases in Australia and New Zealand contain demolition provisions whereby the lessor has the right to terminate the lease upon serving the requisite notice prior to the expiry date of such lease if the lessor intends to, *inter alia*, demolish, substantially renovate or redevelop the premises. Save as disclosed in this paragraph, none of our lessors may unilaterally terminate the respective leases without cause (e.g. breach by the lessee of its obligations under the respective leases). Our Directors are of the view that any unilateral termination by any lessor is unlikely to have a material impact on our Group's business or operations as we believe that we will be able to secure leases for alternative premises in such event.

CREDIT MANAGEMENT

Credit terms from our suppliers

Payment terms granted by our suppliers vary from supplier to supplier, and are also dependent, *inter alia*, on our relationship with the suppliers, the size of the transactions, and the supplier's internal policies. Our suppliers generally grant us credit terms of 30 to 60 days from the delivery of the products.

Our average trade payables turnover days during the Period Under Review were as follows:

	FY2016	FY2017	FY2018	HY2019
Average trade payables turnover days[(1)]	38	61	70	43

Note:

(1) For FY2016, FY2017 and FY2018, average trade payables turnover (days) = (average trade payables/total purchases) x 365 days. For HY2019, average trade payables turnover (days) = (average trade payables/total purchases) x 184 days. For the purposes of calculating average trade payables turnover (days), total purchases include purchases of inventories, franchise restaurants and stores related establishment costs and royalty expenses.

Average trade payables turnover days increased from 38 days in FY2016 to 61 days and 70 days in FY2017 and FY2018 respectively, due mainly to significantly higher trade payables as at 30 June 2017. The increase in trade payables was due mainly to increase in purchases of ingredients in end FY2017, as we increased production levels and stocked up on inventory for the "Hokkaido Baked Cheese Tart" brand, following our launch of the brand in December 2016 and rapid expansion of our network of "Hokkaido Baked Cheese Tart" outlets.

Credit terms given to our customers

Retail transactions at our outlets are conducted on a cash basis (including credit card and electronic payments) and have no credit terms.

Our trade receivables mainly relate to the following:

(a) our sale of food ingredients and products to (i) sub-franchisees within the state of Victoria, Australia who make direct purchases from our Central Kitchen, and for which we grant credit terms of 15 days from the end of each month, and (ii) our logistics service provider, Daiwa, for which we grant credit terms of 30 to 60 days; and

(b) franchise fees and royalty income derived from the sub-franchising of various brands to our sub-franchisees, for which we grant credit terms of 15 days from the end of each month.

Our average trade receivables turnover days during the Period Under Review were as follows:

	FY2016	FY2017	FY2018	HY2019
Average trade receivables turnover days[(1)]	20	44	67	54

Note:

(1) For FY2016, FY2017 and FY2018, average trade receivables turnover (days) = (average trade receivables/total revenue) x 365 days. For HY2019, average trade receivables turnover (days) = (average trade receivables/total revenue) x 184 days. For the purposes of calculating average trade receivables turnover (days), total revenue excludes revenue from retail sales at our outlets.

Our average trade receivables turnover days were higher in FY2017, FY2018 and HY2019, due mainly to an increase in sales of food ingredients and products from our Central Kitchen to our logistics service provider, Daiwa, for which we generally grant longer credit terms of 30 to 60 days.

An allowance for impairment loss is recognised when there is objective evidence that a trade receivable is impaired. We perform ongoing credit evaluation of our debtors' financial condition and make specific allowances for impairment of trade receivables based on expected collectability of our receivables and when the ability to collect an outstanding debt is in doubt. Accordingly, we may also write off an outstanding debt when we are certain that the customer is not able to meet its financial obligations to us.

During the Period Under Review, we have not made any provisions for allowance for impairment of trade receivables or written off any bad debt for trade receivables, save for the write-off of trade receivables of approximately A$14,000 in FY2016.

Allowance for impairment of other receivables

For the Period Under Review, we have not made any allowance for impairment of other non-trade receivables. The amount of other receivables written-off for the Period Under Review were as follows:

(A$'000)	FY2016	FY2017	FY2018	HY2019
Bad debts written off – other receivables	219	–	68	–

The bad debts written off in FY2016 and FY2018 were mainly in relation to non-trade advances which were extended to Idarts QV Pty Ltd and Papparich (NZ) Pty Ltd respectively for working capital purposes. Our Group had provided for the non-recoverability of the above receivables as it was of the view that repayment of the amounts was not probable, taking into account the accumulated losses and net liability positions of Idarts QV Pty Ltd and Papparich (NZ) Pty Ltd. Please refer to the sections entitled "Restructuring Exercise" and "Interested Person Transactions" of this Offer Document for further details.

ORDER BOOK

Due to the nature of our business operations, we do not have an order book.

INTELLECTUAL PROPERTY RIGHTS

As at the Latest Practicable Date, the trade marks which are registered by our Master Franchisors and Licensor and their related companies and which we have been granted the right to use under the Master Franchise Agreements and the NeNe Chicken Licence Agreement (as the case may be) are as follows:

Trademark	Application/ Registration Number	Place of Registration	Registered Owner	Class[1]	Application/ Registration Date	Expiry Date
	2017070087	Malaysia	Hyein Foods Co., Ltd.	16	13 October 2017/31 July 2018	13 October 2027
	2017070089	Malaysia	Hyein Foods Co., Ltd.	29	13 October 2017/31 July 2018	13 October 2027
	2017070092	Malaysia	Hyein Foods Co., Ltd.	30	13 October 2017/9 August 2018	13 October 2027
	2017070094	Malaysia	Hyein Foods Co., Ltd.	43	13 October 2017/2 August 2018	13 October 2027
	2017070079	Malaysia	Hyein Foods Co., Ltd.	16	13 October 2017/31 July 2018	13 October 2027
	2017070081	Malaysia	Hyein Foods Co., Ltd.	29	13 October 2017/31 July 2018	13 October 2027

Trademark	Application/ Registration Number	Place of Registration	Registered Owner	Class[1]	Application/ Registration Date	Expiry Date
	2017070083	Malaysia	Hyein Foods Co., Ltd.	30	13 October 2017/9 August 2018	13 October 2027
	2017070085	Malaysia	Hyein Foods Co., Ltd.	43	13 October 2017/2 August 2018	13 October 2027
	2017070066	Malaysia	Hyein Foods Co., Ltd.	16	13 October 2017/31 July 2018	13 October 2027
	2017070068	Malaysia	Hyein Foods Co., Ltd.	29	13 October 2017/31 July 2018	13 October 2027
	2017070071	Malaysia	Hyein Foods Co., Ltd.	30	13 October 2017/9 August 2018	13 October 2027
	2017070074	Malaysia	Hyein Foods Co., Ltd.	43	13 October 2017/2 August 2018	13 October 2027
	1006041	New Zealand	Royal Tea Taiwan Co., Ltd.	30 and 43	31 March 2015	29 September 2024

Trademark	Application/ Registration Number	Place of Registration	Registered Owner	Class[1]	Application/ Registration Date	Expiry Date
	1014265	New Zealand	Royal Tea Taiwan Co., Ltd.	30 and 43	19 August 2015	18 February 2025
 Gong cha Words: 贡茶 Gong cha	1105344	New Zealand	Royal Tea Taiwan Co., Ltd.	30 and 43	24 April 2019	18 October 2028
 Words: Gong cha 贡茶	1105345	New Zealand	Royal Tea Taiwan Co., Ltd.	30 and 43	24 April 2019	18 October 2028

Trademark	Application/ Registration Number	Place of Registration	Registered Owner	Class[1]	Application/ Registration Date	Expiry Date
Words: **HOKKAIDO BAKED CHEESE TART**  	1784115	Australia	Secret Recipe Cakes & Café Sdn Bhd	43	18 July 2016	18 July 2026
Words: **HOKKAIDO BAKED CHEESE TART**  	1784114	Australia	Secret Recipe Cakes & Café Sdn Bhd	30	18 July 2016	18 July 2026

Trademark	Application/ Registration Number	Place of Registration	Registered Owner	Class[1]	Application/ Registration Date	Expiry Date
Words: PAPPARICH Image description: Man wears spectacles & holds cup 	1351693	Australia	Fabulous Entity Sdn Bhd	43	19 March 2010	19 March 2020[2]
Words: PAPPARICH Image description: Man wears spectacles & holds cup 	1486664	Australia	Fabulous Entity Sdn Bhd	16 and 30	19 April 2012	19 April 2022
Words: IDARTS Image description: 2 circles with crosses in hexagon; target is dot of LTR I 	1503584	Australia	Kabushiki Kaisha DARTSLIVE d/b/a DARTSLIVE Co., Ltd	41 and 43	20 July 2012	20 July 2022

Trademark	Application/ Registration Number	Place of Registration	Registered Owner	Class[1]	Application/ Registration Date	Expiry Date
Words: Non-Roman Characters Image description: 3 Japanese Characters 	1068682	Madrid Agreement Protocol	Chikaranomoto Holdings Co., Ltd.	29, 30 and 43	25 October 2010	25 October 2020
Words: Ippudo Japan IPPUDO JAPAN	1427788	Australia	Chikaranomoto Holdings Co., Ltd.	30, 35, 41 and 43	30 May 2011	30 May 2021
Words: AKAMARU 赤 丸 AKAMARU	1480197	Australia	Chikaranomoto Holdings Co., Ltd.	30 and 43	14 March 2012	14 March 2022
Words: Shiromaru 白 丸 SHIROMARU	1480199	Australia	Chikaranomoto Holdings Co., Ltd.	30 and 43	14 March 2012	14 March 2022

Trademark	Application/ Registration Number	Place of Registration	Registered Owner	Class[1]	Application/ Registration Date	Expiry Date
Words: 3 Wavy Stripes cut circle 	1805361	Australia	Chikaranomoto Holdings Co., Ltd.	30 and 43	28 March 2013	28 March 2026

Notes:

(1) Under the International Classification of Goods System, the trademark classes may be described as follows:

Class 16: Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding materials; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks.

Class 29: Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats.

Class 30: Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice.

Class 35: Advertising; business management; business administration; office function

Class 41: Education; providing of training; entertainment; sporting and cultural activities.

Class 43: Services for providing food and drink; temporary accommodation.

(2) Our Group understands from Roti Roti International Sdn Bhd, the Master Franchisor under the PappaRich Master Franchise Agreement, that it does not foresee any issue(s) with the renewal of the "PappaRich" trademark expiring on 19 March 2020.

In addition, we have been granted the right to use the following intellectual property (including business systems, copyright, know-how and brand names) by our Master Franchisors and Licensor (as the case may be):

Master Franchise Agreement/Brand Agreement	Master Franchisor/ Licensor	Intellectual property rights granted to our Group	Territory	Duration
PappaRich Master Franchise Agreement	Roti Roti International Sdn Bhd	Including (but not limited to) the "PappaRich" trade name, know-how, designs, copyrights, literature, pictures, diagrams, logos, and all other proprietary rights of or in all forms, whether or not registered or capable of registration in relation to the "PappaRich" brand.	Australia and New Zealand	20 years commencing from 28 September 2011 and renewable for a further term of five (5) years
NeNe Chicken (AUS) Master Franchise Agreement	Hyein Foods Co., Ltd.	Including (but not limited to) all trade marks, marks and symbolic icons relating to chicken speciality stores or restaurants operated under "NeNe Chicken" brand.	Australia	10 years commencing from 21 May 2014 and renewable for a further term of 10 years
NeNe Chicken Licence Agreement	Hyein Foods Co., Ltd.	Including (but not limited to) all trade marks, marks and symbolic icons relating to chicken speciality stores or restaurants operated using the "NeNe Chicken" brand.	Malaysia	Four (4) years commencing from 19 June 2017 and renewable for a further term of four (4) years
HBCT Master Franchise Agreements	Secret Recipe International Pte. Ltd.	Including (but not limited to) all present and future intellectual property rights including the business name "Hokkaido Baked Cheese Tart", copyright, trade marks, know-how, brand names and product names, whether or not registered or capable of registration.	Australia and New Zealand	10 years commencing from 15 August 2016 and renewable for a further term of 10 years

Master Franchise Agreement/Brand Agreement	Master Franchisor/ Licensor	Intellectual property rights granted to our Group	Territory	Duration
Gong Cha (NZ) Master Franchise Agreement	Royal Tea Taiwan Co., Ltd.	Including (but not limited to) trade marks, service marks, logos, designs and identifying slogans relating to the "Gong Cha" brand held or used by the Master Franchisor, whether registered or not registered.	New Zealand	1 May 2018 to 30 November 2024
Gong Cha (England) Master Franchise Agreement	Royal Tea Taiwan Co., Ltd.	Including (but not limited to) trade marks, service marks, logos, designs and identifying slogans relating to the "Gong Cha" brand held or used by the Master Franchisor, whether registered or not registered.	England, United Kingdom	15 August 2018 to 14 August 2026
IPPUDO Master Franchise Agreements	Chikaranomoto Holdings Co., Ltd.	Including (but not limited to) trade marks, know-how and other business symbols of the "IPPUDO" brand	Western Australia, Queensland, Australia and New Zealand	Seven (7) years commencing from the date of the opening of the first restaurant in the respective territories and automatically renewable for a further term of three (3) years
iDarts Master Franchise Agreement	iDarts Group Limited (amalgamated with Dartslive Asia Limited on 1 April 2017)	Including (but not limited to) the "iDarts" trade name, franchise system, copyrights, know-how and other identifying materials whether or not registered or capable of registration.	Australia	Five (5) years commencing from 1 December 2012 with an automatic renewal for another five (5) years

As at the Latest Practicable Date, the trade marks which have been registered by and/or applied for by our Group are as follows:

Trademark	Application/ Registration Number	Place of Registration	Registered Owner	Class[1]	Application/ Registration Date	Expiry Date
Word mark: "Pafu" Image mark: PAFU パフ	1911450	Australia	PAFU Australia Pty Ltd	30	8 March 2018	08 March 2028
Word mark: "NeNe Chicken"	1631045	Australia	Nene Chicken (Australia) Pty Ltd	16, 29, 30 and 43	27 June 2014	27 June 2024
Word mark: "HAPPY CHOICE!" Image mark: Happy Choice !	1631046	Australia	Nene Chicken (Australia) Pty Ltd	16, 29, 30 and 43	27 June 2014	27 June 2024

Trademark	Application/ Registration Number	Place of Registration	Registered Owner	Class[1]	Application/ Registration Date	Expiry Date
Word mark: "NENE CHICKEN SINCE 1999 HAPPY CHOICE!" Image mark: 	1631062	Australia	Nene Chicken (Australia) Pty Ltd	16, 29, 30 and 43	27 June 2014	27 June 2024
Word mark: "SINCE 1999 NENECHICKEN" Image mark: 	1631087	Australia	Nene Chicken (Australia) Pty Ltd	16, 29, 30 and 43	27 June 2014	27 June 2024

Note:

(1) Under the International Classification of Goods System, the trademark classes may be described as follows:

Class 16: Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding materials; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks.

Class 29: Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats.

Class 30: Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice.

Class 43: Services for providing food and drink; temporary accommodation.

Save as disclosed above, we do not own any other intellectual property rights and our business or profitability is not materially dependent on any other intellectual property right or any know-how.

INSURANCE

As at the Latest Practicable Date, we maintain the following insurance policies to cover, amongst others, our risks relating to operations, human resource and fixed assets:

(a) management liability insurance for management liability, corporate liability, employment practices liability, crime protection and statutory liability;

(b) industrial special risks insurance for losses or damages in relation to, *inter alia*, theft, extra costs of reinstatement;

(c) liability insurance for, *inter alia*, public liability, advertising liability, product recall expenses;

(d) marine transit insurance;

(e) professional indemnity insurance; and

(f) travel insurance.

The cost and availability of insurance coverage has varied in recent years and may continue to vary in the future. While we believe that our insurance policies are adequate in amount and coverage for our operations, we may experience unanticipated issues or incur liabilities beyond our current coverage and we may be unable to obtain similar coverage in the future.

In addition, under the terms of our sub-franchise agreements, we generally require our sub-franchisees to effect and maintain throughout the term of the sub-franchise arrangement the following insurances:

(a) workers' compensation insurance covering liability to employees;

(b) public liability insurance covering liability to any third party in respect of death, bodily injury, loss of or damage to property arising from the operation of the business for a limit of liability of at least A$10 million in respect of each occurrence and unlimited in the aggregate;

(c) material damage insurance against all risks of physical loss of or damage to equipment, premises, fixtures, fittings, vehicles and stock to their full replacement value;

(d) product liability and professional indemnity insurance against any claims which may be made against any party to the sub-franchise agreement arising out of or in connection with the operation of the sub-franchised business for a limit of liability of at least A$20 million in respect of each occurrence and unlimited in aggregate; and

(e) adequate life insurance over the life of the franchisee (if an individual) or the person in control (if a company).

We also require our sub-licensees to effect and maintain throughout the term of the sub-licence arrangement, comprehensive general liability insurance, automotive liability insurance, all risks property insurance, business interruption insurance, statutory workers' compensation insurance and employer's liability insurance.

MATERIAL LICENCES, PERMITS, REGISTRATIONS AND APPROVALS

The material licences, permits, registrations and approvals required for our business and operations in Australia include, *inter alia*, (a) Food Licences issued by the various states in Australia which we operate in; and (b) Liquor Licences issued by the various states in Australia which we operate in.

The material licences, permits, registrations and approvals required for our business and operations in New Zealand include, *inter alia*, (a) Notice of Registration – Food Importer issued by the Ministry of Primary Industries; (b) Food Control Plan issued by the Auckland Council; and (c) Food Premises Certificate issued by the Auckland Council or Food Safety Grade issued by the Auckland Council.

The material licences, permits, registrations and approvals required for our business and operations in Malaysia include, *inter alia*, (a) Registration of Employers in the Service Sector with the Pembangunan Sumber Manusia Berhad (Human Resources Development Fund); (b) MRM Licence issued by the Music Rights Malaysia Berhad; (c) Business/Advertisement Licence issued by the local councils; and (d) Registration of Food Premises with the Ministry of Health Malaysia.

Please refer to the section entitled "General Information on our Group – Government Regulations" of this Offer Document for further information.

Our Directors confirm that, to the best of their knowledge, our Group has obtained all requisite licences, permits, registrations and approvals necessary for our current operations. As at the Latest Practicable Date, none of the aforesaid licences, permits, registrations and approvals obtained by our Group have been suspended or revoked and to the best of our knowledge and belief, there are at present no facts or circumstances which would cause such licences, permits, registrations and approvals to be suspended or revoked or for any applications for, or for the renewal of, any of these licences, permits, registrations and approvals to be rejected by the relevant authorities.

GOVERNMENT REGULATIONS

Our Group's principal business activities are located in Australia, New Zealand and Malaysia, and we are subject to regulation by applicable laws, regulations and government agencies in Australia, New Zealand and Malaysia. Save as described in the sections entitled "Risk Factors – Risks relating to the Countries in which we Operate – Our business is subject to compliance with franchise law in Australia", "Risk Factors – Risks relating to the Countries in which we Operate – We are required to comply with the Fair Work Act in relation to the hiring of our employees in Australia", "Risk Factors – Risks relating to the Countries in which we Operate – Our licensing arrangement in Malaysia may be construed as a franchise arrangement under the Malaysian Franchise Act 1998" of this Offer Document, to the best of our Directors' knowledge, we are in compliance with all applicable laws and regulations in Australia, New Zealand and Malaysia which are material to our business operations.

The following description is a summary of material laws and regulations applicable to our Group under Australia, New Zealand and Malaysia laws. The regulations and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. Prospective investors should consult their own advisers regarding the implication of Australia, New Zealand and Malaysia laws and regulations on our Group.

Australia

Franchise Code

In respect of our franchising and sub-franchising business in Australia, we are required, as a franchisor and/or master franchisee, to comply with the Competition and Consumer (Industry Codes – Franchising) Regulations 2004 (Cth) of Australia ("**Franchise Code**"), which is a mandatory code prescribed under the Competition and Consumer Act 2001 (Cth) of Australia ("**CCA**").

The Franchise Code regulates various aspects of the franchise relationship and contractual arrangement, including, *inter alia,* pre-contractual disclosure and information obligations, compulsory franchise grant and agreement execution procedures, and a franchisor's overarching obligation to act in 'good faith' in all dealings with franchisees. Compliance with the Franchise Code cannot be waived, nor can its application be excluded or limited by contract terms. Release of liability clauses in franchise agreements are prohibited.

The Franchise Code regulates the granting of sub-franchises and renewals of existing sub-franchises, including important pre-contractual and information obligations. Failure to comply with these provisions may give rise to pecuniary penalties and/or sub-franchise claims and litigation. Remedies for non-compliance can include, *inter alia*, orders for the franchise agreement to be set aside.

In addition, franchise agreements may only be terminated in limited circumstances as set out in the Franchise Code, subject to the franchisor's overarching obligations of good faith, and the requirement not to engage in "unconscionable conduct" or "misleading or deceptive conduct" under the CCA. Under the Franchise Code, a franchisor may only terminate a franchise agreement with immediate effect in limited circumstances, such as the franchisee's insolvency, abandonment of the business, or fraud. The franchise agreement may also be terminated in the event of a material breach by the franchisee, provided that the franchisor (a) gives written notice, (b) informs the franchisee what it needs to do to remedy the breach, and (c) allows the franchisee a reasonable time of up to 30 days to remedy such breach. Termination for immaterial breach can be challenged. There is also a very limited right to terminate on reasonable notice if the franchise agreement expressly provides for it. This right is generally not included in our sub-franchise agreements. Termination that is not in accordance with the Franchise Code may be challenged for wrongful termination and may give rise to pecuniary penalties and sub-franchise claims and litigation.

Breach of the Franchise Code may give rise to a range of penalties, including, *inter alia*, pecuniary penalties of up to A$63,000 for each breach by the franchisor, corrective action orders, declarations that the franchise agreements are void, injunctions and compensation orders. The Australian Competition and Consumer Commission ("**ACCC**") may also issue an infringement notice if it has reasonable grounds to believe that a franchisor has contravened a civil penalty provision in the Franchise Code. The infringement notice will be published on a public register. The infringing party can elect to pay a penalty of A$10,600 (in the case of companies) or risk litigation proceedings being brought by the ACCC. Any litigation or infringement notice for breach of the Franchise Code must be disclosed to prospective and existing franchisees.

Food and Beverage Licences

The outlets and the Central Kitchen that we own and operate in Australia are governed by the legislation applicable in the relevant jurisdictions, namely, Victoria, New South Wales, Queensland and Western Australia. The relevant government regulations in each of these jurisdictions are as follows:

Jurisdiction	**Legislation**	**Licence(s) that our outlets are currently required to hold**
Victoria	*Food Act 1984 (Vic)*	Food licence Liquor licence
	FSANZ Food Standards Code	
	Food Safety Practices and General Requirements Standard 3.2.2	
	Liquor Control Reform Act 1998 (Vic)	
New South Wales ("**NSW**")	*Food Act 2003 (NSW)*	Food licence
	Food Regulation 2015 (NSW)	
	FSANZ Food Standards Code	
Queensland	*Food Act 2006 (Qld)*	Food licence
	Food Regulation 2016 (Qld)	
	FSANZ Food Standards Code	
Western Australia	*Food Act 2009 (WA)*	Food licence Liquor licence
	Food Regulations 2009 (WA)	
	FSANZ Food Standards Code	
	Liquor Control Act 1988 (WA)	
	Liquor Control Regulations 1989 (WA)	

Victoria

The Victorian Department of Health and Human Services and local councils are authorised to oversee the operation and administration of the Food Act 1984 (Vic) ("**Victorian Act**"). The purpose of the Victorian Act is to ensure that food for sale is safe and suitable for human consumption, to prevent misleading conduct in connection with the sale of food and to provide for the application of the Code.

There are several food-related offences under the Victorian Act, such as handling food in an unsafe manner, selling unsafe food, falsely describing food and selling food that does not comply with a purchaser's demands. A breach of these provisions will result in a penalty of A$40,000 for individuals and A$200,000 for corporations. The Victorian Act also provides for, among other things, registration of food premises, minimum record keeping requirements, food safety supervisors and the assessment and audit of food premises.

With respect to registration, Section 35A of the Victorian Act provides that a food business must not, unless otherwise exempted, operate from any food premises unless the business is registered. Failure to comply with this provision may result in the imposition of a penalty of A$19,343.

The FSANZ Food Standards Code ("**Code**") and the Food Safety Practices and General Requirements Standard 3.2.2 ("**Standard**") contain a list of additional standards and requirements that must be complied with. The Code is incorporated in the Victorian Act (and the equivalent legislation in the remaining states) and therefore has the force of law. The matters covered in the Code and the Standard address a broad range of issues, including labelling, additives, contaminants, standards for specific categories of food (such as cereals, meats, dairy and non-alcoholic beverages), food safety and primary production. The Victorian Act provides that a breach of the Code will result in a penalty of A$40,000 for individuals and A$200,000 for corporations.

The Liquor Control Reform Act 1998 (Vic) ("**LCRA**") regulates the supply and consumption of liquor in Victoria. Among other things, the LCRA requires that certain types of businesses hold a liquor licence. An example of this requirement is the restaurant and café licence, provided for under Section 9A of the LCRA. Such licences are subject to certain conditions such as relating to seating and noise. Disciplinary action under the LCRA may be taken if any condition imposed is contravened, such as the cancellation or suspension of a licence or the imposition of a fine.

New South Wales (NSW)

The New South Wales Food Authority, the federal government and local councils regulate food safety in NSW and the relevant legislation is the Food Act 2003 (NSW) ("**NSW Act**"). The NSW Act prescribes a number offences relating to the handling, sale and description of food. The penalties for these offences range from A$44,000 to A$110,000 or two (2) years imprisonment for individuals and A$220,000 to A$550,000 for corporations. Further, the NSW Act provides that a breach of the Code will result in a penalty of A$55,000 for individuals and A$275,500 for corporations.

Section 106C of the NSW Act requires that the proprietor of a food business appoints at least one (1) food safety supervisor before any food is processed and sold in the course of carrying on the business. To qualify as a food safety supervisor, the person must, among other things, hold a food safety supervisor certificate that has been issued within the immediately preceding period of five (5) years. The requirement to appoint a food safety supervisor only applies to "food" that is ready to eat, potentially hazardous and is not packaged in a way prescribed by the regulations as pre-packaged.

The Food Regulation 2015 (NSW) ("**NSW Regulations**") supplements the NSW Act and deals with, among other things, food safety supervisor certificates, requirements for the display of nutritional information and the licensing of food businesses. Regulation 41 of the NSW Regulations provides that a person must not carry on a food business unless the person holds a licence to do so.

Queensland

The Food Act 2006 (Qld) ("**Qld Act**") is the primary source of legislation in Queensland. The Qld Act also prescribes a number of offences relating to the handling, sale and description of food. The penalties for these offences range from A$22,000 to A$110,000 or two (2) years imprisonment. Further, the Qld Act provides that a breach of the Code may result in a maximum penalty of A$55,000.

Section 49 of the Qld Act provides that a person must not carry on a "licensable food business" unless the person holds a licence to carry on the business. The maximum penalty for a breach of this section is A$110,000. The definition of a "licensable food business" under Section 48 of the Qld Act explicitly includes businesses such as restaurants. Furthermore, Section 69 of the Qld Act lists a number of conditions that a licence is subject to, including the display of the licence on the premises and compliance with an accredited food safety program (if so required).

Under Section 99 of the Qld Act, an accredited food safety program will be required under a licence if, for example, the food business involves off-site catering or the primary activity of the food business is on-site catering at the premises stated in the licence. Failure to comply with this condition may result in a penalty of up to A$110,000.

Western Australia

The Food Act 2009 (WA) ("**WA Act**") prescribes a number of offences relating to the handling, sale and description of food. The penalties for these offences range from A$40,000 to A$100,000 for individuals and A$200,000 to A$500,000 for corporations. Further, the WA Act provides that a breach of the Code will result in a fine of A$50,000 for an individual and A$250,000 for a body corporate.

Under Section 107 of the WA Act, the proprietor of a food business must not conduct a food business at any premises unless the proprietor has given written notification in respect of those premises to the appropriate enforcement agency, in the approved form, of the specified information. Failure to comply with this section will result in a fine of A$10,000 for an individual and A$50,000 for a body corporate.

Further, it is an offence to conduct a food business, other than an exempted food business, at any premises unless the food business is registered. Accordingly, registration of the food business is required in accordance with Section 110 of the WA Act.

The Liquor Control Act 1988 (WA) ("**LCA**") regulates the sale, supply and consumption of liquor, the use of premises on which liquor is sold and the services and facilities provided in conjunction with, or ancillary to the sale of liquor, in order to minimise potential harm or ill-health that may be caused to people due to the consumption and use of liquor. Part 3 of the LCA requires certain types of businesses to hold a liquor licence. Section 50 of the LCA provides that every restaurant licence is subject to a number of conditions, including that the business conducted at the licensed premises consists primarily and predominantly of the regular supply to customers of meals to be eaten there and the requirement that the licensed premises contains kitchen facilities suitable for the preparation of the meals to be supplied by the licensee. Failure to comply with these conditions may result in, among other things, the liquor licence being suspended or cancelled.

Competition and Consumer Law

The Competition and Consumer Act 2010 (Cth) of Australia ("**CCA**") is a national piece of legislation that is enforced by the Australian Competition and Consumer Commission ("**ACCC**"). The CCA covers, *inter alia*, the relationships between suppliers, wholesalers, retailers and end-consumers. The objective of the CCA is to enhance the welfare of Australians through the promotion of competition and fair trading and provision for consumer protection.

The CCA covers a range of issues, including product safety and labelling, unfair market practices, price monitoring, industry codes, industry regulation and mergers and acquisitions. Schedule 2 of the CCA contains the Australian Consumer Law ("**ACL**"), which creates a number of consumer protections including those relating to misleading or deceptive conduct, unconscionable conduct, unfair contract terms and practices, conditions and warranties and product safety and information. For instance, Section 29 of the ACL provides that, *inter alia*, a person must not, in trade or commerce, make false or misleading representations that goods are of a particular standard, quality, value, grade, composition, style or model or have had a particular history. Pecuniary penalties may be imposed for breaches of such sections, as determined by the ACCC.

Trade Marks Act

The Trade Marks Act 1995 (Cth) of Australia ("**TA**") governs the protection and regulation of trade marks. A trade mark is defined under the TA as a "sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person". Among other things, the TA covers trade mark rights, registration of trade marks, assignment and transmission of trade marks, and infringements relating to trade marks. The TA also creates a number of trade mark-related offences. For example, the falsification or removal of a registered trade mark constitutes an offence under Section 145 of the TA. Contravention of Section 145 of the TA may result in imprisonment for five (5) years or a pecuniary penalty of A$115,500 (or both) for an indictable offence, or imprisonment for 12 months or a pecuniary penalty of A$12,600 (or both) for a summary offence.

Corporations Act

The Corporations Act 2001 (Cth) of Australia ("**CA**") is generally administered by the Australian Securities and Investments Commission. The CA, among other things, regulates companies and covers a range of issues, including the registration and features of companies, duties and powers of officers and employees, related party transactions, rights and remedies of members, shares and financial reporting. As the entities conducting our business in Australia are registered as proprietary limited companies, we will therefore need to comply with the relevant provisions of the CA.

Fair Work Act

Employment relationships in Australia are predominantly regulated by the Fair Work Act 2009 of Australia ("**FW Act**"), as well as various state and territory laws and industrial instruments.

The FW Act prescribes, among other things, the minimum conditions of employment for all employees covered by the national workplace relations system. These conditions are set out in the National Employment Standards, which contains ten minimum standards of employment, including: maximum weekly hours; annual leave; parental leave; personal/carer's, domestic violence and compassionate leave; community service leave; flexible working arrangements; public holidays; long service leave (in some instances); notice of termination and redundancy pay; and the Fair Work Information Statement. The FW Act also establishes a national minimum wage and covers matters such as termination of employment, bullying, transfer of business, franchisor obligations and general protections.

Modern awards also prescribe minimum wage rates for particular work on an occupational or industry basis and provide supplementary minimum conditions of employment. Employers may also enter into enterprise agreements with their employees, but the Group has not entered into any such arrangements to date.

State and Territory legislation also deal with other employment entitlements, including long service leave, anti-discrimination, sexual harassment and work health and safety. There is also federal legislation regulating superannuation and tax.

New Zealand

In respect of our business in New Zealand, we are required to comply with the relevant governmental regulations as set out below.

Food Act

We are required to comply with the Food Act 2014 of New Zealand ("**Food Act**"), which applies to food businesses operating in New Zealand.

Pursuant to the Food Act, our businesses in New Zealand are required to register a food control plan ("**FCP**") with the relevant local authority. There are currently pre-approved FCP templates provided by the Ministry for Primary Industries.

Further, Section 112 of the Food Act provides that for every consignment of food imported, there must be a person who is a New Zealand registered food importer and a New Zealand resident. Food importers must be approved and registered by the Ministry of Primary Industries, such registration being subject to yearly renewal. A food importer is required to take various steps to assess the safety and suitability of food, including keeping detailed information about the food to be imported, the suppliers and the manufacturers. Food importers must also allow this information to be traced. A body corporate may be liable to a fine not exceeding NZ$500,000 if it imports food knowingly or recklessly for commercial sale, without being registered as a food importer.

When a food business has been registered with the relevant local authority under the Food Act and has been operating for a reasonable period of time, the local authority is required to grade the food business based on its food safety processes. The food business will receive a "food safety grade" or a "food premises certificate" based on the local authority's evaluation of the food safety and hygiene of the food business. Each food safety grade must be on display in the relevant store. If the food safety grade does not meet the local authority's standards, the relevant food business may be subject to fines, or may be ordered to suspend or cease all or part of its operations.

A body corporate may be liable for a fine of up to NZ$20,000 for failing to comply with the Food Act or any regulations promulgated under the Food Act, or up to NZ$500,000 for intentionally defeating the purpose of the Food Act in relation to identifying or representing food.

Malaysia

In respect of our business in Malaysia, we are required to comply with the relevant governmental regulations as set out below.

Pembangunan Sumber Manusia Berhad Act 2001

Under the Pembangunan Sumber Manusia Berhad Act 2001 of Malaysia ("**PSMBA**") and its subsidiary legislation, the Pembangunan Sumber Manusia Berhad (Regulation of Employers and Payment of Levy) Regulations 2001, employers in the F&B service sector with 10 or more local employees must be registered with the Pembangunan Sumber Manusia Berhad (Human Resources Development) ("**HRDF**").

The HRDF is a corporation governed by the PSMBA and it has been accorded the mandate by the Government of Malaysia to catalyse the development of a competent local workforce. Accordingly, pursuant to Section 3 of the PSMBA, the HRDF is authorized to impose and collect a human resources development levy for the purpose of promoting the training and development of employees, apprentices and trainees and the establishment and administration of all funds collected from the registered employers.

An employer who fails to register with the HRDF commits an offence under the PSMBA and shall on conviction be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding one (1) year or both.

In addition, the PSMBA provides that every employer to whom the PSMBA applies shall pay a levy in respect of each of its employees at the rate of 1.0% of the monthly wages of the employee, failing which the employer shall be regarded as committing an offence and shall on conviction be liable to a fine not exceeding RM20,000 or to imprisonment for a term not exceeding two (2) years or to both.

Local Government Act 1976

The Local Government Act 1976 of Malaysia ("**LGA**") is applicable to West Malaysia and purports to consolidate the laws relating to local government. Under the LGA, local government authorities in West Malaysia have the power to issue any by-laws enforceable within its jurisdiction, including business, trade and advertisement licenses.

The business outlets operated by our Group are regulated by the by-laws of the state in which it is located, which require us to obtain the necessary business licences from the relevant local councils in Malaysia. The relevant by-laws include, amongst others, the Licensing of Food Establishments (Federal Territory of Kuala Lumpur) By-Laws 1985 and the Food Establishment Licensing By-Laws (MBPJ) 2007.

Any person who contravenes any by-laws shall be guilty of an offence and shall upon conviction be liable to a maximum fine of RM2,000 or to imprisonment for a term not exceeding one (1) year or both, and in the case of a continuing offence, to a fine not exceeding RM2,000 for each day during which such offence is continued after conviction.

Certificate of Registration for Food Premises

Our outlets in Malaysia are required to comply with the registration requirements under the Food Act 1983 of Malaysia and the Food Hygiene Regulations 2009 of Malaysia ("**Food Regulations**").

Under Regulation 3 of the Food Regulations, no person shall use any food premise which is involved in, amongst others, catering or mass catering of food, or any food premise where food is prepared, processed, stored or for the purposes of, or in connection with the preparation, preservation, packaging, storage, conveyance, distribution or sale of any food or the relabelling, reprocessing or reconditioning of any food, unless the premises is registered under the Food Regulations. Any person who fails to comply with Regulation 3 of the Food Regulations commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding two (2) years.

Copyright Music Licence

As our outlets in Malaysia provide music to the public in our premises during operational hours, we are required to obtain a copyright music licence from the Music Rights Malaysia Berhad ("**MRM**") authorizing the performance and reproduction of any and all music recordings and musical works protected under the MRM's purview.

Failure to do so may result in copyright infringement under the Copyright Act 1987 of Malaysia, which shall, on conviction, result in a fine of not less than RM10,000 and not more RM50,000 or to imprisonment for a term not exceeding five (5) years or to both.

COMPETITION

Our Directors are of the view that the F&B industry in Australia, New Zealand and Malaysia is fragmented and highly competitive with relatively low barriers of entry. We face competition from a large number of F&B establishments and new entrants in our key markets in Australia, New Zealand and Malaysia, in particular, F&B outlets offering Asian cuisines as well as bakeries and confectioneries. In respect of the "PappaRich" brand, our Directors are not aware of any other significant restaurant chain in Australia which serves as wide a range of Malaysian cuisine and has a comparable number of outlets.

To the best of our Directors' knowledge, there are no published statistics that can be used to accurately measure the market share of our business in Australia, New Zealand and Malaysia.

COMPETITIVE STRENGTHS

We believe that we are able to compete effectively due to the following competitive strengths:

(1) We have an entrepreneurial and dedicated management team with an established track record

We believe we have the optimal combination of an entrepreneurial and dedicated management team which has been instrumental in growing our franchise network. Our Executive Chairman and CEO, Mr. Saw Tatt Ghee, has over 17 years of experience and has accumulated extensive knowledge of the F&B industry in Australia, which has enabled him to identify and successfully secure franchises for various popular brands in the international market. He is assisted by our Executive Director and CAO, Ms. Saw Lee Ping, who is instrumental to the smooth operations of our business. Our Executive Directors are supported by a team of professional, experienced and dedicated Executive Officers and employees who are entrusted with responsibilities covering the different aspects of our business. Please refer to the section entitled "Directors, Executive Officers and Employees" of this Offer Document for more information.

(2) We are able to identify new trends and adapt to changing consumer preferences to grow a diversified portfolio of brands

As the F&B industry is subject to evolving consumer tastes and preferences, we believe it is imperative to continually introduce new brands and food concepts to maintain our competitive edge. We constantly monitor market trends and customers' preferences closely and seek new brands and food concepts which we observe to be popular in other international markets. For example, in 2014, we secured the master franchise for "NeNe Chicken" and introduced the brand to Australia after observing a global trend of the Korean Wave (*Hallyu*) and identifying the brand to be potentially popular with both the growing Asian and local population in Australia. We also endeavour to introduce new brands, such as "IPPUDO", "PAFU" and "KURIMU", which capitalise on the current trends in the market and which we believe would appeal to a broad range of customers. Over the years, we have successfully grown the number of brands in our portfolio and our franchise network. We believe this enables us to cater to the evolving tastes and preferences of consumers and to capture a wider group of consumer segments, reduces our reliance on any particular brand and increases the resilience of our Group's business.

(3) We have an established franchise system and enjoy good relationships with major landlords

We have developed a franchise system, supported by our Central Kitchen and our logistics system, which enables us to open restaurants and kiosks in a relatively short time and introduce new brands to the market. The food ingredients and products prepared by our Central Kitchen are delivered to the restaurants and kiosks in our franchise network across Australia and New Zealand at least three (3) times a week. As such, the outlets are assured of timely supply of key ingredients for their business operations without having to maintain a high level of inventories. This has also enabled our franchise network to grow beyond the state of Victoria to other states in Australia such as Western Australia, New South Wales and the Northern Territory, as well as in New Zealand.

Our Directors believe that our established track record and wide franchise network in Australia and New Zealand have also enabled us to develop good working relationships with the landlords of various popular shopping malls and commercial spaces with high foot traffic. As at the Latest Practicable Date, approximately 52.0% of our outlets in Australia and New Zealand are leased from landlords of major shopping centres, such as Westfield, Chadstone and QV Melbourne. We are often approached by the landlords of these popular malls and commercial spaces and offered to lease shop spaces or kiosks whenever an opportunity arises. In addition, our portfolio of brands allows us to secure larger spaces and subdivide it among our various brands. This enables us to negotiate for a lower rental compared to leasing a smaller space for a particular brand. Our rental on operating leases are generally stable and represented approximately 10.0%, 9.5%, 12.2%, 11.1% and 11.5% of our aggregate revenue from F&B retail sales at our outlets and the sale of F&B ingredients and other supplies to our franchise network in FY2016, FY2017, FY2018, HY2018 and HY2019 respectively. As we continue to expand our franchise network, we enjoy economies of scale which gives us a competitive advantage over other individual or smaller chains of F&B establishments.

(4) We have an established track record and strong network of sub-franchisees

We believe that we have established a reputation as a successful master franchisee or master licensee for the various brands in our portfolio, in our key markets in Australia, New Zealand and Malaysia. Our established market presence and portfolio of internationally popular brands enable us to attract local partners to join us as sub-franchisees and sub-licensees, which helps to expand our network of restaurants and kiosks in different geographical regions. As at the Latest Practicable Date, we have 63 restaurants and kiosks which are operated by our sub-franchisees and sub-licensees.

We place strong emphasis on ensuring the success of our sub-franchisees and sub-licensees, and have developed documentation and procedures to ensure that our sub-franchisees and sub-licensees are given the support they need at the outset when they join our franchise network. Our network of sub-franchisees and sub-licensees has grown over the years and our sub-franchisees and sub-licensees often express interest in sub-franchising or sub-licensing other brands in our portfolio after joining our franchise network and experiencing success in the business. This not only strengthens our existing relationship with our sub-franchisees and sub-licensees, but also enables us to leverage on their understanding of local consumers' tastes and preferences in various regions to grow our business.

(5) Our Central Kitchen enables us to maintain a high standard of food consistency and quality, as well as lower our operating and labour costs

We have a Central Kitchen in Melbourne, Australia with a total floor area of approximately 3,000 sq m, to support the operations of our franchise network in Australia and New Zealand. At our Central Kitchen, we are able to prepare sauces and marinades, process fresh food ingredients and prepare semi-finished food products for delivery to the outlets. This enables us to achieve scalability and maintain a high standard of consistency and food quality across all our brands. We are also able to leverage on our existing knowledge and expertise in food production to introduce new brands and food concepts of our own within a shorter span of time and at a lower cost.

By centralising the food production process of all our brands at our Central Kitchen, we are also able to lower our operating and labour costs, and improve productivity at restaurants and kiosks in our franchise network. Our restaurants require less kitchen space and are able to allocate more dining space for patrons. Furthermore, we are able to reduce food preparation times at our restaurants and kiosks, whilst maintaining consistency and quality in the food that we serve.

Please refer to the section entitled "General Information on our Group – Principal Activities – Central Kitchen" of this Offer Document for more information.

BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans for the growth and expansion of our businesses are further described below.

(1) Expand our franchise network and introduce new brands and concepts

We believe that we can leverage on our established market presence and market recognition of our portfolio of brands, the experience of our management team and network of sub-franchisees and sub-licensees to further expand our network of restaurants and kiosks in our existing key markets of Australia, New Zealand and Malaysia. We are constantly looking for new strategic locations, as well as suitable sub-franchisees or sub-licensees to partner with, to enable us to expand our franchise network to reach out to a wider consumer base.

We also intend to grow our brand portfolio and expand our geographical presence by identifying suitable brands and food concepts to introduce in both new and existing markets. These may include securing new franchise rights and/or developing new food concepts and products of our own. For instance, we have entered into a non-binding memorandum of understanding with Hyein Foods Co., Ltd. whereby the parties have agreed to cooperate towards a master franchise agreement for our Group to become the master franchisee for "NeNe Chicken" in New Zealand. We also intend to open a food court in Australia with kiosks serving a variety of Asian cuisines, including those offered under our portfolio of brands. We have also entered into the Gong Cha (England) Master Franchise Agreement which grants us the exclusive franchise rights to the "Gong Cha" brand in England, United Kingdom. Our first "Gong Cha" outlet in England, United Kingdom commenced operations in City Tower, Manchester, England in June 2019. Barring unforeseen circumstances, we expect to launch three (3) more "Gong Cha" outlets in England, United Kingdom within the next 12 months. In addition to England, United Kingdom, we have also identified Singapore as a potential market for our business expansion.

Barring unforeseen circumstances, the following outlets are expected to open in the next 12 months commencing from the Latest Practicable Date:

Brands	Upcoming outlets owned and operated by our Group	Upcoming outlets operated by our sub-franchisees/ sub-licensees
PappaRich	1 restaurant in Australia	3 restaurants in Australia
		2 restaurants in New Zealand
NeNe Chicken	1 restaurant in Malaysia	5 restaurants in Australia
		2 restaurants in Malaysia
Hokkaido Baked Cheese Tart	–	1 kiosk in Australia
Gong Cha	2 kiosks in New Zealand	4 kiosks in New Zealand
	4 kiosks in England, United Kingdom[(1)]	
IPPUDO	1 restaurant in New Zealand	–
PAFU	–	1 kiosk in Australia
KURIMU	1 kiosk in Australia	–

Note:

(1) Our first "Gong Cha" outlet in England, United Kingdom commenced operations in City Tower, Manchester, England in June 2019.

We intend to use approximately S$4.0 million of the net proceeds from the Placement and the issue of the Cornerstone Shares for this purpose.

(2) Acquire new equipment and machinery and expand our existing Central Kitchen and corporate office in Australia

We believe there is potential in the F&B industry in Australia and New Zealand, to expand our franchise network. In order to cater to our future growth and development, we intend to acquire new equipment and machinery to automate certain food production and packaging processes and increase our operational efficiency. We also intend to acquire new packaging equipment which can maintain the freshness of our ingredients for a longer period of time, to improve the quality of the supplies which are distributed from our Central Kitchen to the outlets across our franchise network.

In addition, as we expect our corporate team to expand to support our business growth, we intend to expand our existing corporate office, as well as enhance corporate productivity and communication amongst the various departments within our Group by upgrading our technology to increase operational efficiency. We intend to achieve this through the implementation of a new enterprise resource planning system to streamline our business processes.

We intend to use approximately S$1.0 million of the net proceeds from the Placement and the issue of the Cornerstone Shares for this purpose.

(3) Establish a central kitchen and corporate office in Malaysia

Currently, our Central Kitchen supports the operations of our franchise network in Australia and New Zealand. As we expand the scale of our operations in Malaysia and enter into potential new markets in the region, we also intend to establish another central kitchen in Malaysia, which will be strategically located to perform similar functions of central procurement, processing and supply of food ingredients and products for our franchise network in the region. We believe that the establishment of a central kitchen in Malaysia will also enable us to reduce our production costs and to realise operational efficiencies. We also intend to establish a corporate office in Malaysia to support our business growth in Malaysia.

We intend to use approximately S$0.6 million of the net proceeds from the Placement and the issue of the Cornerstone Shares for this purpose.

The use of the net proceeds of the Placement and the issue of the Cornerstone Shares for the expansion of the existing Central Kitchen and corporate office in Australia and the establishment of a central kitchen and corporate office in Malaysia will be in line with the increase in the number of outlets, the introduction of new brands and food concepts and the continued streamlining of our work processes. Accordingly, the dates for commencement and completion, the exact amounts required and the increase in production capacity will be determined on a "needs basis" at the material time.

PROSPECTS

Moving forward, barring unforeseen circumstances and taking into consideration the reasons stated below, our Directors believe that the outlook for our business is expected to remain positive in view of the following trends and developments:[1]

Positive economic outlook and growth in population and GDP

The pace and development of the food and beverage industry in Australia, New Zealand and Malaysia is a key factor affecting the growth of our business.

The food and beverage industry is generally co-related with general economic outlook and affluence in a country. The table below sets out the population and GDP statistics of our key geographical markets:[2]

	Population (millions)			GDP (US$ billion)		
Year	**2010**	**2017**	**CAGR**	**2010**	**2017**	**CAGR**
Australia	22.0	24.6	1.6%	1,144.3	1,323.4	2.1%
New Zealand	4.4	4.8	1.4%	146.6	204.1	4.8%
Malaysia	28.1	31.6	1.7%	255.0	314.7	3.1%

1 Each of the above organisations or corporations (as the case may be) has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable action to ensure that the information above has been reproduced in their proper form and context and that such information is extracted accurately and fairly from the sources set out above, none of the Sponsor and Issue Manager and Placement Agent or our Company or their respective officers, agents, employees and advisors have conducted an independent review of the contents or independently verified the accuracy thereof.

2 Information obtained from statistics published on the website of The World Bank, as extracted on 7 June 2019. (http://databank.worldbank.org/data/reports.aspx?source=World-Development-Indicators)

The Australian economy is forecast to continue growing at a robust pace, with new capacity coming on stream in the resource sector expected to support exports and an increase in business investment. Wages are expected to grow and prices are expected to rise gradually, while unemployment rates are expected to edge lower.[1]

In New Zealand, GDP growth was 2.8% in 2018 and this growth has seen the unemployment rate reach lows of just over 4.0%. Looking ahead, GDP growth is forecast to average 2.6% over the forecast period of June 2019 to June 2023.[2]

Malaysia has set its goal of achieving high income status by 2020, with the implementation of the 11th Malaysia Plan.[3] In particular the food and beverage industry has been identified for productivity improvement under the 11th Malaysia Plan given its economic importance and readiness.[4]

Increase in consumer affluence and willingness to spend on food

With the general trend of increase in dual-income families and growing affluence, we believe that the trend of busy consumers relying on food-service is expected to continue in the key geographical markets in which we operate.

Based on statistics released by the Australian Bureau of Statistics, household final consumption expenditure increased by 0.3% in the quarter ending March 2019, with through the year growth of 1.8%.[5] Approximately 65.0% of the Australian population dines out at least once a month, and food-service dollar (depicting the percentage of food and non-alcoholic beverage expenditure spent on eating out-of-home) has grown from 25 cents in every dollar in 1980 to stabilise at approximately 34.3 cents in every dollar in 2016 to 2017.[6] Consumer spending on catering services of restaurants and hotels increased by 3.8% (A$2.1 billion) from A$53.9 billion in 2016 to A$55.9 billion in 2017.[7] Consumption expenditure on food and non-alcoholic beverages had also increased by 3.3% (A$3.1 billion) from A$94.1 billion in 2016 to A$97.2 billion in 2017.[8]

1 Information obtained from an extract from a report issued in 2018 entitled "OECD Economic Outlook, Volume 2018 Issue 2", published on the website of the Organisation for Economic Cooperation and Development. (http://www.oecd.org/eco/outlook/economic-forecast-summary-australia-oecd-economic-outlook.pdf)

2 Information obtained from a report issued in May 2019 entitled "Budget at a Glance" published on the website of The New Zealand Treasury. (https://www.treasury.govt.nz/sites/default/files/2019-05/b19-at-a-glance.pdf)

3 Information obtained from an article published on 7 March 2018 entitled "Malaysia's Economy: Getting Closer to High-Income Status" on the website of the International Monetary Fund. (https://www.imf.org/en/News/Articles/2018/03/07/NA030718-Malaysias-Economy-Getting-Closer-to-High-Income-Status)

4 Information obtained from a staff country report published on 7 March 2018 entitled "Malaysia: 2018 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Malaysia" on the website of the International Monetary Fund. (http://www.imf.org/en/Publications/CR/Issues/2018/03/07/Malaysia-2018-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-45677).

5 Information obtained from a statistics report titled "Australian National Accounts: National Income, Expenditure and Product, March 2019" published on the website of the Australian Bureau of Statistics. (http://www.abs.gov.au/ausstats/abs@.nsf/7d12b0f6763c78caca257061001cc588/6894c1c19e69ffeaca25768d0021e3a8!OpenDocument)

6 Information obtained from a report issued in 2018 entitled "The Australian Food and Beverage Landscape" published on the website of New Zealand Trade and Enterprise. (https://www.nzte.govt.nz/about/news/resources/-/media/64B903995E954B7499D8242C3FB55119.ashx)

7 Information obtained from statistics published on the Organisation for Economic Co-operation and Development (OECD.Stat) website, as extracted on 7 June 2019. (https://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE5)

8 Information obtained from statistics published on the Organisation for Economic Co-operation and Development (OECD.Stat) website, as extracted on 7 June 2019. (https://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE5)

Similar trends are observed in New Zealand and Malaysia. In New Zealand, net disposal income increased by 3.8% (NZ$5.8 billion) from NZ$153.0 billion in the year ended March 2017 to NZ$158.8 billion in the year ended March 2018. Household final consumption expenditure in the category of restaurants and hotels increased by 9.7% (NZ$1.0 billion) from NZ$9.6 billion (or 6.3% of total expenditure) in the year ended March 2017 to NZ$10.6 billion (or 6.6% of total expenditure) in the year ended March 2018.[1] Figures reported by Statistics New Zealand show that expenditure on "restaurant meals and ready-to-eat food" subgroup experienced the biggest growth out of all food expenditure groups, of 24.4% from June 2014 to September 2017.[2] This makes up 26.0% of total food expenditure, up from 23.0% in 2014.[3]

In Malaysia, mean monthly household consumption expenditure increased from RM3,578 in 2014 to RM4,033 in 2016, growing at approximately 6.0% per annum. The proportion of household consumption expenditure in the category of restaurants and hotels increased from 12.7% in 2014 to 13.4% in 2016.[4] Statistics released by the Department of Statistics Malaysia show that the consumer price index for the "Food Away From Home" category has increased by 3.4% in February 2019 (year-on-year).[5]

Large immigrant population in Australia

Statistics from the Australian Bureau of Statistics highlight that nearly half (49.0%) of Australians had either been born overseas or had one or both parents born overseas.[6] The proportion of people born in China and India has increased since 2011 (from 6.0% to 8.3%, and 5.6% to 7.4%, respectively).[7] Further, in 2016, 83.0% of the overseas-born population lived in a capital city, compared with 61.0% of the people born in Australia.[8] Our Directors are of the view that our restaurants and kiosks, which are mostly situated centrally within capital cities, are strategically located to capture our targeted customer base.

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1 Information obtained from an information release published on 23 November 2018 entitled "National Accounts (Income and Expenditure): Year ended March 2018" on the website of Statistics New Zealand. (https://www.stats.govt.nz/information-releases/national-accounts-income-and-expenditure-year-ended-march-2018)

2 Information obtained from a report issued in 2017 entitled "Food price index review: 2017 (revised)" published on the website of Statistics New Zealand. (https://www.stats.govt.nz/methods/food-price-index-review-2017-revised)

3 Information obtained from a report issued in 2017 entitled "Food price index review: 2017 (revised)" published on the website of Statistics New Zealand. (https://www.stats.govt.nz/methods/food-price-index-review-2017-revised)

4 Information obtained from an article published on 9 October 2017 entitled "Report on Household Expenditure Survey 2016" on the website of the Department of Statistics, Malaysia. (https://dosm.gov.my/v1/index.php?r=column/cthemeByCat&cat=323&bul_id=WnZvZWNVeDYxKzJjZ3RlUVVYU2s2Zz09&menu_id=amVoWU54UTl0a21NWmdhMjFMMWcyZz09)

5 Information obtained from a statistics report entitled "Consumer Price Index Malaysia February 2019" published on 22 March 2019 on the website of the Department of Statistics, Malaysia. (https://www.dosm.gov.my/v1/index.php?r=column/cthemeByCat&cat=106&bul_id=SWQwV0U2Y2ljYkoyTmJzZytCV3laZz09&menu_id=bThzTHQxN1ZqMVF6a2I4RkZoNDFkQT09)

6 Information obtained from a media release published on 27 June 2017 entitled "Census reveals a fast changing, culturally diverse nation" published on the website of the Australian Bureau of Statistics. (http://www.abs.gov.au/ausstats/abs@.nsf/lookup/Media%20Release3)

7 Information obtained from a media release published on 27 June 2017 entitled "Census reveals a fast changing, culturally diverse nation" published on the website of the Australian Bureau of Statistics. (http://www.abs.gov.au/ausstats/abs@.nsf/lookup/Media%20Release3)

8 Information obtained from a media release published on 27 June 2017 entitled "Census reveals a fast changing, culturally diverse nation" published on the website of the Australian Bureau of Statistics. (http://www.abs.gov.au/ausstats/abs@.nsf/lookup/Media%20Release3)

Increasing popularity of convenience and food delivery services

In addition to dining out, we observe that there is a growing trend of convenience and food delivery services. In all markets, delivery services, driven by the use of mobile applications, are taking an increasing share of food-service sales with many consumers now opting for delivery of high quality food and beverages to the comfort of their own home. We believe that food delivery platforms will appeal to a large segment of the busy working class due to its convenience and will drive transactions and sales growth in the consumer food service industry.

Growth in tourism and hospitality industry

We also believe that the demand for our food and beverage services and products are closely associated with the performance of the tourism industries in the key geographical markets where we have operations. In Australia and New Zealand, our food offerings, which have Asian origins, would appeal to Asian travellers who are seeking the comfort of cuisines which they are familiar with. We believe our food offerings would also appeal to customers coming from other parts of the world, who desire to try Asian food.

Robust and continued growth is forecasted for the tourism industries of Australia, New Zealand and Malaysia. Based on statistics reported by Tourism Research Australia, the number of international visitors to Australia increased to 8.5 million in 2018, representing an increase of 5.0% on the previous year. Expenditure by international visitors also increased by 7.0% to A$43.9 billion in 2018.[1]

Domestic tourists also show an increase in spending, having increased their spending on meals from restaurants and takeaway food outlets during their travels by 14.0%, to $11.9 billion in the year ended December 2018, up from $10.5 billion for the year ended December 2017.[2]

In New Zealand, strong growth is expected for both international arrivals and spend, with international visitor arrivals forecast to increase from 3.7 million in 2017 to 5.1 million visitors in 2024, representing a CAGR of 4.6%. International visitor spend is forecast to reach NZ$14.8 billion, up from NZ$10.6 billion in 2017 and equating to a CAGR of 4.9%.[3]

Malaysia is also taking steps to promote its tourism industry, which was recognised as one of Malaysia's national key economic areas. The tourism industry remains as one of Malaysia's major contributors to gross national income, foreign exchange earnings and employment.[4] In 2018, tourism receipts contributed RM84.1 billion to Malaysia's economy, up 2.4% from RM82.2 billion in 2017. F&B expenditure accounted for 13.4% of total tourism receipts.[5]

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1 Information obtained from a report entitled "International Visitors in Australia: Year ending December 2018" published on the website of Tourism Research Australia. (https://www.tra.gov.au/ArticleDocuments/185/IVS_one_pager_December2018.pdf.aspx)

2 Information obtained from statistics published on the website of Tourism Research Australia, as extracted on 7 June 2019. (https://www.tra.gov.au/Domestic/domestic-tourism-results)

3 Information obtained from a report issued in May 2018 entitled "New Zealand Tourism Forecasts 2018 – 2024" published on the website of the Ministry of Business, Innovation and Employment, New Zealand. (https://www.mbie.govt.nz/assets/5c05b7bfce/nz-tourism-forecasts-2018-2024-report.pdf)

4 Information obtained from a media release published on 9 July 2012 entitled "ETP: Transforming Tourism to the New Heights" on the website of Tourism Malaysia. (https://www.tourism.gov.my/media/view/etp-transforming-tourism-to-the-new-heights)

5 Information obtained from a media release published on 27 February 2019 entitled "Tourism contributes RM84.1 billion to Malaysia economy with 25.8 million tourists in 2018" on the website of Tourism Malaysia. (https://www.tourism.gov.my/media/view/tourism-contributes-rm84-1-billion-to-malaysia-economy-with-25-8-million-tourists-in-2018)

TREND INFORMATION

Based on the operations of our Group as at the Latest Practicable Date and barring unforeseen circumstances, our Directors observe the following trends for the next 12 months from the Latest Practicable Date:

(a) for HY2019, revenue increased by A$6.7 million or 36.7%, from A$18.3 million in HY2018 to A$25.0 million in HY2019, due mainly to an increase in F&B Retail Sales and Franchise Revenue, in line with the expansion of our franchise network. In particular, the number of Group-owned outlets and sub-franchised or sub-licensed outlets increased from 66 as at 31 December 2017, to 95 as at 31 December 2018. Our revenue growth is expected to continue the trend of HY2019, underpinned by the above;

(b) as with other F&B businesses in the markets where we operate, we expect to face inflationary pressures and a general trend of increase in the cost of food ingredients, labour costs and rental;

(c) as set out in the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document, we intend to expand our business through expanding our franchise network and introducing new brands and concepts, acquiring new equipment and machinery and expanding our existing Central Kitchen and corporate office in Australia, as well as establishing a new central kitchen and corporate office in Malaysia. These expansion plans entail additional capital expenditures and depreciation expenses. We may also take on additional bank borrowings (if required) to finance these capital expenditures, which will result in an increase in finance costs; and

(d) expenses incurred in connection with the Listing are expected to give rise to an increase in operating expenses for FY2019. In accordance with the SFRS(I), only a portion of such expenses may be capitalised, while the balance will be treated as expenses in our statement of comprehensive income. Barring the one-off impact of the abovementioned Listing expenses in FY2019, our operating expenses, including staff costs and other expenses, are expected to increase in line with the expansion of our business operations over the next 12 months.

Save as disclosed above and in the sections entitled "Risk Factors", "Management's Discussion and Analysis of Results of Operations and Financial Position" and "General Information on our Group" of this Offer Document, and barring any unforeseen circumstances, our Directors are not aware of (a) any significant recent trends in production, sales and inventory, and in the costs and prices of our products and services since 31 December 2018; or (b) any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenue, profitability, liquidity or capital resources, or that would cause the financial information disclosed in this Offer Document to be not necessarily indicative of our future financial condition or results of operations. Please also refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document.

CORPORATE SOCIAL RESPONSIBILITY

Our Group aims to make a positive impact on the local community in the countries which we operate in. Some of the causes and organisations which we have supported include sponsoring our food products to Heartkids Victoria, Australia to support children with congenital heart disease. In Malaysia, we have contributed to our local community by organising social activities for a children's orphanage, organising the football and table football competitions as well as volunteering to be the official caterer for the "Arts, Cosplay & Etc 2019" event in Starling Mall, Malaysia.

SEASONALITY

Typically, our monthly turnover can be classified into the high, low and normal seasons. Our high seasons are normally experienced during March and April for Australia due to the start of the school term. In general, low seasons are experienced in December and January, due to the holiday season in Australia and May and June in Malaysia, due to the Ramadan. Our turnover for the remaining months are generally stable.

In general, transactions between our Group and any of our interested persons would constitute interested person transactions for the purposes of Chapter 9 of the Catalist Rules.

Details of the present and ongoing transactions as well as past transactions between our Group and interested persons which are material in the context of the Placement are set out below. Save as disclosed in this section and the section entitled "Restructuring Exercise" of this Offer Document, there are no material interested person transactions for FY2016, FY2017, FY2018 and HY2019 and for the period from 1 January 2019 to the Latest Practicable Date ("**Relevant Period**").

In line with the rules set out in Chapter 9 of the Catalist Rules, a transaction of value less than S$100,000 is not considered material in the context of the Placement and is not taken into account for the purposes of aggregation in this section and has not been disclosed in this section.

Interested persons

Alpine Investments Pty Ltd	:	A company incorporated in Australia which is wholly-owned by Ms. Chua Seok Cheow
Food Industry Holdings Pty Ltd	:	A company incorporated in Australia which is owned by STG Investments Pty Ltd (35.0%), Alpine Investments Pty Ltd (8.0%), Ms. Saw Lee Ping (15.0%), Mr. Tan Tee Ooi (10.0%), Mr. Saw Tatt Jin (12.0%) and other non-interested persons (20.0%)
Idarts QV Pty Ltd	:	A company incorporated in Australia which is owned by STG Investments Pty Ltd (7.9%), QV Darts Pty Ltd (43.3%) and other non-interested persons (48.8%)
Ms. Chua Seok Cheow	:	The mother of Mr. Saw Tatt Ghee and Ms. Saw Lee Ping
Ms. Saw Lee Ping	:	Our Executive Director and CAO
Mr. Saw Tatt Ghee	:	Our Executive Chairman and CEO
Mr. Saw Tatt Jin	:	The brother of Mr. Saw Tatt Ghee and Ms. Saw Lee Ping
Mr. Tan Tee Ooi	:	The spouse of Ms. Saw Lee Ping
Papparich (NZ) Pty Ltd	:	A company incorporated in Australia which is owned by ST PPR (NZ) Pty Ltd (50.0%) and a non-interested person (50.0%)
PPR Brisbane Pty Ltd	:	A company incorporated in Australia which was owned by PPR QLD Pty Ltd (55.0%) and a non-interested person (45.0%)
PPR QLD Pty Ltd	:	A company incorporated in Australia which is owned by Food Industry Holdings Pty Ltd (60.0%) and a non-interested person (40.0%)

QV Darts Pty Ltd	:	A company incorporated in Australia which is owned by STG Investments Pty Ltd (42.0%), Tan & Saw Investments Pty Ltd (16.0%), Alpine Investments Pty Ltd (5.0%), Mr. Saw Tatt Jin (11.0%) and two (2) non-interested persons (26.0%)
Saw Holdings Pty Ltd	:	A company incorporated in Australia which is owned by Ms. Saw Lee Ping (15.0%), Mr. Saw Tatt Jin (15.0%), KT & SC & TG Investments Pty Ltd (40.0%) and Alpine Investments Pty Ltd (30.0%). Saw Holdings Pty Ltd is the trustee of the Saw Holdings Unit Trust, of which the unitholders are (a) STG Investments Pty Ltd (as trustee for the Tatt Ghee Saw Family Trust) (40.0%), (b) Ms. Saw Lee Ping (as trustee for the Tian & Young Family Trust) (15.0%), (c) Mr. Saw Tatt Jin (as trustee for the Hui & Zhet Family Trust) (15.0%), and (d) Ms. Chua Seok Cheow (30.0%)
SCL Property Australia Pty Ltd	:	A company incorporated in Australia which is owned by Saw Holdings Pty Ltd (40.0%) and two (2) non-interested persons (60.0%)
ST Group Pty Ltd	:	A company incorporated in Australia which is wholly-owned by STG Investments Pty Ltd
ST PPR (NZ) Pty Ltd	:	A company incorporated in Australia which is owned by STG Investments Pty Ltd (51.0%), Tan & Saw Investments Pty Ltd (14.0%), Mr. Saw Tatt Jin (11.0%) and three (3) non-interested persons (24.0%)
STG Investments Pty Ltd	:	A company incorporated in Australia which is wholly-owned by Mr. Saw Tatt Ghee
Tan & Saw Investments Pty Ltd	:	A company incorporated in Australia which is owned by Ms. Saw Lee Ping (50.0%) and Mr. Tan Tee Ooi (50.0%)

PAST INTERESTED PERSON TRANSACTIONS

Details of the past transactions between our Group and interested persons which are material in the context of the Placement, for the Relevant Period are as follows:

(a) Advances by Mr. Saw Tatt Ghee and Ms. Saw Lee Ping and their associates to our Group

During the Relevant Period, Mr. Saw Tatt Ghee, Ms. Saw Lee Ping and their associates provided advances to our Group for working capital purposes. The loans were unsecured, interest-free and had no fixed terms of repayment.

The aggregate amounts owing by the Group to such interested persons as at 30 June 2016, 2017 and 2018, 31 December 2018 and as at the Latest Practicable Date, and the largest amount outstanding during the Relevant Period were as follows:

Advances from Interested Persons	As at 30 June 2016 (A$'000)	As at 30 June 2017 (A$'000)	As at 30 June 2018 (A$'000)	As at 31 December 2018 (A$'000)	As at the Latest Practicable Date (A$'000)	Largest amount outstanding during the Relevant Period (A$'000)
Mr. Saw Tatt Ghee	12	–	–	–	–	63
Ms. Saw Lee Ping	130	216	109	14	–	216
Mr. Saw Tatt Jin	114	133	69	13	–	209
STG Investments Pty Ltd	491	735	210	69	–	735
Mr. Tan Tee Ooi	88	163	80	11	–	163
Tan & Saw Investments Pty Ltd	–	–	3	3	–	42
Ms. Chua Seok Cheow	76	65	24	7	–	76
Alpine Investments Pty Ltd	–	21	18	3	–	61

As the advances were unsecured, interest-free and had no fixed terms of repayment, they were not provided on an arm's length basis and were not on normal commercial terms, but were not prejudicial to the interests of our Group or our minority shareholders. As at the Latest Practicable Date, all amounts owing to the aforementioned parties have been fully settled. Whilst there is currently no intention to enter into similar transactions with our interested persons, our Group will maintain flexibility in any funding it may require in the future and any similar transactions, if any, following our Listing will only be carried out subject to Chapter 9 of the Catalist Rules.

(b) Management fees paid to ST Group Pty Ltd

Pursuant to a management services agreement entered into between our subsidiaries, Papparich Australia Pty Ltd, Papparich Central (Melbourne) Pty Ltd, STG Confectionery Pty Ltd, STG Food Industries 5 Pty Ltd and STG Confectionery 2 Pty Ltd ("**Relevant Companies**"), and ST Group Pty Ltd ("**Management Services Agreement**"), ST Group Pty Ltd was engaged to process the disbursement of remuneration to certain Directors, senior management and employees (including but not limited to Mr. Saw Tatt Ghee, Ms. Saw Lee Ping and Mr. Leong Weng Yu) on behalf of the Relevant Companies during the Relevant Period, to facilitate the allocation of their costs to the respective brands within our Group. The Management Services Agreement was terminated on 31 January 2019 and we do not expect to enter into such transactions with ST Group Pty Ltd following the admission of our Company to Catalist.

Details of the aggregate amounts paid by our Group to ST Group Pty Ltd during the Relevant Period were as follows:

	FY2016 (A$'000)	FY2017 (A$'000)	FY2018 (A$'000)	HY2019 (A$'000)	From 1 January 2019 to 31 January 2019 (A$'000)
Aggregate amount paid pursuant to the Management Services Agreement	–	563	851	456	77

The amounts paid by our Group to ST Group Pty Ltd pursuant to the Management Services Agreement was determined on a cost reimbursement basis. Accordingly, our Directors are of the view that the Management Services Agreement was entered into on an arm's length basis on normal commercial terms, and was not prejudicial to the interests of our Group and our minority shareholders.

(c) Management Fees received from Idarts QV Pty Ltd

During the Relevant Period, an employee under the payroll of our subsidiary, Idarts Australia Pty Ltd, was seconded to Idarts QV Pty Ltd to assist in its operations. We charged Idarts QV Pty Ltd management fees in respect of the above arrangement, on a cost recovery basis. This arrangement was terminated as of 31 March 2019.

Details of the management fees paid by Idarts QV Pty Ltd to our Group during the Relevant Period were as follows:

	FY2016 (A$'000)	FY2017 (A$'000)	FY2018 (A$'000)	HY2019 (A$'000)	From 1 January 2019 to 31 March 2019 (A$'000)
Management fees received	–	–	64	41	9

Our Directors are of the view that the above transactions were entered into on an arm's length basis and on normal commercial terms, and were not prejudicial to the interests of our Group and our minority shareholders, as the management fees were charged by our Group to Idarts QV Pty Ltd on a cost recovery basis. We do not intend to enter into such transactions with Idarts QV Pty Ltd following the admission of our Company to Catalist.

(d) Sub-franchise arrangement with PPR Brisbane Pty Ltd

During the Relevant Period, our subsidiary, Papparich Australia Pty Ltd entered into a sub-franchise agreement with PPR Brisbane Pty Ltd, a joint venture company owned by PPR QLD Pty Ltd (55.0%) and Aunited Management Pty Ltd (45.0%), in respect of the operation of a "PappaRich" outlet located at Wintergarden Shopping Centre, Brisbane, Australia. Aunited Management Pty Ltd was an unrelated third party, who wished to enter into a sub-franchise arrangement with our Group but did not have sufficient resources to do so independently. On 24 May 2017, Aunited Management Pty Ltd acquired the remaining 55.0% interest in PPR Brisbane Pty Ltd from PPR QLD Pty Ltd and PPR Brisbane Pty Ltd ceased to be an interested person of our Group.

Prior to the acquisition by Aunited Management Pty Ltd, pursuant to the terms of the sub-franchise agreement, PPR Brisbane Pty Ltd paid the following amounts to Papparich Australia Pty Ltd during the Relevant Period:

	FY2016 (A$'000)	FY2017[1] (A$'000)
Total amount (including project revenue, royalty fees, marketing fees and management fees)	1,642	185

Note:

(1) Up to 24 May 2017.

As the amounts paid by PPR Brisbane Pty Ltd to Papparich Australia Pty Ltd were in accordance with the terms set out in our standard sub-franchise agreement for the "PappaRich" brand, our Directors are of the view that the above transactions were conducted on an arm's length basis and on normal commercial terms, and were not prejudicial to the interests of our Group and our minority shareholders.

(e) Disposal of Papparich (NZ) Pty Ltd

Prior to June 2016, our subsidiary, Papparich Australia Pty Ltd, held 100.0% of the shareholding interest in Papparich (NZ) Pty Ltd ("**Papparich NZ**") which in turn held 25.0% of the shareholding interest in PPR Foods New Zealand Limited ("**PPR Foods**"). The remaining 75.0% interest in PPR Foods was held by Loch Investments New Zealand Limited, an unrelated third party. Between FY2015 and FY2016, Papparich Australia Pty Ltd had provided advances to PPR Foods through Papparich NZ for working capital purposes.

In June 2016, Papparich Australia Pty Ltd transferred all the shareholding interest in Papparich NZ to ST PPR (NZ) Pty Ltd (50.0%) and Roti Roti (NSW) Pty Ltd (50.0%) (the "**Papparich NZ Disposal**"). The aggregate consideration for the Papparich NZ Disposal was A$100 based on Papparich Australia Pty Ltd's cost of investment as Papparich NZ had accumulated losses and was in a net liability position.

In July 2018, Papparich NZ transferred its 25.0% shareholding interest in PPR Foods to Mr. Loh Tze Hwai, an unrelated third party (the "**PPR Foods Disposal**"). In conjunction with the PPR Foods Disposal, an amount of approximately A$68,000 owing by Papparich NZ to Papparich Australia Pty Ltd was written off as both Papparich NZ and PPR Foods had accumulated losses and were in net liability positions.

Our Directors are of the view that the above transactions were not entered into on an arm's length basis, were not on normal commercial terms and were prejudicial to the interests of our Group and our minority shareholders.

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

(a) Lease of 120 and 130 Turner Street, Port Melbourne, VIC 3207, Australia from SCL Property Australia Pty Ltd

Our Group has leased properties owned by SCL Property Australia Pty Ltd for the purposes of our Central Kitchen, warehouse and corporate headquarters. As at the Latest Practicable Date, details of the lease are as follows:

Location	Approximate gross area (sq m)	Annual rent (excluding GST) (A$'000)[1]	Lease Term
120-130 Turner Street, Port Melbourne, VIC 3207, Australia	3,027	510	1 November 2017 – 31 October 2024 (with an option to renew for two (2) further terms of seven (7) years each)

Note:

(1) During each lease term, the rental rate is subject to an annual rental increase of 4.0%. On renewal of the lease, the rental rate will be subject to a rent review on the commencement date of such further term in accordance with the current market rent, if either SCL Property Australia Pty Ltd or our Group initiates a rent review in accordance with the terms of the lease.

Details of the aggregate rent charged to our Group during the Relevant Period are as follows:

	FY2016 (A$'000)	FY2017 (A$'000)	FY2018 (A$'000)	HY2019 (A$'000)	From 1 January 2019 to the Latest Practicable Date (A$'000)
Aggregate rent charged	205	494	567	297	253

Our Directors are of the view that the above transaction was based on the prevailing rental rates and terms for comparable premises and was entered into on an arm's length basis and on normal commercial terms, and was not prejudicial to the interests of our Group and our minority shareholders.

In accordance with the terms of the lease, the rental rate will be subject to a rent review on renewal of the lease, in accordance with the current market rent, if either SCL Property Australia Pty Ltd or our Group initiates a rent review. We intend to renew the abovementioned lease upon expiry, on an arm's length basis and on normal commercial terms which will not be prejudicial to the interests of the Group and its minority shareholders. Following the admission of our Company to Catalist, any transaction entered into by our Group with SCL Property Australia Pty Ltd will be subject to the procedures for interested person transactions as set out in the section entitled "Interested Person Transactions – Guidelines and Review Procedures for On-going and Future Interested Person Transactions" of this Offer Document and Chapter 9 of the Catalist Rules.

(b) Transactions with Idarts QV Pty Ltd

Idarts QV Pty Ltd is a company incorporated in Australia which is owned by STG Investments Pty Ltd (7.9%), QV Darts Pty Ltd (43.3%) and other non-interested persons (48.8%), being Mr. Richard Peter Godwin (6.5%), who is our Substantial Shareholder, Ricgo Pty Ltd (6.5%), which is an entity wholly-owned by Mr. Richard Peter Godwin, Ms. Chen Xin (7.9%), who is the spouse of Mr. Richard Peter Godwin, Mr. Benjamin Cheong Ming Hon (11.1%), Mr. Terence Jee Foh Onn (5.6%), Mr. Lam Kei Kwan (5.6%) and Mr. Keith Low Kok (5.6%). Save as disclosed in this paragraph, none of the aforementioned non-interested persons of Idarts QV Pty Ltd are related to our Directors, Substantial Shareholders, Executive Officers and/or their associates. The sole director of Idarts QV Pty Ltd is Mr. Benjamin Cheong Ming Hon, who oversees the business and operations of Idarts QV Pty Ltd. He is assisted by Mr. Wong Tsz Chun. Mr. Benjamin Cheong Ming Hon and Mr. Wong Tsz Chun are not related to any of our Directors, Substantial Shareholders, Executive Officers and/or their associates.

Idarts QV Pty Ltd is in the business of owning and operating bars in Australia installed with electronic dart machines under the "iDarts" brand. As at the Latest Practicable Date, Idarts QV Pty Ltd owns and manages one (1) bar in Melbourne, Australia. In accordance with the terms of our sub-franchise agreement with Idarts QV Pty Ltd, Idarts QV Pty Ltd is required to pay us ongoing fees (including machine connection fees for each electronic dart machine installed within its bars and franchise fees for the usage of the "iDarts" brand). Idarts QV Pty Ltd may also purchase machine accessories from us as and when required. The aggregate amount of such transactions between our Group and Idarts QV Pty Ltd during the Relevant Period are as follows:

	FY2016 (A$'000)	FY2017 (A$'000)	FY2018 (A$'000)	HY2019 (A$'000)	From 1 January 2019 to the Latest Practicable Date (A$'000)
Total amount (including machine connection fees, franchise fees and sale of machine accessories)	148	155	168	86	63

As the terms of our sub-franchise agreement with Idarts QV Pty Ltd were in accordance with our standard sub-franchise agreement for the "iDarts" brand which are offered to other unrelated third parties, our Directors are of the view that the above transactions were conducted on an arm's length basis and on normal commercial terms, and were not prejudicial to the interests of our Group and our minority shareholders.

Following the admission of our Company to Catalist, any transaction entered into by our Group with Idarts QV Pty Ltd will be subject to the procedures for interested person transactions as set out in the section entitled "Interested Person Transactions – Guidelines and Review Procedures for On-going and Future Interested Person Transactions" of this Offer Document and Chapter 9 of the Catalist Rules.

(c) Provision of Guarantees by Interested Persons under banking facilities

Mr. Saw Tatt Ghee and/or Ms. Saw Lee Ping have been included as guarantors in respect of various banking facilities extended by United Overseas Bank (Malaysia) Berhad, Westpac Banking Corporation and/or Bank of New Zealand to our Group ("**Banking Guarantees**").

The largest outstanding amount guaranteed in respect of Mr. Saw Tatt Ghee and/or Ms. Saw Lee Ping for the Relevant Period was approximately A$3.16 million and the amount guaranteed as at the Latest Practicable Date was A$2.76 million.

Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for the details of the banking facilities.

As no consideration was paid by our Group to Mr. Saw Tatt Ghee and Ms. Saw Lee Ping for the provision of the Banking Guarantees, the above arrangements were not carried out on an arm's length basis and were not on normal commercial terms, but are not prejudicial to the interests of our Group and our minority shareholders.

Following the admission of our Company to Catalist, we intend to request for the discharge of the above Banking Guarantees and to replace them with corporate guarantees provided by our Group. Our Directors do not expect any material change in the terms and conditions of the relevant facilities arising from the release and discharge of the above Banking Guarantees. Should Westpac Banking Corporation, the Bank of New Zealand and/or United Overseas Bank (Malaysia) Berhad be unwilling to release and discharge the above guarantees and we fail to secure alternative facilities on similar terms, Mr. Saw Tatt Ghee and Ms. Saw Lee Ping will continue to provide the relevant Banking Guarantees. Mr. Saw Tatt Ghee and Ms. Saw Lee Ping have also confirmed that they will not receive any consideration (monetary or otherwise) for the provision of the above guarantees in the future.

(d) Provision of Business Guarantees by Interested Persons

Mr. Saw Tatt Ghee, Ms. Saw Lee Ping and their associates, have from time to time provided corporate or personal guarantees (as the case may be) ("**Business Guarantees**") to secure the Group's obligations under the various Master Franchise Agreements and lease agreements entered into by our Group ("**Business Contracts**"). Due to the nature of the Business Guarantees, the amount guaranteed is not quantifiable in a meaningful manner and is largely dependent on the nature of any breach under the Business Contracts, and the amount of quantifiable losses suffered by the relevant Master Franchisor or landlord.

As no consideration was paid by our Group to Mr. Saw Tatt Ghee, Ms. Saw Lee Ping and/or their associates for the provision of the Business Guarantees, the above arrangements were not carried out on an arm's length basis and were not on normal commercial terms, but are not prejudicial to the interests of our Group and our minority shareholders.

Following the admission of our Company to Catalist, we intend to request for the discharge of the above Business Guarantees by Mr. Saw Tatt Ghee, Ms. Saw Lee Ping and their associates (as the case may be), and replace them with corporate guarantees provided by our Group. Our Directors do not expect any material change in the terms and conditions of the relevant agreements arising from the release and discharge of the above Business Guarantees. Should any of the counterparties be unwilling to release and discharge the above guarantees, Mr. Saw Tatt Ghee, Ms. Saw Lee Ping and their associates (as the case may be) will continue to provide the relevant Business Guarantees. Mr. Saw Tatt Ghee, Ms. Saw Lee Ping and their associates (as the case may be) have also confirmed that they will not receive any consideration (monetary or otherwise) for the provision of the above guarantees in the future.

GUIDELINES AND REVIEW PROCEDURES FOR ON-GOING AND FUTURE INTERESTED PERSON TRANSACTIONS

To ensure that all future interested person transactions are carried out on normal commercial terms and on arm's length basis, that is, the transactions are transacted on terms and prices not more favourable to the interested persons than if they were transacted with unrelated third parties and are not prejudicial to the interests of our Group and our minority Shareholders in any way, the following procedures will be implemented by our Group:

(a) when purchasing any products or engaging any services from an interested person, two (2) other quotations from non-interested persons will be obtained for comparison to ensure that the interests of our Group and minority Shareholders are not disadvantaged. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two (2) other quotations from non-interested persons. In determining the most competitive price or fee, all pertinent factors, including but not limited to quality, requirements, specifications, delivery time and track record will be taken into consideration;

(b) when selling any products or supplying any services to an interested person, the price or fee and terms of two (2) other completed transactions of a similar nature with non-interested persons will be used as comparison to ensure that the interests of our Group or minority Shareholders are not disadvantaged. The price or fee for the supply of products or services shall not be lower than the lowest price or fee of the two (2) other completed transactions with non-interested persons;

(c) in the case of renting properties from or to an interested person, appropriate steps will be taken to ensure that the rent is commensurate with the prevailing market rates, including adopting measures such as making relevant inquiries with landlords of similar properties and/or obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where considered appropriate). The amount payable shall be based on the most competitive market rental rate of similar properties in terms of size, suitability for purpose and location, based on the results of the relevant inquiries;

(d) where it is not possible to compare against the terms of other transactions with unrelated third parties, the matter will be referred to our Audit Committee (with the appropriate abstention of any Audit Committee member who has an interest in the transaction), and our Audit Committee will determine whether the transaction price and/or terms offered by or to the interested person are fair and reasonable and, if they are undertaken on arm's length basis and on normal commercial terms, in accordance with our usual business practices and policies; and

(e) in addition, we shall monitor all interested person transactions entered into by us and categorise these transactions as follows:

    (i) a Category 1 interested person transaction (either individually or as a part of a series or as aggregated with other transactions involving the same interested person during the same financial year) is one where the value or aggregate value thereof is equal to or in excess of 3.0% of the latest audited NTA of our Group; and

    (ii) a Category 2 interested person transaction (either individually or as a part of a series or as aggregated with other transactions involving the same interested person during the same financial year) is one where the value or aggregate value thereof is below 3.0% of the latest audited NTA of our Group.

All Category 1 interested person transactions must be approved by our Audit Committee prior to entry whereas Category 2 interested person transactions need not be approved by our Audit Committee prior to entry but shall be reviewed on a quarterly basis by our Audit Committee.

Our Audit Committee will review all interested person transactions, if any, on a quarterly basis to ensure that they are carried out on an arm's length basis. In accordance with the procedures outlined above, our Audit Committee will take into account all relevant non-quantitative factors. In the event that a member of our Audit Committee is interested in any such transaction, he will abstain from participating in the review and approval process in relation to that particular transaction.

We shall prepare all the relevant information to assist our Audit Committee in its review and will keep a register recording all interested person transactions. The register shall also record the basis for entry into the transactions, including the quotations and other evidence obtained to support such basis.

In addition, our Audit Committee and our Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Catalist Rules (in particular, Chapter 9) and relevant accounting standards, are complied with. Such transactions will also be subject to the approval of our Shareholders if required by the Catalist Rules. Interested persons and their associates shall abstain from voting on resolutions approving interested person transactions involving themselves. In addition, such interested persons shall not act as proxies in relation to such resolutions unless specific instructions as to voting have been given by the Shareholders. We will also endeavour to comply with the recommendations set out in the Code of Corporate Governance.

The annual internal audit plan shall incorporate a review of all interested person transactions entered into at least on an annual basis. These internal audit reports will be reviewed by the Audit Committee to ascertain whether the guidelines and procedures established to monitor interested person transactions have been complied with. The Audit Committee shall also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that interested person transactions are conducted on normal commercial terms, on an arm's length basis and do not prejudice our interests and the interests of our minority Shareholders. Further, if during these periodic reviews by the Audit Committee, the Audit Committee is of the opinion that the guidelines and procedures as stated above are not sufficient to ensure that interested person transactions will be on normal commercial terms, on an arm's length basis and not prejudicial to our interests and the interests of our minority Shareholders, the Audit Committee will adopt such new guidelines and review procedures for future interested person transactions as may be appropriate.

Disclosure will be made in our annual report of the aggregate value of interested person transactions during the relevant financial year under review.

POTENTIAL CONFLICTS OF INTEREST

In general, a conflict of interest arises when any of our Directors, CEO, Controlling Shareholders or their associates is carrying on or has an interest in any other corporation carrying on the same business or dealing in similar products or services as our Group.

All of our Directors have a duty to disclose their interests in respect of any transaction in which they have any personal material interest or any actual or potential conflict of interest (including a conflict that arises from their directorship or employment or personal investment in any corporation). Upon such disclosure, such Directors will not participate in any proceedings of our Board and shall abstain from voting in respect of any such transaction where the conflict arises.

Save as disclosed below and in the sections entitled "Interested Person Transactions", "Directors, Executive Officers and Employees – Service Agreements" and "Restructuring Exercise" of this Offer Document, and personal investment (whether directly or through nominees) in quoted investments which may include companies listed on the SGX-ST (not exceeding 5.0% shareholding interest), none of our Directors, CEO, Controlling Shareholders or any of their associates has an interest, direct or indirect:

(a) in any transaction to which our Group was or is to be a party;

(b) in any entity carrying on the same business or dealing in similar products or services which competes materially and directly with the existing business of our Group; and

(c) in any enterprise or company that is our Group's customer or supplier of goods and services.

Mr. Saw Tatt Ghee and Ms. Saw Lee Ping – Idarts QV Pty Ltd

Idarts QV Pty Ltd, based in Melbourne, Australia, is principally engaged in the business of ownership and operation of bars installed with electronic dart machines under the "iDarts" brand. Our Executive Chairman and CEO, Mr. Saw Tatt Ghee and our Executive Director and CAO, Ms. Saw Lee Ping, together with their associates, have a total interest (direct and indirect) of approximately 51.2% in Idarts QV Pty Ltd. Please refer to the section entitled "Interested Person Transactions" of this Offer Document for further details on the shareholders of Idarts QV Pty Ltd.

Idarts QV Pty Ltd has not been included as part of our Group as its business of owning and operating bars does not fall within the overall business strategy of the Group. Our Board is of the view that any potential conflicts of interest arising from the interests of Mr. Saw Tatt Ghee and Ms. Saw Lee Ping in Idarts QV Pty Ltd is mitigated by the following:

(a) Mr. Saw Tatt Ghee and Ms. Saw Lee Ping are not directors of and are not involved in the management or day-to-day operations of Idarts QV Pty Ltd;

(b) Idarts QV Pty Ltd is in the business of owning and operating bars. Our Board is of the view that this is distinct and separate from our Group's business, which mainly comprises owning and operating F&B restaurants and kiosks, sub-franchising and sub-licensing of brands to our sub-franchisees and sub-licensees, and supply of food ingredients and products to our franchise network;

(c) as at the Latest Practicable Date, Idarts QV Pty Ltd owns and manages one (1) bar in Melbourne, Australia. While Idarts QV Pty Ltd is required to pay us ongoing fees (including machine connection fees for each electronic dart machine installed within its bars and franchise fees for the usage of the "iDarts" brand) and may purchase machine accessories from us as and when required, our Board is of the view that the aggregate amounts of such transactions between our Group and Idarts QV Pty Ltd during the Relevant Period were not material. In FY2018, revenue derived from Idarts QV Pty Ltd amounted to A$0.2 million, accounting for approximately 0.5% of our Group's revenue. Further, the terms of our sub-franchise agreement with Idarts QV Pty Ltd were in accordance with our standard sub-franchise agreement for the "iDarts" brand which are offered to other unrelated third parties;

(d) the Group has policies and procedures in place to ensure that transactions with Idarts QV Pty Ltd are undertaken on arm's length basis, on normal commercial terms and are not prejudicial to the interest of the Group and its minority shareholders. Mr. Saw Tatt Ghee, Ms. Saw Lee Ping and their respective associates will abstain from any of the decision making processes relating to the transactions entered into between our Group and Idarts QV Pty Ltd, which shall be subject to review and approval in accordance with the procedures set out in the section entitled "Interested Person Transactions – Guidelines and Review Procedures for On-going and Future Interested Person Transactions" of this Offer Document; and

(e) Mr. Saw Tatt Ghee and Ms. Saw Lee Ping have each provided non-competition undertakings under their respective Service Agreements, further details of which are set out in the section entitled "Directors, Executive Officers and Employees – Service Agreements" of this Offer Document. Specifically, as regards Idarts QV Pty Ltd, they have undertaken not to, and shall procure that their associates shall not: (i) increase their investment in Idarts QV Pty Ltd and/or any other business similar to that of the company, being that of operating bars with electronic dart consoles under the "iDarts" brand; or (ii) open any other bars with electronic dart consoles (whether through Idarts QV Pty Ltd or otherwise). Mr. Saw Tatt Ghee and Ms. Saw Lee Ping have further undertaken not to participate, directly or indirectly, in the management or operations of Idarts QV Pty Ltd or any other business similar to that of the company, being that of operating bars with electronic dart consoles under the "iDarts" brand.

Mr. Yap Zhi Chau – Papparich Group Pte. Ltd. and Go Trio3 Holdings Sdn Bhd

(a) Papparich Group Pte. Ltd.

Mr. Yap Zhi Chau, our Independent Director, is a shareholder holding 13.0% of the total issued and paid-up share capital of Papparich Group Pte. Ltd., which owns and operates the "PappaRich" brand in Singapore. Mr. Yap Zhi Chau is not a director and does not have any nominee directors on the board of Papparich Group Pte. Ltd..

Due to the geographical segregation between the businesses under the "PappaRich" brand of Papparich Group Pte. Ltd. (which is in Singapore), and our Group (which is in Australia and New Zealand), and the fact that Mr. Yap Zhi Chau is a passive investor in Papparich Group Pte. Ltd. and does not have any executive role in the management of Papparich Group Pte. Ltd., our Directors are of the view that there are no potential conflicts of interests arising from Mr. Yap Zhi Chau's interest in Papparich Group Pte. Ltd..

(b) Go Trio3 Holdings Sdn Bhd

Mr. Yap Zhi Chau, our Independent Director, is also a shareholder holding 5.0% of Go Trio3 Holdings Sdn Bhd, which operates a chain of restaurants in Malaysia specialising in soup and dry "Mi Xian" noodles and has 32 outlets under the "Go Noodle House" brand, and approximately four (4) outlets under the "Go Street Noodle" brands as at April 2019. Mr. Yap Zhi Chau is not a director and does not have any nominee directors on the board of Go Trio3 Holdings Sdn Bhd.

In view that Mr. Yap Zhi Chau does not have any executive role in the management of Go Trio3 Holdings Sdn Bhd nor a material shareholding interest in Go Trio3 Holdings Sdn Bhd, and that Go Trio3 Holdings Sdn Bhd serves a different type of food product under a different concept compared to our Group, our Directors are of the view that there will not be any potential conflicts of interests arising from Mr. Yap Zhi Chau's interest in Go Trio3 Holdings Sdn Bhd.

In the event that a conflict of interest arises in the future (including any material changes in the shareholding interest or position held in the entities set out above), Mr. Yap Zhi Chau will disclose his interests to the Board and will abstain from participating in discussions involving, and voting in, matters in which he may be interested, as well as maintaining the confidentiality of such matters. Mr. Yap Zhi Chau has also affirmed his duties as a Director of our Company and is bound by the same duties of good faith, diligence, confidentiality and to act in the interests of our Company as the rest of our Directors.

In addition, the Nominating Committee will review and determine annually and as and when circumstances require, if a Director may have conflicts of interests in carrying out his duties as a Director and take appropriate measures, including seeking the resignation of the Director if such conflicts of interests cannot be satisfactorily resolved.

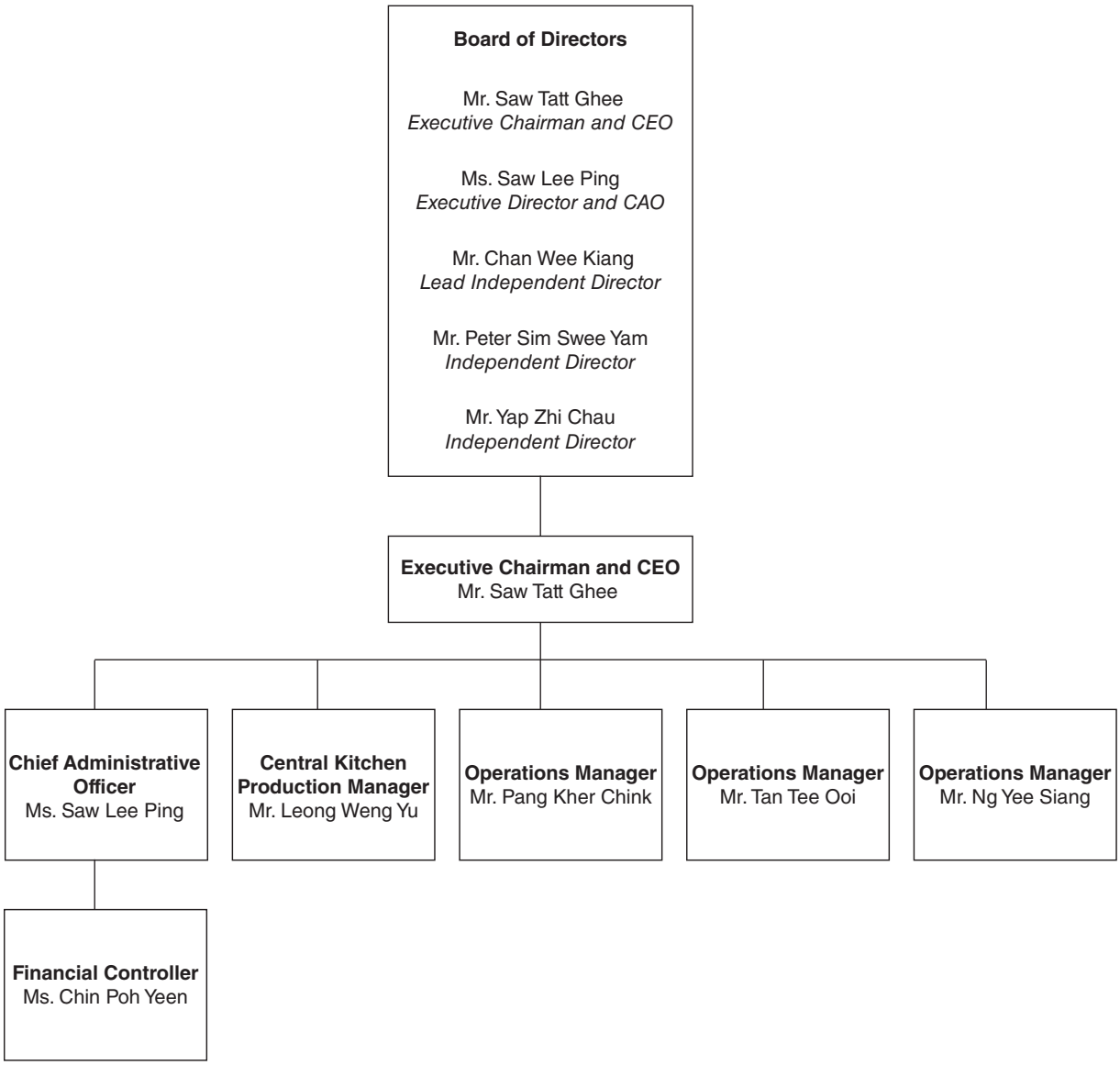
Interests of Experts

No expert is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two (2) years preceding the date of this Offer Document, been acquired or disposed of by or leased to our Company or any of our subsidiaries or are proposed to be acquired or disposed of by or leased to our Company or any of our subsidiaries.

No expert (a) is employed on a contingent basis by our Company or any of our subsidiaries; (b) has a material interest, whether direct or indirect, in our Shares or the shares of our subsidiaries; or (c) has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.

MANAGEMENT REPORTING STRUCTURE

The following chart shows our management reporting structure as at the Latest Practicable Date.



DIRECTORS

Our Board of Directors is entrusted with the responsibility for the overall management of our Group. Our Directors' particulars as at the date of this Offer Document are listed below:

Name	Age	Address	Designation
Mr. Saw Tatt Ghee	38	120-130 Turner Street Port Melbourne Victoria 3207 Australia	Executive Chairman and CEO
Ms. Saw Lee Ping	44	120-130 Turner Street Port Melbourne Victoria 3207 Australia	Executive Director and CAO
Mr. Chan Wee Kiang	41	50 Raffles Place #32-01 Singapore Land Tower Singapore 048623	Lead Independent Director
Mr. Peter Sim Swee Yam	63	50 Raffles Place #32-01 Singapore Land Tower Singapore 048623	Independent Director
Mr. Yap Zhi Chau	39	50 Raffles Place #32-01 Singapore Land Tower Singapore 048623	Independent Director

Experience of our Board of Directors

Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities of our Directors are set out below:

Mr. Saw Tatt Ghee is our Executive Chairman and CEO and was appointed to our Board on 11 January 2018. He is the founder of our Group and is responsible for overseeing the overall development and performance of our Group, setting and executing the strategic directions and expansion plans for the growth and development of our Group, including sourcing for new brands to add to our portfolio to promote the growth of our business. Mr. Saw has over 17 years of experience in the F&B industry. Prior to founding our Group, Mr. Saw was involved in the management and operation of various F&B outlets in Melbourne, Australia. Mr. Saw obtained his Bachelor of Commerce from the University of Melbourne in 2001. Thereafter, Mr. Saw attained a Graduate Diploma in Business Systems from the Royal Melbourne Institute of Technology in 2003.

Ms. Saw Lee Ping is our Executive Director and CAO and was appointed to our Board on 10 June 2019. She is responsible for managing our Group's administrative functions and supporting our CEO in executing the strategic directions and expansion plans for the growth and development of our Group. She joined our Group in 2011 as our Group's financial controller until 2014, where she subsequently became our Group's CAO.

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

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

Mr. Chan Wee Kiang is our Lead Independent Director and was appointed to our Board on 10 June 2019.

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

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

Mr. Peter Sim Swee Yam is our Independent Director and was appointed to our Board on 10 June 2019.

Mr. Sim has over 38 years of experience in the legal industry and is currently a director of Sim Law Practice LLC. Mr. Sim is also an independent director of Haw Par Corporation Limited, Mun Siong Engineering, Singapore Reinsurance Corporation Ltd and Lum Chang Holdings Limited, companies which are listed on the SGX-ST.

Mr. Sim graduated with a Bachelor of Laws (Honours) from the University of Singapore (now known as the National University of Singapore) in 1980. He has been admitted as an advocate and solicitor of the Supreme Court of Singapore since 1981 and is a member of the Law Society of Singapore and the Singapore Academy of Law. He is also a member of the Law Society of England & Wales. Mr. Sim was awarded the Public Service Medal (Pingat Bakti Masyarakat) in August 2000 and the Public Service Star (Bintang Bakti Masyarakat) in August 2008, both issued by the Government of Singapore.

Mr. Yap Zhi Chau is our Independent Director and was appointed to our Board on 10 June 2019.

Mr. Yap is currently the group executive chairman of YYC Holdings Sdn Bhd, an accounting firm in Malaysia, a position he has held since 2015. Prior to this, he was an executive director at YYC Holdings Sdn Bhd from 2010 to 2015. Between 2002 and 2010, Mr. Yap was with YYC & Co., where he started out as an audit associate and was promoted to senior business development manager. Mr. Yap graduated with a Bachelor of Business (Accounting) from the Central Queensland University, Australia in 2002. He is a member of the Malaysian Institute of Accountants as well as a member of CPA Australia.

The list of present and past directorships of each Director over the last five (5) years up to the Latest Practicable Date, excluding that held in our Company, are set out in "Appendix J – List of Present and Past Directorships" to this Offer Document.

To the best of our knowledge and belief, there are no arrangements or understandings with any Substantial Shareholders, customers or suppliers of our Group or any other persons, pursuant to which any of our Directors was selected as a Director.

None of our Independent Directors sits on the boards of our subsidiaries. Our Independent Directors do not have any existing or past business or professional relationship of a material nature with our Group, our Directors or our Substantial Shareholders.

Mr. Saw Tatt Ghee, our Executive Chairman and CEO, Ms. Saw Lee Ping, our Executive Director and CAO, and Mr. Saw Tatt Jin, a Substantial Shareholder of our Company, are siblings. Ms. Saw Lee Ping, our Executive Director and CAO, is the spouse of Mr. Tan Tee Ooi, our Group's Operations Manager.

Save as disclosed in this Offer Document, none of our Directors has any family relationship with one another, our Executive Officers or our Substantial Shareholders.

Save for Mr. Peter Sim Swee Yam, our Directors do not have prior experience as directors of public listed companies in Singapore. However, they have undertaken training and/or been briefed on the roles and responsibilities of a director of a public listed company in Singapore. In accordance with Practice Note 4D of the Catalist Rules, our Directors (save for Mr. Peter Sim Swee Yam) will attend the prescribed mandatory training as specified under Schedule 1 of Practice Note 4D of the Catalist Rules within one (1) year from the date of admission of our Company to Catalist.

EXECUTIVE OFFICERS

The day-to-day operations of our Group are entrusted to our Executive Directors, who are assisted by an experienced and qualified team of Executive Officers. The particulars of our Executive Officers are set out below:

Name	Age	Address	Designation
Ms. Chin Poh Yeen	48	120-130 Turner Street Port Melbourne Victoria 3207 Australia	Financial Controller
Mr. Leong Weng Yu	39	120-130 Turner Street Port Melbourne Victoria 3207 Australia	Central Kitchen Production Manager
Mr. Ng Yee Siang	41	120-130 Turner Street Port Melbourne Victoria 3207 Australia	Operations Manager
Mr. Pang Kher Chink	40	120-130 Turner Street Port Melbourne Victoria 3207 Australia	Operations Manager
Mr. Tan Tee Ooi	43	120-130 Turner Street Port Melbourne Victoria 3207 Australia	Operations Manager

Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities of our Executive Officers are set out below:

Ms. Chin Poh Yeen was appointed as our Financial Controller in May 2018. She is responsible for overseeing all the financial, accounting and corporate secretarial matters in our Group, including leading and supervising the monthly accounts closing, consolidation of Group accounts and yearly audits, supervising and ensuring our Group's compliance with taxation and financial reporting requirements, and providing overall supervisory control over our Group's finances, liabilities and cash flows. Ms. Chin started her career in Ernst & Young, Malaysia as a manager

for the audit of listed and non-listed companies from 1991 to 2003. Subsequently, she was a financial controller at Bertam Alliance Berhad and Cergas Tergas Sdn Bhd from 2003 to 2004 and 2004 to 2005 respectively. Between 2006 to 2012, she was involved in the provision of real estate services relating to the sale and leasing of residential and commercial properties in Malaysia in various real estate companies. Prior to joining our Group, Ms. Chin was a client service coordinator in H&R Block Limited, a company in Australia which provides tax returns and tax-related services from 2017 to 2018. Ms. Chin is a member of the Malaysian Institute of Certified Public Accountants.

Mr. Leong Weng Yu was appointed as our Central Kitchen Production Manager in 2014. He is responsible for the overall management and oversight of our Central Kitchen, including overseeing the central procurement process, food processing and preparation process and quality control. He is also responsible for developing new food concepts and products made in the Central Kitchen. Mr. Leong first joined our Group in 2012 as an executive chef in the restaurants under the "PappaRich" brand. Prior to joining our Group, he has worked in various F&B establishments between 2004 to 2012, holding positions ranging from cook to executive chef and head chef. From 2008 to 2012, he worked as an executive chef for Oldtown (Aust) Pty Ltd, a former business venture of Mr. Saw Tatt Ghee. Mr. Leong graduated with a Bachelor of Business (Marketing) from Swinburne University of Technology, Australia in 2006 and attained a Certificate III in Hospitality for Commercial Cookery from the Sydney International College of Business in 2007.

Mr. Ng Yee Siang is our Operations Manager, and is responsible for the overall management and oversight of the operations of our outlets. Mr. Ng has been involved in our Group's business since it was founded in 2011. He has held various positions within our Group's subsidiaries, including as a director of Oldtown QV (Aust) Pty Ltd, STG Beverage (NZ) Pty Ltd and GCHA (NZ) Pty Ltd. He was responsible for the establishment and expansion of our franchise network under the "Gong Cha" and "Hokkaido Baked Cheese Tart" brands in New Zealand. Prior to this, Mr. Ng was a manager and director of SGN Aust Pty Ltd, a master franchisee for an international F&B brand, from 2005 to 2013. Mr. Ng graduated with a Bachelor of Engineering from the University of Melbourne, Australia in 2002.

Mr. Pang Kher Chink is our Operations Manager, and is responsible for the overall management and oversight of the operations of our outlets. Mr. Pang has been involved in our Group's business since it was founded in 2011. He has held various positions within our Group's subsidiaries, as manager of Oldtown QV (Aust) Pty Ltd and operations manager of IPR (WA) Pty Ltd and was responsible for the establishment of our outlets under the "IPPUDO" brand. Prior to joining our Group, Mr. Pang was a barista and supervisor at SGN Aust Pty Ltd from 2005 to 2012. Mr. Pang graduated with a degree in Business Information Systems from the Swinburne University of Technology, Australia in 2004.

Mr. Tan Tee Ooi is our Operations Manager, and is responsible for the overall management and oversight of the operations of our outlets. Mr. Tan has been involved in our Group's business since it was founded in 2011. He has held various positions within our Group's subsidiaries, as director of Oldtown QV (Aust) Pty Ltd, manager of PPR Co Outlets Pty Ltd and manager of JCT (Doncaster) Pty Ltd, and has been involved in managing and supervising outlet operations under the "PappaRich" and "Hokkaido Baked Cheese Tart" brands. Prior to joining our Group, Mr. Tan was a manager of an F&B establishment in Australia from 2008 to 2009. He was appointed as director of Oldtown QV (Aust) Pty Ltd in 2009, which was trading as Old Town Kopitiam Mamak, where he was responsible for the management of Old Town Kopitiam Mamak, a Malaysian food restaurant opened by Mr. Saw Tatt Ghee in QV Melbourne. Subsequently, when Old Town Kopitiam Mamak ceased operations and the first "PappaRich" restaurant was opened at the same premises in 2012, he assumed his role as a manager of the "PappaRich" restaurant. Before this, he was a software engineer with Advanced Air Traffic Systems (M) Sdn Bhd from 1998 to 2007.

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

The list of present and past directorships of each Executive Officer over the last five (5) years up to the Latest Practicable Date, are set out in "Appendix J – List of Present and Past Directorships" to this Offer Document.

To the best of our knowledge and belief, there are no arrangements or understandings with any Substantial Shareholders, customers or suppliers of our Group or any other persons, pursuant to which any of our Executive Officers was selected as an Executive Officer.

Save as disclosed in this Offer Document, none of our Executive Officers has any family relationships with one another, our Directors or our Substantial Shareholders.

DIRECTORS OF OUR PRINCIPAL SUBSIDIARIES

For FY2018, our Principal Subsidiaries are (a) STG Food Industries Pty Ltd, which is the Brand Holding Company for the "PappaRich" brand and (b) STG Confectionery Pty Ltd, which is the Brand Holding Company for the "Hokkaido Baked Cheese Tart" brand. The directors of STG Food Industries Pty Ltd are Mr. Saw Tatt Ghee, our Executive Chairman and CEO and Ms. Saw Lee Ping, our Executive Director and CAO. The directors of STG Confectionery Pty Ltd are Mr. Saw Tatt Ghee, our Executive Chairman and CEO, Ms. Saw Lee Ping, our Executive Director and CAO and Mr. Lee Jian Hui, who is our Substantial Shareholder and is employed by our Group as the general manager of the "PappaRich" brand.

REMUNERATION OF DIRECTORS, EXECUTIVE OFFICERS AND RELATED EMPLOYEES

Directors and Executive Officers

The compensation (which includes benefits-in-kind, contributions to CPF or such equivalent contribution and directors' fees and bonuses) paid to our Directors and our Executive Officers for services rendered to us and our subsidiaries on an individual basis and in remuneration bands[1] during FY2017, FY2018 (being the two (2) most recent completed financial years) and the estimated compensation (excluding bonuses whether discretionary or under any profit-sharing plan or other profit-linked agreement(s) or arrangement(s)) expected to be paid for the current financial year is as follows:

Names	FY2017[1]	FY2018[1]	FY2019[1] (estimated)
Directors			
Mr. Saw Tatt Ghee[3]	Band B	Band B	Band B
Ms. Saw Lee Ping[3]	Band A	Band A	Band A
Mr. Chan Wee Kiang	–[2]	–[2]	Band A
Mr. Peter Sim Swee Yam	–[2]	–[2]	Band A
Mr. Yap Zhi Chau	–[2]	–[2]	Band A

Names	FY2017[1]	FY2018[1]	FY2019[1] (estimated)
Executive Officers			
Ms. Chin Poh Yeen	–[2]	Band A	Band A
Mr. Leong Weng Yu[3]	Band A	Band A	Band A
Mr. Pang Kher Chink	Band A	Band A	Band A
Mr. Ng Yee Siang	Band A	Band A	Band A
Mr. Tan Tee Ooi	Band A	Band A	Band A

Notes:

(1) Band A: Compensation of between S$0 to S$250,000 per annum.
Band B: Compensation of between S$250,001 to S$500,000 per annum.

(2) Not in our employment or appointed during the relevant periods.

(3) Includes the remuneration paid through ST Group Pty Ltd pursuant to the Management Services Agreement, which was terminated on 31 January 2019. Please refer to the section entitled "Interested Person Transactions – Past Interested Person Transactions" of this Offer Document for further details.

Related Employees and Employees who are Substantial Shareholders

As at the Latest Practicable Date, other than our Directors and Executive Officers, whose relationships with one another and/or our Substantial Shareholders have been disclosed in the sections entitled "Directors, Executive Officers and Employees" and "Shareholders" of this Offer Document, we have three (3) other employees who are related to our Directors or who are our Substantial Shareholders:

(a) Mr. Saw Tatt Jin, who is the brother of our Executive Chairman and CEO, Mr. Saw Tatt Ghee and our Executive Director and CAO, Ms. Saw Lee Ping, and who is also our Substantial Shareholder, is employed as a part-time store manager of our "PappaRich" outlet at Chadstone Shopping Centre in Melbourne, Australia.

(b) Mr. Lee Jian Hui, our Substantial Shareholder, is employed by our Group as the general manager of the "PappaRich" brand.

(c) Mr. Richard Peter Godwin, our Substantial Shareholder, is employed by our Group as the general manager of the "NeNe Chicken" brand.

The remuneration (which includes benefits-in-kind, contributions to CPF or such equivalent contribution and bonuses) paid to Mr. Saw Tatt Jin, Mr. Lee Jian Hui and Mr. Richard Peter Godwin for services rendered to us and our subsidiaries on an individual basis and in remuneration bands of S$50,000[1] during FY2017 and FY2018 is as follows:

Names	FY2017[1]	FY2018[1]
Mr. Saw Tatt Jin	Band A	Band A
Mr. Lee Jian Hui[2]	Band C	Band C
Mr. Richard Peter Godwin	Band B	Band B

Notes:

(1) Band A: Compensation of between S$0 to S$50,000 per annum.
Band B: Compensation of between S$50,001 to S$100,000 per annum.
Band C: Compensation of between S$100,001 to S$150,000 per annum.

(2) Includes the remuneration paid through ST Group Pty Ltd pursuant to the Management Services Agreement, which was terminated on 31 January 2019. Please refer to the section entitled "Interested Person Transactions – Past Interested Person Transactions" of this Offer Document for further details.

The remuneration of employees who are related to our Directors and Substantial Shareholders will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee. In addition, any new employment of related employees and the proposed terms of their employment will be subject to the review and approval of our Nominating Committee. In the event that a member of our Remuneration Committee or our Nominating Committee is related to the employee under review, he will abstain from the review.

In line with the Code of Corporate Governance, we will disclose in our annual report details of the remuneration of employees who are Substantial Shareholders, or who are immediate family members of a Director, CEO or Substantial Shareholder, and whose remuneration exceeds S$100,000 during the year, in incremental bands of no wider than S$100,000.

Save as described in the section entitled "Directors, Executive Officers and Employees – Service Agreements" of this Offer Document, as at the date of this Offer Document, we do not have in place any formal bonus or profit-sharing plan or any other profit-linked agreement or arrangement with any of our employees and bonus is expected to be paid on a discretionary basis.

No remuneration was paid or is to be paid in the form of share options to any of our Directors, Executive Officers or employees.

As at the Latest Practicable Date, other than the amounts set aside or accrued as required for compliance with the applicable laws of Singapore, Australia, Malaysia and New Zealand, no amounts have been set aside or accrued by our Group to provide for pension, retirement or similar benefits for any of our employees and Directors.

EMPLOYEES

The breakdown of the number of full-time employees of our Group by business function as at 30 June 2016, 30 June 2017 and 30 June 2018, as well as 31 December 2018, is as follows:

Function	As at 30 June 2016	As at 30 June 2017	As at 30 June 2018	As at 31 December 2018
Headquarter operations	23	28	30	30
Central Kitchen	8	8	11	11
Outlet operations	14	16	41	86
Finance	3	2	4	6
Total	**48**	**54**	**86**	**133**

The geographical distribution of our Group's full-time employees as at 30 June 2016, 30 June 2017, 30 June 2018 and 31 December 2018, is as follows:

Country	As at 30 June 2016	As at 30 June 2017	As at 30 June 2018	As at 31 December 2018
Australia	47	53	53	73
New Zealand	1	1	1	1
Malaysia	–	–	32	59
Total	**48**	**54**	**86**	**133**

The increase in the number of employees of our Group was in line with the expansion of our business in our existing markets of Australia and New Zealand, as well as our expansion into Malaysia, with the opening of our first "NeNe Chicken" outlet in January 2018.

As at 31 December 2018, we have 133 full-time employees. We do not experience any significant seasonal fluctuation in the number of our employees.

Our employees are not unionised. The relationship and cooperation between the management and staff have been good and are expected to continue to remain so in the future. There has not been any incidence of work stoppages or labour disputes which affected our operations.

Our Group hires temporary and part-time employees to work mainly as service crew and kitchen staff in our various outlets. In FY2018, we had an average of approximately 394 temporary and part-time employees, representing approximately 82% of our total average number of employees for that financial year.

SERVICE AGREEMENTS

Our Company has entered into separate service agreements (the "**Service Agreements**") with our Executive Directors, namely, Mr. Saw Tatt Ghee and Ms. Saw Lee Ping, for a period of five (5) and (3) years respectively with effect from the Listing Date (the "**Initial Term**"). Our Company may, at its discretion, extend the Initial Term by a further period of three (3) years by giving not less than six (6) months' notice to Mr. Saw Tatt Ghee and Ms. Saw Lee Ping prior to the scheduled expiry of the Initial Term (unless otherwise terminated by either party giving not less than six (6) months' prior written notice to the other).

We may also terminate the Service Agreements of our Executive Directors, if he/she, *inter alia*, is disqualified to act as Executive Director under any applicable laws or regulations, is guilty of dishonesty, gross misconduct or wilful neglect of duty, commits any continued material breach of the terms of their respective Service Agreements, is guilty of conduct likely to bring himself or any member of our Group into disrepute, becomes bankrupt or is convicted of any criminal offence.

None of these Executive Directors will be entitled to any benefits upon termination of their respective Service Agreements. The Service Agreements cover the terms of employment, specifically salaries and bonuses.

Pursuant to the terms of their respective Service Agreements, each of Mr. Saw Tatt Ghee and Ms. Saw Lee Ping is entitled to a basic annual salary of A$368,000 and A$160,000 respectively. Their salaries will be subject to annual review by the Board and/or the Remuneration Committee to be decided by the Board. In addition, they are entitled to a discretionary incentive bonus in respect of each financial year commencing from FY2019 (subject to the approval of the Remuneration Committee and the Board).

Each of Mr. Saw Tatt Ghee and Ms. Saw Lee Ping will be reimbursed for all travelling, accommodation, entertainment and other out-of-pocket expenses reasonably incurred by him/her in or about the discharge of his/her duties. They are also entitled to full medical and dental coverage, including hospitalisation and surgical coverage, and to such other benefits generally accorded to executive directors as may be determined by the Board and/or the Remuneration Committee.

Mr. Saw Tatt Ghee and Ms. Saw Lee Ping shall not participate in the deliberation or vote on any matter in relation to the terms and renewal of their Service Agreements.

Directors' fees do not form part of the terms of the Service Agreements as these require the approval of Shareholders in our Company's annual general meeting.

Pursuant to the terms of the Service Agreements, each of Mr. Saw Tatt Ghee and Ms. Saw Lee Ping have undertaken that they shall, and shall procure that their associates shall, comply with the following non-competition undertakings (except with the prior written consent of the Board):

(a) For so long as he/she is an employee of our Group and for a period of 12 months of ceasing to be an employee of our Company, he/she shall not, directly or indirectly, carry on or be engaged or interested or assist in any capacity in any other business, trade or occupation whatsoever that is carried out in Australia, New Zealand, Malaysia, Singapore and United Kingdom which would or might reasonably be considered to compete with the business of our Group except as disclosed or declared in writing to the Company;

(b) For so long as he/she is an employee of our Group and for a period of 12 months of ceasing to be an employee of our Company, either on his/her own account or in conjunction with or on behalf of any other person, firm of company, solicit or entice away or attempt to solicit or entice away from our Group any person, firm, company or organisation who shall at any time during the period of 12 months prior to him/her ceasing to be an employee of our Company have been a customer, client, supplier, agent, business associate, partner or correspondent of our Group or in the habit of dealing with the Group or is in commercial negotiations with our Group with a view to placing business with our Group;

(c) For so long as he/she is an employee of our Group and for a period of 12 months of ceasing to be an employee of our Company, either on his/her own account or in conjunction with or on behalf of any other person, firm or company, solicit or entice away or attempt to solicit or entice away from our Group any person who is an officer, manager or senior employee of our Group with whom he/she had dealings in the course of his employment at any time during the period of 12 months upon him/her ceasing to be an employee of our Company whether or not such person would commit a breach of his contract of employment by reason of leaving such employment; and

(d) For so long as he/she is an employee of our Group and for a period of 12 months of ceasing to be an employee of our Company, be interested, directly or indirectly, in:

    (i) any business or asset in which any member of our Group was considering to acquire, turn to account, develop or invest, unless our Group shall have decided against such acquisition, turning to account, development or investment or invited him/her and their associates in writing to participate in, or consented to in writing to such acquisition, turning to account, development or investment; or

    (ii) any asset of any member of our Group, unless such asset is offered by the relevant member of our Group for sale to, turning to account or development by third parties.

In addition, each of Mr. Saw Tatt Ghee and Ms. Saw Lee Ping has also undertaken in their Service Agreements that they shall not, and shall procure that their associates shall not, (a) increase their respective investment in Idarts QV Pty Ltd and/or any other business similar to that of Idarts QV Pty Ltd, being that of operating bars with electronic dart consoles under the "iDarts" brand; or (b) open any other bars with electronic dart consoles (whether through Idarts QV Pty Ltd or otherwise). They have also undertaken not to participate directly or indirectly in the management or operations of Idarts QV Pty Ltd or any other business similar to that of Idarts QV Pty Ltd, being that of operating bars with electronic dart consoles under the "iDarts" brand.

Had the Service Agreements been in place with effect from FY2018, our profit for the year or period for FY2018 and HY2019 would have been approximately A$3.86 million (instead of A$3.92 million) and A$2.75 million (instead of A$2.77 million) respectively.

Save as disclosed above, there are no existing or proposed service agreements between our Company, our subsidiaries and any of our Directors. There are no existing or proposed service agreements entered or to be entered into by our Directors with our Company or any of our subsidiaries which provide for benefits upon termination of employment.

Capitalised terms as used throughout this section, unless otherwise defined, shall bear the meanings as defined in "Appendix G – Rules of the ST Group Performance Share Plan" to this Offer Document.

In conjunction with our listing on Catalist, we have adopted a performance share plan known as the "ST Group Performance Share Plan" ("**Performance Share Plan**"), which was approved by our Shareholders by way of written resolutions, passed on 10 June 2019. The rules of the Performance Share Plan are set out in the "Rules of the ST Group Performance Share Plan" as set out in Appendix G to this Offer Document.

The Performance Share Plan is a share incentive scheme which will provide eligible participants with an opportunity to participate in the equity interest of our Company and to motivate them towards better performance through increased dedication and loyalty. The Performance Share Plan forms an integral component of our compensation plan and has been designed primarily to reward and retain employees whose services are essential to the growth and performance of our Company and/or our Group.

As at the Latest Practicable Date, no Awards have been granted under the Performance Share Plan.

Objectives of the Performance Share Plan

The objectives of the Performance Share Plan are as follows:

(a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group;

(b) to retain key employees and Executive Directors of our Group whose contributions are essential to the long-term growth and profitability of our Group;

(c) to instil loyalty to, and a stronger identification by the Participants with the long-term goals of, our Company;

(d) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders; and

(e) to align the interests of the Participants with the interests of our Shareholders.

Participants of the Performance Share Plan

Full-time Group Employees who have attained the age of 21 years and hold such rank as may be designated by our Remuneration Committee from time to time shall be eligible to participate in the Performance Share Plan, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors.

Controlling Shareholders of our Company or Associates of such Controlling Shareholders who meet the criteria above are also eligible to participate in the Performance Share Plan if their participation and Awards are approved by independent Shareholders in separate resolutions for each such person and for such Award.

The selection of a Participant and the number of Shares which are the subject of each Award to be granted in accordance with the Performance Share Plan and the relevant performance condition to be imposed, shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account criteria as it considers fit, including (but not limited to) his rank, job performance and potential for future development, his contribution to the success and development of our Group and, if applicable, the extent of effort and difficulty with which the performance condition(s) may be achieved within the performance period.

Rationale for Participation of Group Executive Directors and Group Employees in the Performance Share Plan

The extension of the Performance Share Plan to Group Executive Directors and Group Employees allows us to have a fair and equitable system to reward our Group Executive Directors and Group Employees who have made and who continue to make significant contributions to the long-term growth of our Group.

We believe that the grant of Awards to our Group Executive Directors and Group Employees will enable us to attract, retain and incentivise such persons to produce higher standards of performance, encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services and motivate Participants generally to contribute towards the long-term growth of our Group.

Rationale for Participation of Controlling Shareholders and their Associates in the Performance Share Plan

An employee who is a Controlling Shareholder of our Company or an Associate of a Controlling Shareholder shall be eligible to participate in the Performance Share Plan if (a) his participation in the Performance Share Plan and (b) the actual number and terms of the Awards to be granted to him have been approved by independent Shareholders of our Company in separate resolutions for each such person. The relevant employee is required to abstain from voting on, and (in the case of employees who are Directors) refrain from making any recommendation on, the resolutions in relation to the Performance Share Plan.

One of the main objectives of the Performance Share Plan is to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group. The objectives of the Performance Share Plan apply equally to our employees who are Controlling Shareholders or their respective Associates. Our view is that all deserving and eligible Participants should be motivated, regardless of whether they are Controlling Shareholders or their respective Associates. It is our interest to incentivise outstanding employees who have contributed to the growth of our Group and continue to remain with us.

Although our Controlling Shareholders and their respective Associates have or may already have shareholding interests in our Company, the extension of the Performance Share Plan to allow Controlling Shareholders and their respective Associates the opportunity to participate in the Performance Share Plan will ensure that they are equally entitled, with our other Group Employees.

Summary of the Performance Share Plan

The following is a summary of the rules of the Performance Share Plan:

Administration

The Performance Share Plan shall be administered by our Remuneration Committee which has the absolute discretion to determine persons who will be eligible to participate in the Performance Share Plan. A member of our Remuneration Committee who is also a Participant of the Performance Share Plan must not be involved in its deliberation or decision in respect of Awards granted or to be granted to him.

Size of the Performance Share Plan

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

Our Directors believe that this 15.0% limit will give our Company sufficient flexibility to decide the number of Shares to be offered under the Performance Share Plan, allowing our Company to accommodate our existing pool of Participants and cater for a potential increase in the number of employees as our Group expands in future. However, it does not indicate that our Remuneration Committee will definitely issue Shares up to the prescribed limit. Our Remuneration Committee will exercise its discretion in deciding the number of Shares to be granted to each Participant under the Performance Share Plan. This, in turn, will depend on, and be commensurate with, the performance and value of the Participant to our Group.

Maximum Entitlements

The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Performance Share Plan to Participants who are Controlling Shareholders and/or Associates of Controlling Shareholders shall not exceed 25.0% of the total number of Shares available under the Performance Share Plan.

The number of Shares which may be issued or transferred pursuant to Awards under the Performance Share Plan to each Participant who is a Controlling Shareholder or his Associate shall not exceed 10.0% of the Shares available under the Performance Share Plan.

Awards

Awards represent the right of a Participant to receive fully paid Shares free of charge, provided that certain prescribed performance targets (if any) are met and upon the expiry of the prescribed performance period.

An Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of our Remuneration Committee.

The number of Award Shares to be granted to a participant in accordance with the Performance Share Plan shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account criteria as it considers fit, including (but not limited to) his rank, scope of responsibilities, job performance, years of service, potential for future development, contribution to the success and development of our Group and the extent of effort and difficulty with which the performance condition(s) may be achieved within the performance period.

Details of Awards

Our Remuneration Committee shall decide, in relation to each Award (to be granted to a Participant):

(a) the date on which the Award is to be granted;

(b) the number of Award Shares;

(c) the performance condition(s) and the performance period during which such performance condition(s) are to be satisfied, if any;

(d) the extent to which the Award Shares shall be released on the performance condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of each prescribed vesting period;

(e) the vesting date; and

(f) any other condition which our Remuneration Committee may determine in relation to that Award.

Timing of Awards

Awards may be granted at any time during the period when the Performance Share Plan is in force. An Award letter confirming the Award and specifying, amongst others, the number of Award Shares, the prescribed performance condition(s) and the performance period during which the prescribed performance condition(s) are to be satisfied, will be sent to each Participant as soon as is reasonably practicable after making an Award.

Vesting of Awards

Subject to the applicable laws, our Company will deliver Shares to Participants upon vesting of their Awards by way of either (a) allotment and issuance of new Shares; and/or (b) transfer of Shares acquired by our Company pursuant to a share purchase mandate and/or held by our Company in treasury.

In determining whether to issue new Shares to Participants upon vesting of their Awards, our Company will take into account factors such as, but not limited to, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to our Company of issuing new Shares or delivering existing Shares.

The financial effects of the above methods are discussed below.

Termination of Awards

Special provisions in the rules of the Performance Share Plan dealing with the lapse or earlier vesting of Awards apply in certain circumstances which include the termination of the Participant's employment, the bankruptcy of the Participant and the winding-up of our Company.

Rights of Shares Arising

New Shares allotted and issued and existing Shares procured by our Company for transfer on the release of an Award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on the later of (a) the relevant vesting date; and (b) the date of issue of the Shares, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

Duration of the Performance Share Plan

The Performance Share Plan shall continue in operation at the discretion of our Remuneration Committee for a maximum period of 10 years commencing on the date on which the Performance Share Plan is adopted by our Company in general meeting, provided that the Performance Share Plan may continue beyond the above stipulated period with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The Performance Share Plan may be terminated at any time by our Remuneration Committee and by resolution of our Company in general meeting, subject to all relevant approvals which may be required being obtained. The termination of the Performance Share Plan shall not affect Awards which have been granted in accordance with the Performance Share Plan.

Abstention from Voting

Shareholders who are eligible to participate in the Performance Share Plan are to abstain from voting on any Shareholders' resolution relating to the Performance Share Plan, and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

Adjustments and Alterations under the Performance Share Plan

The following describes the adjustment events under, and provisions relating to alterations of, the Performance Share Plan.

Adjustment Events

If a variation in the issued and ordinary share capital of our Company (whether by way of a capitalisation of profits or reserves, rights issue, reduction, subdivision, consolidation or distribution) shall take place or if our Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then:

(a) the class and/or number of Award Shares to the extent not yet vested; and/or

(b) the class and/or number of Shares over which future Awards may be granted under the Performance Share Plan,

shall be adjusted in such manner as our Remuneration Committee may determine to be appropriate. However, any adjustment shall be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

Unless our Remuneration Committee considers an adjustment to be appropriate, (a) the issue of securities as consideration for an acquisition or a private placement of securities; (b) the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders of our Company (including any renewal of such mandate) is in force; (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to our employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the Performance Share Plan; or (d) any issue of Shares arising from the exercise of any options or warrants or the conversion of any convertible securities issued by our Company, shall not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by our Company's auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

Modifications to the Performance Share Plan

The Performance Share Plan may be modified and/or altered from time to time by a resolution of our Remuneration Committee, subject to compliance with the Catalist Rules and the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the written consent of such number of participants who, if their Awards were released to them, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be vested upon release of all outstanding Awards upon the performance condition(s) for all outstanding Awards being satisfied in full under the Performance Share Plan.

No alteration shall be made to certain rules of the Performance Share Plan to the advantage of the holders of the Awards except with the prior approval of our Shareholders in general meeting.

Disclosures in Annual Reports

Details of, among other things, the number of Shares comprised in Awards and the number of shares comprised in Awards which have vested will be disclosed in our annual reports.

Financial Effects of the Performance Share Plan

The Singapore Financial Reporting Standards (International) 2 *Share-based Payment* requires the fair value of employee services received in exchange for the grant of company shares (share-based payment awards) to be recognised as an expense.

The fair value of employee services received in exchange for the grant of the Awards will be recognised as a charge to profit or loss over the period between the date of grant and the vesting date of an Award. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the date of grant and the number of Shares vested at the vesting date, with a corresponding credit to reserve account. Before the end of the

vesting period, at each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is subject to revision, and the impact of the revised estimate will be recognised in profit or loss with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to profit or loss is made.

The amount charged to profit or loss would be the same whether our Company settles the Awards by issuing new Shares or by purchasing existing Shares. The amount of the charge to profit or loss also depends on whether or not the performance target attached to an Award is measured by reference to the market price of our Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the date of grant, and no adjustments to amounts charged to profit or loss are made if the market condition is not met.

However, if the performance target is not a market condition, the fair value per Share of the Awards granted at the date of grant is used to compute the amount to be charged to profit or loss at each accounting date, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no charge to profit or loss if the Awards do not ultimately vest.

The following sets out the financial effects of the Performance Share Plan:

Share capital

The Performance Share Plan will result in an increase in our Company's issued Shares when new Shares are issued to Participants. The number of new Shares issued will depend on, amongst others, the size of the Awards granted under the Performance Share Plan. In any case, the Performance Share Plan provides that the number of Shares to be issued or transferred under the Performance Share Plan, when aggregated with the aggregate number of Shares over which options are granted under any other share option scheme or share plan of our Company, will be subject to a maximum limit of 15.0% of our Company's total number of issued Shares (excluding Shares held by our company as treasury shares) from time to time. If existing Shares are purchased for delivery to Participants, as opposed to new Shares issued for delivery to Participants, the Performance Share Plan would have no impact on our Company's total number of issued Shares.

Net Tangible Assets ("NTA")

As described in the paragraph below on EPS, the Performance Share Plan is likely to result in a charge to our Company's income statement over the period from the grant date to the vesting date of the Awards. When new Shares are issued under the Performance Share Plan, there would be no effect on the NTA. However, if instead of issuing new Shares to Participants, existing Shares are purchased for delivery to Participants, the NTA would be impacted by the the cost of the Shares purchased.

EPS

The Performance Share Plan is likely to result in a charge to our Company's income statement over the period from the grant date to the vesting date of the Awards. The issuance of new Shares under the Performance Share Plan will also have a dilutive impact on our EPS.

Our Directors recognise the importance of corporate governance and the maintenance of high standards of accountability to Shareholders of our Company. Accordingly, our Board has established three (3) committees: (a) the Audit Committee; (b) the Nominating Committee; and (c) the Remuneration Committee.

We have five (5) Directors on our Board of Directors, of whom three (3) are Independent Directors. Our Independent Directors do not have any existing business or professional relationship of a material nature with our Group, our other Directors and/or our Substantial Shareholders. Our Independent Directors are also not related to our other Directors and/or our Substantial Shareholders.

In addition, we have appointed Mr. Chan Wee Kiang as our Lead Independent Director. The Lead Independent Director will be available to Shareholders where they have concerns for which contact through the normal channels of our Executive Chairman or management has not resolved or for which such contact is inappropriate.

Our Directors are of the view that given the current board composition and based on the above, there are sufficient safeguards and checks to ensure that the process of decision-making by our Board is independent and based on collective decision-making.

Audit Committee

Our Audit Committee comprises our Independent Directors, Mr. Yap Zhi Chau, Mr. Chan Wee Kiang, and Mr. Peter Sim Swee Yam. The Chairman of our Audit Committee is Mr. Yap Zhi Chau.

The Audit Committee is responsible for, among others:

(a) assisting our Board of Directors in discharging its statutory responsibilities on financing and accounting matters;

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

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

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

(e) reviewing the statements to be included in the annual report concerning the adequacy and effectiveness of our internal controls (including financial, operational, compliance, and information technology controls) and risk management systems;

(f) reviewing any interested person transactions and monitoring the procedures established to regulate interested person transactions, including ensuring compliance with our Company's internal control system and the relevant provisions of the Catalist Rules, as well as all conflicts of interests to ensure that proper measures to mitigate such conflicts of interests have been put in place (for more information, please refer to the section entitled "Interested Person Transactions" of this Offer Document);

(g) reviewing the scope and results of the internal audit procedures, and at least annually, the adequacy and effectiveness of our internal audit function;

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

(i) appraising and reporting to our Board of Directors on the audits undertaken by the external auditors and internal auditors and the adequacy of disclosure of information;

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

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

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

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

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

(o) monitoring of the procedures implemented by our Group to ensure compliance with the Fair Work Act 2009 (Cth) of Australia, further details of which are set out in the section entitled "General Information – Litigation" of this Offer Document;

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

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

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

Apart from the duties listed above, the Audit Committee will ensure that arrangements are in place for employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Audit Committee will commission and review the findings of internal investigations into such matters or matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on our Group's operating results and financial position. The Audit Committee will also ensure that the appropriate follow-up actions are taken.

Our Audit Committee shall also commission an annual internal control audit until such time as our Audit Committee is satisfied that our Group's internal controls are robust and effective enough to mitigate our Group's internal control weakness (if any). Prior to the decommissioning of such annual audit, our Board is required to report to the SGX-ST and the Sponsor and Issue Manager on how the key internal control weaknesses have been rectified, and the basis for the decision to decommission the annual internal control audit. Thereafter, such audits may be initiated by our Audit Committee as and when it deems fit to satisfy itself that our Group's internal controls remain robust and effective. Upon completion of the internal control audit, appropriate disclosure will be made via SGXNET of any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by our Board.

Currently, based on (a) the internal controls established and maintained by our Group, (b) work performed by the internal and external auditors, and (c) reviews performed by our management, as well as having considered the improvement opportunities highlighted by our Independent Auditors and Reporting Accountants (relating to, *inter alia*, integration of point of sale and accounting systems, implementation of an enterprise planning software to allow for automation of consolidation of Group financial statements and implementation of a perpetual inventory system to allow for real-time inventory data) and the internal auditors, our Board, to the best of its knowledge and belief, with the concurrence of our Audit Committee, is of the opinion that the internal controls and risk management systems of our Group are adequate and effective to address financial, operational, information technology and compliance risks of our Group.

Our Audit Committee, having (a) conducted an interview with our Financial Controller, Ms. Chin Poh Yeen; (b) considered the qualifications and past working experience of Ms. Chin Poh Yeen (as described in the section entitled "Directors, Executive Officers and Employees – Executive Officers" of this Offer Document); (c) observed her abilities, familiarity and diligence in relation to the financial matters and information of our Group; and (d) noted the absence of negative feedback from our Independent Auditors and Reporting Accountants and internal auditors, is of the view that Ms. Chin Poh Yeen is suitable for the position of Financial Controller.

After making all reasonable enquiries, and to the best of the knowledge and belief of our Audit Committee, nothing has come to the attention of the members of our Audit Committee to cause them to believe that Ms. Chin Poh Yeen does not have the competence, character, integrity expected of a Financial Controller (or its equivalent rank) of a listed issuer.

Nominating Committee

The Nominating Committee comprises Mr. Saw Tatt Ghee, Mr. Yap Zhi Chau, and Mr. Chan Wee Kiang. The Chairman of our Nominating Committee is Mr. Yap Zhi Chau. The Nominating Committee is responsible for, among others:

(a) making recommendations to our Board of Directors on relevant matters relating to (i) the review of board succession plans for our Directors, in particular, our Chairman, the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of our Company ("**Key Management Personnel**"), and (ii) the review of training and professional development programs for our Board;

(b) reviewing and recommending the appointment of new Directors and Executive Officers and the re-nomination of our Directors having regard to each Director's contribution, performance and ability to commit sufficient time, resources and attention to the affairs of our Group, and each Director's respective commitments outside our Group including his principal occupation and board representations on other companies, if any;

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

(d) reviewing the composition of our Board of Directors annually to ensure that our Board of Directors and our Board committees 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, and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge;

(e) where a Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as Director, taking into consideration the Director's number of listed company board representation and other principal commitments; and

(f) reviewing and approving the employment of persons related to our Directors, CEO or Substantial Shareholders and the proposed terms of their employment.

In addition, our Nominating Committee will make recommendations to our Board of Directors on the development of the process and criteria for evaluation and performance of the Board, its Board committees and Directors. In this regard, our Nominating Committee will decide how our Board of Directors' performance is to be evaluated and propose objective performance criteria which address how our Board of Directors has enhanced long-term shareholder value. The Nominating Committee will also implement a process for assessing the effectiveness of our Board of Directors as a whole and our Board committees and for assessing the contribution of our Chairman and each individual Director to the effectiveness of our Board of Directors. Our Chairman will act on the results of the performance evaluation of our Board of Directors, and in consultation with our Nominating Committee, propose, where appropriate, new members to be appointed to our Board of Directors or seek the resignation of Directors.

Each member of the Nominating Committee is required to abstain from voting, approving or making a recommendation on any resolutions of the Nominating Committee in which he has a conflict of interest in the subject matter under consideration.

Nominating Committee's view of our Independent Directors

Our Nominating Committee, having taken into consideration the following:

(a) the number of listed company directorships by each of our Independent Directors;

(b) the principal occupation and commitments of our Independent Directors;

(c) the confirmations by our Independent Directors that they are each able to devote sufficient time and attention to the matters of our Group;

(d) the confirmations by our Independent Directors that each of them has no relationship with our Company, its related corporations, its Substantial Shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of his or her independent business judgment with a view to the best interests of our Company;

(e) our Independent Directors' working experience and expertise in different areas of specialisation; and

(f) the composition of the Board,

is of the view that (i) each of our Independent Directors is individually and collectively able to devote sufficient time and resources to the discharge of their duties and are suitable and possess the relevant experience to be appointed as Independent Directors of our Company; and (ii) our Independent Directors, as a whole, represent a strong and independent element on the Board which is able to exercise objective judgment on corporate affairs independently from the Controlling Shareholders.

Remuneration Committee

Our Remuneration Committee comprises Mr. Chan Wee Kiang, Mr. Yap Zhi Chau, and Mr. Peter Sim Swee Yam. The Chairman of our Remuneration Committee is Mr. Chan Wee Kiang.

Our Remuneration Committee is responsible for, among others:

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

(b) reviewing and recommending to our Board of Directors, for endorsement, the specific remuneration packages for each of our Directors and Key Management Personnel;

(c) reviewing and approving the design of all share option plans, performance share plans and/or other equity-based plans;

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

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

Our Remuneration Committee also periodically considers and reviews remuneration packages in order to maintain their attractiveness, to retain and motivate our Directors to provide good stewardship of our Company and Key Management Personnel to successfully manage our Company for the long term, and to align the level and structure of remuneration with the interests of Shareholders and other stakeholders and promote the long term success of our Company.

The remuneration of employees who are related to our Directors, CEO or Substantial Shareholders who hold managerial positions will also be reviewed annually by our Remuneration Committee to ensure that their remuneration package are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Our Remuneration Committee will also review and approve any bonuses, pay increments and/or promotions for related employees who hold managerial positions.

If a member of our Remuneration Committee has an interest in a matter being reviewed or considered by our Remuneration Committee, he will abstain from voting on the matter.

Board Practices

Our directors are to be appointed by our Shareholders at a general meeting and an election of Directors is held annually. Our Constitution provides that our Board of Directors will consist of not less than two (2) Directors. One third (or the number nearest to one third) of our Directors are required to retire from office at least once every three (3) years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Further details on the appointment and retirement of Directors can be found in "Appendix D – Summary of our Constitution" to this Offer Document.

EXCHANGE CONTROLS

The following is a description of the exchange controls that exist in the jurisdictions which our Group operates in.

Singapore

There are no exchange controls in Singapore.

Australia

There are presently no exchange control restrictions in Australia on the repatriation of capital and the remittance of profits from our subsidiaries incorporated in Australia ("**Australian Group Companies**") to our Company.

Subject to the Corporations Act 2001 (Cth) of Australia, or any specific restrictions in place due to covenants on any loan arrangements, profits earned by Australian Group Companies may be distributed to our Company in full.

New Zealand

There are no exchange controls in New Zealand.

Malaysia

There are foreign exchange policies in Malaysia which support the monitoring of capital flows in and out of Malaysia in order to preserve its financial and economic stability. The foreign exchange policies monitor and regulate both residents and non-residents. Subject to the Foreign Exchange Administration Notice No. 4 and the Foreign Exchange Administration Rules issued by the Bank Negara Malaysia, non-residents may freely repatriate any amount of funds from Malaysia, including, divestment proceeds, profits, dividends and any income arising from investment in Malaysia, subject to applicable reporting requirements and any withholding tax, provided that the repatriation is made in foreign currency.

Non-residents are also free to invest in any form of RM assets either as direct or portfolio investments. The investments can be funded through (a) conversion of foreign currency to RM with licensed onshore banks (excluding licensed international Islamic banks) or through an appointed overseas office of the licensed onshore bank's banking group, (b) foreign currency borrowings from the licensed onshore banks or (c) RM borrowing from licensed onshore banks (excluding licensed international Islamic banks) for real sector activities and for the purchase of residential and commercial properties in Malaysia except for the purchase of land only.

United Kingdom

There are no foreign exchange control restrictions enforced in the United Kingdom that may restrict the repatriation of capital and remittance of profits to Shareholders. However, pursuant to the laws of England and Wales, companies must have distributable profits before declaring dividends.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of the CDP, and all dealings in and transactions of our Shares through Catalist will be effected in accordance with the terms and conditions for the operation of Securities Accounts with the CDP, as amended, modified or supplemented from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and Depository Agents in the Depository Register maintained by the CDP, rather than CDP itself, will be treated, under our Constitution and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding our Shares in Securities Accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on Catalist, although they will be *prima facie* evidence of title and may be transferred in accordance with our Constitution. A fee of S$10.00 for each withdrawal of 1,000 Shares or less and a fee of S$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing our Shares from the book entry settlement system and obtaining physical share certificates. In addition, a fee of S$2.00, or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of S$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S$0.20 per S$100.00 or part thereof of the last transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on Catalist must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S$10.00 is payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such charges as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time. Transfers and settlements pursuant to on-exchange trades will be charged a fee of S$30.00 and transfers and settlements pursuant to off-exchange trades will be charged a fee of 0.015% of the value of the transaction, subject to a minimum of S$75.00.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer of stamp duty is currently payable for our Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.0325% of the transaction value. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST at 7.0% (or such other rate prevailing from time to time).

Dealing in our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on Catalist generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with a CDP Depository Agent. The CDP Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

1. None of our Directors, Executive Officers or Controlling Shareholders is or was involved in any of the following events:

   (a) during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction 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 two (2) years from the date he ceased to be a partner;

   (b) during the last 10 years, an application or a petition under any law of any jurisdiction 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 two (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;

   (c) any unsatisfied judgments against him;

   (d) a conviction 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;

   (e) a conviction 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;

   (f) during the last 10 years, judgment entered against him in any civil proceeding in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or 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;

   (g) a conviction in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

   (h) disqualification from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

   (i) has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

(j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of affairs of:

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

(iii) any business trust which has been investigated for breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; and

(k) has ever been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

2. There is no shareholding qualification for Directors under our Constitution.

3. No option to subscribe for shares in, or debentures of, our Company or any of our subsidiaries has been granted to, or was exercised by, any Director or Executive Officer within the last two (2) years preceding the date of this Offer Document.

4. Save as disclosed in the sections entitled "Restructuring Exercise" and "Interested Person Transactions" of this Offer Document, no Director or expert is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two (2) years preceding the date of this Offer Document, been acquired or disposed of by or leased to us or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to us or any of our subsidiaries.

5. No sum or benefit has been paid or is agreed to be paid to any Director or expert, or to any firm in which such Director or expert is a partner or any corporation in which such Director or expert holds shares or debentures, in cash or shares or otherwise, by any person to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by such firm or corporation in connection with the promotion or formation of our Company.

SHARE CAPITAL

6. As at the Latest Practicable Date, there is only one (1) class of shares in the capital of our Company, being ordinary shares in the share capital of our Company. There is no founder, management or deferred share. Our existing Shares do not carry voting rights which are different from the Placement Shares. The rights and privileges attached to our Shares are stated in our Constitution.

7. Save as disclosed below and in the sections entitled "Share Capital" and "Restructuring Exercise" of this Offer Document, there are no changes in the share capital or the number and classes of shares of our Company or our subsidiaries within the three (3) years preceding the date of this Offer Document.

Australia

	Date of issue	Number of shares issued	Issue price per share	Purpose of issue	Resultant issued share capital
BPC Australia Pty Ltd	30 January 2017	100	A$1.00	Allotment on incorporation	A$100.00
HBCT (Aust) Pty Ltd	1 July 2016	100	A$1.00	Allotment on incorporation	A$100.00
	4 November 2016	900	A$1.00	Allotment	A$1,000.00
HBCT Co Outlets Pty Ltd	25 July 2016	100	A$1.00	Allotment on incorporation	A$100.00
HBCT (NSW) Co Pty Ltd	7 September 2016	100	A$1.00	Allotment on incorporation	A$100.00
HBCT Marketing Pty Ltd	24 August 2016	100	A$1.00	Allotment on incorporation	A$100.00
HBCT (WA) Pty Ltd	18 November 2016	100	A$1.00	Allotment on incorporation	A$100.00
PPR UEXP Pty Ltd	23 November 2018	100	A$1.00	Allotment on incorporation	A$100.00
IPR (WA) Pty Ltd	13 October 2016	100	A$1.00	Allotment on incorporation	A$100.00
JCT ACT Pty Ltd	18 August 2017	100	A$1.00	Allotment on incorporation	A$100.00
JCT (Chadstone) Pty Ltd	28 September 2016	100	A$1.00	Allotment on incorporation	A$100.00
JCT Queensland Pty Ltd	18 August 2017	100	A$1.00	Allotment on incorporation	A$100.00
JCT (Doncaster) Pty Ltd	23 February 2017	100	A$1.00	Allotment on incorporation	A$100.00
Pafu Australia Pty Ltd	18 August 2017	1,000	A$1.00	Allotment on incorporation	A$1,000.00
Pafu Co Outlets Pty Ltd	25 August 2017	100	A$1.00	Allotment on incorporation	A$100.00
Papparich Outlets Pty Ltd	26 June 2018	100	A$1.00	Allotment on incorporation	A$100.00

	Date of issue	Number of shares issued	Issue price per share	Purpose of issue	Resultant issued share capital
STG Beverage (NZ) Pty Ltd	6 August 2018	900	N.A.	Sub-division of 100 ordinary shares into 1000 ordinary shares	A$100.00
	10 September 2018	770	A$1,176.27	Allotment	A$905,827.90
STG Confectionery Pty Ltd	1 July 2016	100	A$1.00	Allotment on incorporation	A$100.00
	7 September 2016	700	A$1.00	Allotment	A$800.00
	6 August 2018	79,200	N.A.	Sub-division of 800 ordinary shares into 80,000 ordinary shares	A$800.00
	10 September 2018	16,215	A$92.62	Allotment	A$1,502,552.22
STG Confectionery 2 Pty Ltd	18 August 2017	100	A$1.00	Allotment on incorporation	A$100.00
	6 August 2018	900	N.A.	Sub-division of 100 ordinary shares into 1,000 ordinary shares	A$100.00
	10 September 2018	209	A$255.58	Allotment	A$53,516.84
STG Entertainment Pty Ltd	6 August 2018	900	N.A.	Sub-division of 100 ordinary shares into 1,000 ordinary shares	A$100.00
	10 September 2018	680	A$217.26	Allotment	A$147,836.80
STG Food Industries Pty Ltd	6 August 2018	21,900	N.A.	Sub-division of 100 ordinary shares into 22,000 ordinary shares	A$100.00
	10 September 2018	7,400	A$706.67	Allotment	A$5,229,435.80

	Date of issue	Number of shares issued	Issue price per share	Purpose of issue	Resultant issued share capital
STG Food Industries 3 Pty Ltd	6 August 2018	1,900	N.A.	Sub-division of 100 ordinary shares into 2,000 ordinary shares	A$100.00
	10 September 2018	1,009	A$576.60	Allotment	A$581,893.43
STG Food Industries 5 Pty Ltd	10 November 2016	100	A$1.00	Allotment on incorporation	A$100.00

New Zealand

	Date of issue	Number of shares issued	Issue price per share	Purpose of issue	Resultant issued share capital
JCT Auckland Limited	31 March 2017	100	NZ$1.00	Allotment on incorporation	NZ$100.00

Malaysia

	Date of issue	Number of shares issued	Issue price per share	Purpose of issue	Resultant issued share capital
STG Food Industries Malaysia Sdn Bhd	3 January 2017	2	RM1.00	Allotment on incorporation	RM2.00
	31 January 2018	98	RM1.00	Allotment	RM100.00
TGR Food Industries Sdn Bhd	3 January 2017	2	RM1.00	Allotment on incorporation	RM2.00
	15 June 2017	100	RM1.00	Allotment	RM102.00
	14 May 2018	898	RM1.00	Allotment	RM1,000.00
NNC Food Industries Malaysia Sdn Bhd	9 September 2016	2	RM1.00	Allotment on incorporation	RM2.00
	9 January 2018	999,998	RM1.00	Allotment	RM1,000,000.00

	Date of issue	Number of shares issued	Issue price per share	Purpose of issue	Resultant issued share capital
NNC F&B Restaurants Sdn Bhd	8 November 2017	1	RM1.00	Allotment on incorporation	RM1.00
	24 November 2017	499,999	RM1.00	Allotment	RM500,000.00
NNC Restaurants Damansara Sdn Bhd	7 December 2017	100	RM1.00	Allotment on incorporation	RM100.00
	1 February 2018	199,900	RM1.00	Allotment	RM200,000.00
NNC Food Avenue Sdn Bhd	7 May 2018	1	RM1.00	Allotment on incorporation	RM1.00
	12 July 2018	299,999	RM1.00	Allotment	RM300,000.00
NNC Food City Sdn Bhd	24 April 2018	1	RM1.00	Allotment on incorporation	RM1.00
	21 November 2018	349,999	RM1.00	Allotment	RM350,000.00

Singapore

	Date of issue	Number of shares issued	Issue price per share	Purpose of issue	Resultant issued share capital
Pafu IP Holdings Pte. Ltd.	12 January 2018	10,000	S$0.01	Allotment on incorporation	S$100.00
GC (England) Pte. Ltd.	26 June 2018	100	S$1.00	Allotment on incorporation	S$100.00
	21 May 2019	449,900	S$1.00	Allotment	S$450,000.00

United Kingdom

	Date of issue	Number of shares issued	Issue price per share	Purpose of issue	Resultant issued share capital
Gong Cha England Limited	6 August 2018	100	£1.00	Allotment on incorporation	£100.00
Gong Cha England Outlets Limited	8 August 2018	100	£1.00	Allotment on incorporation	£100.00

8. Save as disclosed in the sections entitled "Share Capital" and "Restructuring Exercise" of this Offer Document, no shares in, or debentures of, our Company or any of our subsidiaries have been issued, or are proposed to be issued, as fully or partly paid-up for cash, or for a consideration other than cash, during the last three (3) years preceding the date of this Offer Document.

9. Save as disclosed under the section entitled "Share Capital" of this Offer Document, as at the Latest Practicable Date, no person has been, or is entitled to be, given an option to subscribe for any shares in or debentures of our Company or any of our subsidiaries.

CONSTITUTION

10. Our Company is registered in Singapore with the Accounting and Corporate Regulatory Authority with a registration number 201801590R.

11. A summary of our Constitution relating to, among others, Directors' powers to vote on contracts in which they are interested, Directors' remuneration, Directors' borrowing powers, Directors' retirement, Directors' share qualification, rights pertaining to shares, convening of general meetings and alteration of capital are set out in "Appendix D – Summary of our Constitution" to this Offer Document. Our Constitution is available for inspection at our registered office in accordance with paragraph 27 in the section entitled "General Information – Documents Available for Inspection" of this Offer Document.

MATERIAL CONTRACTS

12. The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by us within the two (2) years preceding the date of lodgement of this Offer Document and are or may be material:

    (a) the Series 1A Subscription Agreements;

    (b) the Caprice Subscription Agreement;

    (c) the Lower Tier Share Sale Agreements;

    (d) the Top Tier Share Sale Agreements;

    (e) the Cornerstone Subscription Agreements in relation to the subscription for the Cornerstone Shares by the Cornerstone Investors, details of which are set out in the section entitled "Shareholders – Cornerstone Investors" of this Offer Document;

    (f) the Management Services Agreement dated 12 July 2018 entered into between Papparich Australia Pty Ltd, Papparich Central (Melbourne) Pty Ltd, STG Confectionery Pty Ltd, STG Food Industries 5 Pty Ltd, STG Confectionery 2 Pty Ltd and ST Group Pty Ltd, details of which are set out in the section entitled "Interested Person Transactions – Past Interested Person Transactions" of this Offer Document;

    (g) the Call Option Agreements;

    (h) the Service Agreements, details of which are set out in the section entitled "Directors, Executive Officers and Employees – Service Agreements" of this Offer Document;

    (i) the Management and Sponsorship Agreement; and

    (j) the Placement Agreement.

LITIGATION

13. On 19 March 2019, the Fair Work Ombudsman of Australia ("**FWO**") made an application in the Federal Circuit Court of Australia against our subsidiary PPR Ryde (NSW) Pty Ltd, as the first defendant, and Mr. Wong Loke Cheng, a director of PPR Ryde (NSW) Pty Ltd, as the second defendant, in respect of 16 different types of contraventions under the Fair Work Act 2009 (Cth) of Australia ("**FW Act**"), including, *inter alia*, the underpayment of minimum rates payable to adult and junior employees, as well as overtime rates for public holidays and weekends to certain employees between 29 May 2017 to 2 July 2017, following from an investigation by the FWO. A hearing has been scheduled for 19 September 2019. The FWO has alleged that Mr. Wong Loke Cheng was involved in six (6) of the 16 different types of contraventions. PPR Ryde (NSW) Pty Ltd had rectified the underpayments in full on 28 November 2018, save for the amount of A$1,129.50 which was owing to two (2) employees who were uncontactable.

    The maximum penalty for each contravention under the FW Act which occurred prior to 1 July 2017 is A$54,000 for a body corporate and A$10,800 for an individual. In relation to contraventions after 1 July 2017, the maximum penalty is A$63,000 for a body corporate and A$12,600 for an individual. As advised by the Legal Advisers to our Company as to Australia Law, Maddocks, there are no criminal penalties for the contraventions under the FW Act and in all likelihood, the maximum number of contraventions which PPR Ryde (NSW) Pty Ltd will face is 16 contraventions which may be grouped further, depending on the sentencing principles and considerations the Federal Circuit Court of Australia may apply in imposing the penalty amount. Accordingly, on the assumption that there are 16 contraventions, the maximum statutory penalty which PPR Ryde (NSW) Pty Ltd may face for the 16 contraventions would be approximately A$864,000 (assuming the contraventions occurred prior to 1 July 2017) and A$1,008,000 (assuming the contraventions occurred after 1 July 2017). The maximum statutory penalty which Mr. Wong Loke Cheng may face for the six (6) contraventions is A$64,800 (assuming the contraventions occurred prior to 1 July 2017) and A$75,600 (assuming the contraventions occurred after 1 July 2017). Notwithstanding the foregoing, Maddocks has advised that it is very unlikely that the Federal Circuit Court of Australia will impose the maximum statutory penalties. In addition, Mr. Wong Loke Cheng has entered into a deed of indemnity on 26 March 2019 whereby he shall indemnify PPR Ryde (NSW) Pty Ltd against (a) any fines or penalties imposed against PPR Ryde (NSW) Pty Ltd; (b) any monetary damages or orders for restitution made against PPR Ryde (NSW) Pty Ltd; and (c) any orders for legal costs made against PPR Ryde (NSW) Pty Ltd, or any reasonable legal costs incurred by PPR Ryde (NSW) Pty Ltd in defending the application. There are no termination clauses in the abovementioned deed of indemnity. Mr. Wong Loke Cheng has also transferred A$180,000 into a trust account as security for his obligations under the deed of indemnity. In view of the above, our Directors are of the view that the abovementioned contraventions under the FW Act will not have a material impact on our business, results of operations and financial condition.

    Our Group has also taken steps to prevent future recurrences of such incidents after becoming aware of the contraventions under the FW Act by PPR Ryde (NSW) Pty Ltd. These include (i) conducting regular reviews and updates of the relevant employment laws in the standard operating procedures and guidelines which are provided to our sub-franchisees; (ii) providing both online training and in-person training sessions to keep relevant employees and sub-franchisees apprised of the requirements under relevant employment laws; and (iii) conducting regular audits on the operations of our subsidiaries and sub-franchisees for compliance with the relevant employment laws.

In addition, our Master Franchisor in respect of the "Gong Cha" brand, Royal Tea Taiwan Co., Ltd. and our subsidiary, Gong Cha Limited have commenced legal proceedings in the Wellington High Court, New Zealand as the first and second plaintiff respectively against GD & J Tiger Limited for an alleged unauthorised use of the "Gong Cha" trademark, packaging and business name in marketing its products. As at the date of this Offer Document, the proceedings are at the discovery and inspection stage, and the parties have agreed on 6 June 2019 to file a joint memorandum to the Wellington High Court, New Zealand to extend the deadlines to file and serve affidavits and complete inspection. Our Directors are of the view that there are no material adverse implications on our Group as our Master Franchisor, Royal Tea Taiwan Co., Ltd. and our subsidiary, Gong Cha Limited are the plaintiffs in the legal proceedings against GD & J Tiger Limited. Furthermore, the alleged unauthorised use of the "Gong Cha" trademark, packaging and business name only relates to one (1) outlet operated by GD & J Tiger Limited, and it is unlikely that we will incur substantial legal fees in the process.

Save as disclosed above, our Group was not engaged in any legal or arbitration proceedings in the last 12 months before the date of the lodgement of this Offer Document, as plaintiff or defendant in respect of any claims or amounts which are material in the context of the Placement and our Directors have no knowledge of any proceedings pending or threatened against our Company or any member of our Group or any facts likely to give rise to any litigation, claims or proceedings which might materially affect the financial position or profitability of our Group.

MISCELLANEOUS

14. There has been no previous issue of Shares by our Company or offer for sale of our Shares to the public within the two (2) years preceding the date of this Offer Document.

15. There has not been any public take-over offer by a third party in respect of our Shares, or by our Company in respect of shares of another corporation or units of a business trust, which has occurred between 1 July 2017 and the Latest Practicable Date.

16. Save as disclosed in the section entitled "Plan of Distribution – Management and Placement Arrangements" of this Offer Document, no commission, discount or brokerage has been paid or other special terms granted within the two (2) years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing for or agreeing to subscribe for or procuring or agreeing to procure subscription for any shares in or debentures of our Company or any of our subsidiaries.

17. No expert is employed on a contingent basis by our Company or any of our subsidiaries, or has a material interest, whether direct or indirect, in the shares of our Company or our subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.

18. Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Bank. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.

19. Save as disclosed in this Offer Document, the financial condition and operations of our Group are not likely to be affected by any of the following:

    (a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

    (b) material commitments for capital expenditure;

    (c) unusual or infrequent events or transactions or any significant economic changes that may materially affect the amount of reported income from operations; and

    (d) known trends or uncertainties that have had or that we reasonably expect to have a material favourable or unfavourable impact on revenues or operating income.

20. Save as disclosed in the sections entitled "Risk Factors", "Management's Discussion and Analysis of Results and Operations and Financial Position" and "General Information on our Group" of this Offer Document, our Directors are not aware of any event which has occurred since 1 January 2019 and the Latest Practicable Date, which may have a material effect on the financial position and results of operations of our Group or the financial information provided in this Offer Document.

21. Details, including the name, address and professional qualifications including membership in a professional body of the auditors of our Company for the Period Under Review are as follows:

Name and address	Professional Body	Partner-in-charge/ Professional qualification
Baker Tilly TFW LLP 600 North Bridge Road #05-01 Parkview Square Singapore 188778	Public Accountants and Chartered Accountants Singapore	Joshua Ong Kian Guan (a member of the Institute of Singapore Chartered Accountants)

    The auditors of our Principal Subsidiaries, STG Food Industries Pty Ltd and STG Confectionery Pty Ltd, are Crowe Horwath Australasia Pty Ltd and Pitcher Partners Advisors Proprietary Limited respectively.

    We currently have no intention of changing the auditors of the companies in our Group after the listing of our Company on Catalist.

CONSENTS

22. The Independent Auditors and Reporting Accountants have given and have not withdrawn their written consent to the issue of this Offer Document with the inclusion herein of the "Audited Combined Financial Statements for the Financial Years Ended 30 June 2016, 2017 and 2018", the "Interim Condensed Unaudited Combined Financial Statements for the Six-Month Period Ended 31 December 2018" and the "Unaudited Pro Forma Combined Financial Information for the Financial Year Ended 30 June 2018 and Six-Month Period Ended 31 December 2018" as set out in Appendices A, B and C to this Offer Document, respectively, in the form and context in which they are respectively included and references to its name in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.

23. Each of the Sponsor and Issue Manager and Placement Agent, the Solicitors to the Placement and Legal Advisers to our Company as to Singapore Law, the Solicitors to the Sponsor and Issue Manager and Placement Agent, and the Legal Advisers to our Company as to the Laws of England and Wales have given and have not withdrawn their written consents to the issue of this Offer Document with the inclusion herein of their names and references thereto in the form and context in which they respectively appear in this Offer Document and to act in such respective capacities in relation to this Offer Document.

24. Each of Wong Beh & Toh, the Legal Advisers to our Company as to Malaysia Law, Maddocks, the Legal Advisers to our Company as to Australia Law, and Anthony Harper, the Legal Advisers to our Company as to New Zealand Law, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of their names and references thereto and the statements attributed to them in the sections entitled "Risk Factors – Risks relating to the Countries in which we Operate – Our licensing arrangement in Malaysia may be construed as a franchise arrangement under the Malaysian Franchise Act 1998", "Risk Factors – Risks relating to the Countries in which we Operate – Our business is subject to compliance with franchise law in Austrialia", "General Information – Litigation" and "Risk Factors – Risks relating to the Countries in which we Operate – We may be adversely affected by changes in law and regulations in the Countries in which we Operate" of this Offer Document respectively, which were prepared as at the date of this Offer Document for the purpose of incorporation in this Offer Document in the form and context in which they are included and appear in this Offer Document, and to act in such capacity in relation to this Offer Document.

25. Each of the Solicitors to the Placement and Legal Advisers to our Company as to Singapore Law, the Solicitors to the Sponsor and Issue Manager and Placement Agent, the Legal Advisers to our Company as to the Laws of England and Wales, the Share Registrar, the Receiving Bank and the Principal Bankers do not make, or purport to make, any statement in this Offer Document or any statement upon which a statement in this Offer Document is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any person which is based on, or arises out of, the statements, information or opinions in this Offer Document.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

26. This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Placement and our Group, and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

DOCUMENTS AVAILABLE FOR INSPECTION

27. The following documents or copies thereof may be inspected at our registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 during normal business hours for a period of six (6) months from the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority:

    (a) the Constitution of our Company;

    (b) the "Audited Combined Financial Statements for the Financial Years Ended 30 June 2016, 2017 and 2018" as set out in Appendix A to this Offer Document;

    (c) the "Interim Condensed Unaudited Combined Financial Statements for the Six-Month Period Ended 31 December 2018" as set out in Appendix B to this Offer Document;

    (d) the "Unaudited Pro Forma Combined Financial Information for the Financial Year Ended 30 June 2018 and Six-Month Period Ended 31 December 2018" as set out in Appendix C to this Offer Document;

    (e) the audited financial statements of our subsidiaries for FY2016, FY2017 and FY2018;

    (f) the material contracts referred to in this Offer Document;

    (g) the letters of consent referred to in this Offer Document; and

    (h) the Service Agreements referred to in the section entitled "Directors, Executive Officers and Employees – Service Agreements" of this Offer Document.

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APPENDIX A – AUDITED COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2016, 2017 AND 2018

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED
(Co. Reg. No. 201801590R)
AND ITS SUBSIDIARIES

COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED
30 JUNE 2016, 2017 AND 2018

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

STATEMENT BY DIRECTORS

In the opinion of the directors:

(i) the combined financial statements of ST Group Food Industries Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages A-6 to A-90 are drawn up so as to present fairly, in all material respects, the financial position of the Group as at 30 June 2016, 2017 and 2018 and the financial performance, changes in equity and cash flows of the Group for the financial years ended on those dates in accordance with Financial Reporting Standards in Singapore; and

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

On behalf of the Board of Directors

Saw Tatt Ghee
Director

Saw Lee Ping
Director

26 June 2019

INDEPENDENT AUDITOR'S REPORT ON THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2016, 2017 AND 2018

26 June 2019

The Board of Directors
ST Group Food Industries Holdings Limited.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Dear Sirs,

Report on the Combined Financial Statements

Opinion

We have audited the combined financial statements of ST Group Food Industries Holdings Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprise the combined statements of financial position as at 30 June 2016, 2017 and 2018 and the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for each of the financial years ended 30 June 2016, 2017 and 2018, and notes to the combined financial statements, including a summary of significant accounting policies, as set out on pages A-6 to A-90.

In our opinion, the accompanying combined financial statements of the Group are properly drawn up in accordance with the Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the combined financial position of the Group as at 30 June 2016, 2017 and 2018, and of the combined financial performance, combined changes in equity and combined cash flows of the Group for each of the financial years ended 30 June 2016, 2017 and 2018.

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 Combined 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.

INDEPENDENT AUDITOR'S REPORT ON THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2016, 2017 AND 2018

Report on the Combined Financial Statements (cont'd)

Responsibilities of Management and Directors for the Combined Financial Statements

Management is responsible for the preparation of combined financial statements that give a true and fair view in accordance with FRSs, 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 combined 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 Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined 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 combined 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 ON THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2016, 2017 AND 2018

Report on the Combined Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Combined 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 combined 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 combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Restriction on Distribution and Use

This report has been prepared solely to you for inclusion in the Offer Document of the Company dated 26 June 2019 in relation to the proposed offering of the shares of the Company in connection with the Company's listing on the Catalist Board of Singapore Exchange Securities Trading Limited and for no other purpose.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

Partner in charge: Joshua Ong Kian Guan

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF COMPREHENSIVE INCOME
For the financial years ended 30 June 2016, 2017 and 2018

	Note	2016	2017	2018
		AUD	AUD	AUD
Revenue	4	24,203,560	30,314,090	36,478,590
Other income	5	898,153	1,027,231	1,780,582
Expenses				
Changes in inventories		670,329	(81,149)	275,595
Purchases of inventories		(7,989,771)	(8,913,995)	(10,004,136)
Franchise restaurants and stores related establishment costs		(2,282,351)	(1,596,975)	(1,040,793)
Rental on operating leases	28(b)	(1,879,842)	(2,445,690)	(3,852,479)
Staff costs	6	(7,107,632)	(8,499,706)	(11,151,513)
Depreciation expense	11	(684,317)	(876,394)	(1,516,953)
Amortisation expense	12	(38,265)	(58,258)	(88,797)
Finance costs	7	(88,034)	(115,607)	(122,321)
Other expenses	8	(2,549,593)	(3,643,083)	(5,240,113)
Share of results of associates		–	13,727	7,508
Profit before tax		3,152,237	5,124,191	5,525,170
Tax expense	9	(1,029,605)	(1,578,047)	(1,606,823)
Profit for the year		2,122,632	3,546,144	3,918,347
Other comprehensive (loss)/income:				
Item that is or may be reclassified subsequently to profit or loss:				
Currency translation differences on consolidation		(4,219)	1,152	(4,995)
Total comprehensive income for the year		2,118,413	3,547,296	3,913,352
Profit attributable to:				
Equity holders of the Company		1,034,215	2,311,649	2,728,113
Non-controlling interests		1,088,417	1,234,495	1,190,234
Profit for the year		2,122,632	3,546,144	3,918,347
Total comprehensive income attributable to:				
Equity holders of the Company		1,029,996	2,312,801	2,723,118
Non-controlling interests		1,088,417	1,234,495	1,190,234
Total comprehensive income for the year		2,118,413	3,547,296	3,913,352
Earnings per share for profit attributable to equity holders of the Company (cents per share) – Basic and diluted	10	0.49	1.11	1.31

The accompanying notes form an integral part of the combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF FINANCIAL POSITION
At 30 June 2016, 2017 and 2018

	Note	2016	2017	2018
		AUD	AUD	AUD
ASSETS				
Non-current assets				
Property, plant and equipment	11	4,013,902	6,952,328	9,937,035
Intangible assets	12	358,274	790,435	1,965,615
Investment in associated companies	14	30	13,789	21,267
Available-for-sale financial assets	15	150	150	110,150
Deferred tax asset	16	484,535	657,671	999,805
Restricted cash	17	488,982	619,012	1,011,620
Trade and other receivables	20	222,161	262,662	257,820
Total non-current assets		5,568,034	9,296,047	14,303,312
Current assets				
Due from customers for contract work-in-progress	18	–	203,002	–
Inventories	19	1,228,374	1,147,225	1,422,821
Trade and other receivables	20	1,677,651	3,758,104	4,506,479
Cash and bank balances	21	1,218,752	1,772,710	7,652,772
Total current assets		4,124,777	6,881,041	13,582,072
Total assets		9,692,811	16,177,088	27,885,384
EQUITY AND LIABILITIES				
Equity				
Share capital	22	610	1,560	6,700,941
Other reserves	23	(203,305)	(202,153)	(219,043)
Retained earnings		934,906	1,963,555	3,641,668
Equity attributable to equity holders of the Company, total		732,211	1,762,962	10,123,566
Non-controlling interests		889,525	1,330,541	2,062,330
Total equity		1,621,736	3,093,503	12,185,896
Non-current liabilities				
Borrowings	24	344,864	746,394	1,326,921
Trade and other payables	25	837,081	1,104,514	2,027,126
Total non-current liabilities		1,181,945	1,850,908	3,354,047
Current liabilities				
Due to customers for contract work-in-progress	18	–	260,171	211,870
Trade and other payables	25	5,648,990	8,801,181	9,651,605
Borrowings	24	665,073	1,070,915	1,022,457
Tax payable		575,067	1,100,410	1,459,509
Total current liabilities		6,889,130	11,232,677	12,345,441
Total liabilities		8,071,075	13,083,585	15,699,488
Total equity and liabilities		9,692,811	16,177,088	27,885,384

The accompanying notes form an integral part of the combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF CHANGES IN EQUITY
For the financial years ended 30 June 2016, 2017 and 2018

	Note	Share capital (Note 22)	Other reserves (Note 23)	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
		AUD	AUD	AUD	AUD	AUD	AUD
2016							
At 1 July 2015		740	884	1,100,191	1,101,815	861,608	1,963,423
Profit for the year		–	–	1,034,215	1,034,215	1,088,417	2,122,632
Other comprehensive loss							
Currency translation differences on consolidation		–	(4,219)	–	(4,219)	–	(4,219)
Other comprehensive loss for the financial year, net of tax		–	(4,219)	–	(4,219)	–	(4,219)
Total comprehensive (loss)/ income for the year		–	(4,219)	1,034,215	1,029,996	1,088,417	2,118,413
Transactions with owners recognised directly in equity							
Capital contribution to a subsidiary accounted for on common control basis		(130)	(199,970)	–	(200,100)	–	(200,100)
Dividends	26	–	–	(1,199,500)	(1,199,500)	(1,060,500)	(2,260,000)
At 30 June 2016		610	(203,305)	934,906	732,211	889,525	1,621,736
2017							
At 1 July 2016		610	(203,305)	934,906	732,211	889,525	1,621,736
Profit for the year		–	–	2,311,649	2,311,649	1,234,495	3,546,144
Other comprehensive income							
Currency translation differences on consolidation		–	1,152	–	1,152	–	1,152
Other comprehensive income for the financial year, net of tax		–	1,152	–	1,152	–	1,152
Total comprehensive income for the year		–	1,152	2,311,649	2,312,801	1,234,495	3,547,296
Transactions with owners recognised directly in equity							
Share capital contributions to subsidiaries accounted for on common control basis	22	950	–	–	950	–	950
Dividends	26	–	–	(1,283,000)	(1,283,000)	(793,479)	(2,076,479)
At 30 June 2017		1,560	(202,153)	1,963,555	1,762,962	1,330,541	3,093,503

The accompanying notes form an integral part of the combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF CHANGES IN EQUITY
For the financial years ended 30 June 2016, 2017 and 2018 (cont'd)

	Note	Share capital (Note 22)	Other reserves (Note 23)	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
		AUD	AUD	AUD	AUD	AUD	AUD
2018							
At 1 July 2017		1,560	(202,153)	1,963,555	1,762,962	1,330,541	3,093,503
Profit for the year		–	–	2,728,113	2,728,113	1,190,234	3,918,347
Other comprehensive loss							
Currency translation differences on consolidation		–	(4,995)	–	(4,995)	–	(4,995)
Other comprehensive loss for the financial year, net of tax		–	(4,995)	–	(4,995)	–	(4,995)
Total comprehensive income for the year		–	(4,995)	2,728,113	2,723,118	1,190,234	3,913,352
Transactions with owners recognised directly in equity							
Issuance of ordinary shares	22	9,960	–	–	9,960	–	9,960
Issuance of non-redeemable convertible preference shares	22	6,823,294	–	–	6,823,294	–	6,823,294
Capitalisation of share issue expenses	22	(133,873)	–	–	(133,873)	–	(133,873)
Capital contributions from non-controlling interests in subsidiaries		–	–	–	–	70,121	70,121
Dividends	26	–	–	(1,050,000)	(1,050,000)	(500,000)	(1,550,000)
Adjustment pursuant to the Restructuring Exercise		–	118,358	–	118,358	–	118,358
Changes in ownership interest in subsidiaries							
Acquisition of non-controlling interests in subsidiaries without a change in control	13(b)	–	(130,253)	–	(130,253)	(28,566)	(158,819)
At 30 June 2018		6,700,941	(219,043)	3,641,668	10,123,566	2,062,330	12,185,896

The accompanying notes form an integral part of the combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF CASH FLOWS
For the financial years ended 30 June 2016, 2017 and 2018

	Note	2016	2017	2018
		AUD	AUD	AUD
Cash flows from operating activities				
Total profit before tax		3,152,237	5,124,191	5,525,170
Adjustments for:				
Depreciation		684,317	876,394	1,516,953
Amortisation		38,265	58,258	88,797
Non-trade advances to related parties written off		219,092	–	68,000
Interest income		(18,541)	(12,085)	(26,152)
Interest expenses		88,034	115,607	122,321
Gain on sale of a Group-owned store		–	–	(617,095)
Property, plant and equipment written off		281,124	–	104,540
Share of results from associates		–	(13,727)	(7,508)
Unrealised exchange loss		(17,053)	(1,457)	(48,398)
Operating cash flow before working capital changes		4,427,475	6,147,181	6,726,628
Contract work-in-progress		–	57,169	154,701
Inventories		(670,329)	81,149	(275,596)
Receivables		(965,057)	(2,074,271)	(795,424)
Payables		1,337,736	2,395,933	1,409,940
Currency translation adjustments		(4,219)	1,152	(27,196)
Cash generated from operations		4,125,606	6,608,313	7,193,053
Income tax paid		(1,044,956)	(1,226,302)	(1,586,778)
Net cash generated from operating activities		3,080,650	5,382,011	5,606,275
Cash flows from investing activities				
Capital contributions from non-controlling interests in subsidiaries		–	–	70,121
Purchases of property, plant and equipment	11	(1,711,147)	(3,109,343)	(4,141,171)
Purchases of intangible assets		–	(490,419)	(1,264,303)
Proceed from sale of a Group-owned store		–	–	912,000
Repayment from/(advances to) related parties		450,350	(49,683)	(16,110)
(Advances to)/repayment from associate		(3,000)	3,000	–
Interest received		18,541	12,085	26,152
Investment in associated companies		(30)	–	–
Acquisition of available-for-sale investment		–	–	(110,000)
Net cash used in investing activities		(1,245,286)	(3,634,360)	(4,523,311)

The accompanying notes form an integral part of the combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF CASH FLOWS
For the financial years ended 30 June 2016, 2017 and 2018 (cont'd)

	Note	2016	2017	2018
		AUD	AUD	AUD
Cash flows from financing activities				
Acquisition of subsidiaries under common control		(200,100)	–	–
Capital contributions from shareholders for subsidiaries accounted for on common control basis		–	–	120,000
Proceeds from borrowings		–	425,025	400,536
Repayment of borrowings		(235,151)	(357,837)	(611,414)
Advances from/(repayment to) shareholders/related parties		312,401	996,312	(130,899)
Dividends paid to shareholders		(1,146,200)	(1,297,300)	(1,081,000)
Dividends paid to non-controlling interests		(1,060,500)	(793,479)	(500,000)
Interest paid		(66,177)	(63,521)	(84,126)
Decrease/(increase) in fixed deposits pledged		130,571	(130,030)	(392,608)
Acquisition of non-controlling interests in subsidiaries		–	–	(158,819)
Proceeds from issuance of ordinary shares	22	–	950	9,960
Proceeds from issuance of non-redeemable convertible preference shares, net of share issue expenses	22	–	–	6,708,253
Subscription money received in advance		–	–	486,800
Net cash (used in)/generated from financing activities		(2,265,156)	(1,219,880)	4,766,683
Net (decrease)/increase in cash and cash equivalents		(429,792)	527,771	5,849,647
Cash and cash equivalents at beginning of the financial year		1,460,630	1,030,838	1,558,609
Effects of currency translation on cash and cash equivalents		–	–	20,559
Cash and cash equivalents at end of the financial year		1,030,838	1,558,609	7,428,815

For the purpose of presenting the combined statements of cash flows, the combined cash and cash equivalents comprise the following:

Cash and bank balances	21	1,218,752	1,772,710	7,652,772
Less: Bank overdrafts	24	(187,914)	(214,101)	(223,957)
Cash and cash equivalents per combined statements of cash flows		1,030,838	1,558,609	7,428,815

The accompanying notes form an integral part of the combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

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

1 **Corporate information**

ST Group Food Industries Holdings Pte. Ltd. (the "Company") (Co. Reg. No. 201801590R) was incorporated in Singapore on 11 January 2018 for the purpose of acquiring the existing companies pursuant to the Restructuring Exercise mentioned in Note 2 below. On 10 June 2019, the Company was converted into a public company limited by shares and changed its name to ST Group Food Industries Holdings Limited.

The registered office and principal place of business of the Company is at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries (collectively the "Group") are disclosed in Note 13 to the combined financial statements.

The combined financial statements of the Group have been prepared solely for inclusion in the Offer Document of the Company dated 26 June 2019 in connection with the proposed initial public offering of the ordinary shares of the Company.

2 **The Restructuring Exercise**

The Group undertook the transactions described below as part of a corporate reorganisation implemented in preparation for its listing on the Catalist Board of Singapore Exchange Securities Trading Limited (the "Restructuring Exercise").

(a) Incorporation of the Company

The Company was incorporated on 11 January 2018 in Singapore with an issued and paid-up capital of SGD100 comprising 10,000 ordinary shares.

(b) Issuance of shares in the Company

On 2 May and 12 July 2018, the Company issued an aggregate of 990,000 and an aggregate of 1,080,000 new shares respectively at SGD0.01 per share.

(c) Acquisition of shares in PPR Ryde (NSW) Pty Ltd

Pursuant to a share sale agreement dated 3 August 2018, a subsidiary of the Group, Papparich Outlets Pty Ltd acquired 37 shares in the share capital of PPR Ryde (NSW) Pty Ltd from MQ (NSW) Pty Ltd for a cash consideration of AUD452,140. The consideration was arrived at on a willing buyer willing seller basis taking into account an independent valuation of PPR Ryde (NSW) Pty Ltd as at 30 June 2018. Following the completion of the share sale agreement on 17 August 2018, Papparich Outlets Pty Ltd held 37% of the issued and paid-up share capital of PPR Ryde (NSW) Pty Ltd.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

2 **The Restructuring Exercise (cont'd)**

(d) Sub-division of shares in the Brand Holding Companies

On 6 August 2018, in preparation for the Lower Tier Restructuring (as described in paragraph (e) of this section), STG Confectionery Pty Ltd, STG Confectionery 2 Pty Ltd, STG Entertainment Pty Ltd, STG Food Industries Pty Ltd, STG Food Industries 3 Pty Ltd and STG Beverage (NZ) Pty Ltd (collectively, the "Brand Holding Companies") underwent a sub-division of all their respective shares.

(e) Acquisition of Outlet Companies

Pursuant to the Lower Tier Share Sale Agreements dated on or about 10 September 2018 entered into between the shareholders of Oldtown QV (Aust) Pty Ltd, Delicious Foodcraft Pty Ltd, PPR Ryde (NSW) Pty Ltd, HBCT (Aust) Pty Ltd, JCT (Chadstone) Pty Ltd, HBCT (NSW) Pty Ltd, HBCT (WA) Pty Ltd, JCT (Doncaster) Pty Ltd, JCT Queensland Pty Ltd, Nene Chicken (Australia) Pty Ltd, NN MC Pty Ltd, NN BH Pty Ltd, GCHA (NZ) Pty Ltd, Idarts Australia Pty Ltd and Pafu Australia Pty Ltd (collectively, the "Outlet Companies") and certain subsidiaries of the Group, namely Papparich Outlets Pty Ltd, STG Confectionery Pty Ltd, HBCT Co Outlets Pty Ltd, STG Food Industries 3 Pty Ltd, Nene Chicken (Australia) Pty Ltd, STG Beverage (NZ) Pty Ltd, STG Entertainment Pty Ltd and STG Confectionery 2 Pty Ltd (collectively, the "Purchasing Subsidiaries"), the Purchasing Subsidiaries acquired the shareholding interests in the Outlet Companies ("Lower Tier Restructuring").

The purchase consideration for each acquisition was arrived at on a willing buyer willing seller basis taking into account an independent valuation of each Outlet Company as at 30 June 2018, and was satisfied through the allotment and issuance of shares in the relevant Brand Holding Company to the respective shareholders of the Outlet Companies. The aggregate consideration was AUD8,419,681.

Following the completion of the Lower Tier Restructuring on or about 10 September 2018, the Outlet Companies became wholly-owned subsidiaries of the Group.

(f) Issuance of shares in GC (England) Pte. Ltd.

On 21 May 2019, GC (England) Pte. Ltd. issued an aggregate of 449,000 new shares at SGD1.00 per share, increasing the Group's equity interest from approximately 55% to 60%.

(g) Sub-division of Shares of the Company

On 22 May 2019, in preparation for the Top Tier Restructuring (as described in paragraph (j) of this section), the Company underwent a sub-division of all issued shares in the capital of the Company from 2,080,000 shares into 10,483,200 shares.

2 **The Restructuring Exercise (cont'd)**

(h) Exercise of Call Options

i Call options in NNC Food Industries Malaysia Sdn Bhd

On 3 May 2018, Mr. Saw Tatt Ghee, entered into separate call option agreements with each of Mr. Joel Teh Yi Weng and Mr. Edwin Koh Wei Min whereunder each of the aforementioned shareholders had granted Mr. Saw Tatt Ghee a call option to purchase 25,000 shares, representing approximately 2.5% of the issued share capital of NNC Food Industries Malaysia Sdn Bhd which are each held by them ("Cash Consideration Call Options"). The aggregate consideration paid by Mr. Saw Tatt Ghee to Mr. Joel Teh Yi Weng and Mr. Edwin Koh Wei Min for the Cash Consideration Call Options was AUD20. Pursuant to the terms of the Cash Consideration Call Options, Mr. Saw Tatt Ghee or his nominee may exercise the call option by giving written notice, and the consideration payable in connection with such exercise is RM137,550 to be paid to each of Mr. Joel Teh Yi Weng and Mr. Edwin Koh Wei Min.

In addition, on 3 May 2018, a subsidiary of the Group, STG Food Industries Malaysia Sdn Bhd entered into separate call option agreements with each of Mr Lee Ji Yang, Mr Joel Teh Yi Weng and Mr Edwin Koh Wei Min ("NNC Malaysia Selling Shareholders") whereunder the NNC Malaysia Selling Shareholders had granted STG Food Industries Malaysia Sdn Bhd call options to purchase an aggregate of 100,000 shares held by them, representing approximately 10% of the issued share capital of NNC Food Industries Malaysia Sdn Bhd ("NNC Malaysia Call Options"). The aggregate consideration paid by STG Food Industries Malaysia Sdn Bhd to the NNC Malaysia Selling Shareholders for the NNC Malaysia Call Options was AUD30. Pursuant to the terms of the NNC Malaysia Call Options, STG Food Industries Malaysia Sdn Bhd may exercise the call option by giving written notice, and the consideration payable in connection with such exercise will be an aggregate of RM550,000.

The consideration payable in connection with the exercise of the Cash Consideration Call Options and NNC Malaysia Call Options was arrived at on a willing buyer willing seller basis, taking in account the potential growth and earnings of NNC Food Industries Malaysia Sdn Bhd and its subsidiaries.

ii Call option in TGR Food Industries Sdn Bhd

On 3 May 2018, STG Food Industries Malaysia Sdn Bhd entered into a call option agreement with RCC Capital Sdn Bhd ("RCC Capital") whereunder RCC Capital had granted STG Food Industries Malaysia Sdn Bhd a call option to purchase an aggregate of 120 shares held by RCC Capital, representing approximately 12% of the issued share capital of TGR Food Industries Sdn Bhd ("TGR Call Option"). The consideration paid by STG Food Industries Malaysia Sdn Bhd to RCC Capital for

2 **The Restructuring Exercise (cont'd)**

(h) Exercise of Call Options (cont'd)

ii Call option in TGR Food Industries Sdn Bhd (cont'd)

the TGR Call Option was AUD10. Pursuant to the terms of the TGR Call Option, STG Food Industries Malaysia Sdn Bhd may exercise the call option by giving written notice, and the consideration payable in connection with such exercise will be an aggregate of RM554,400.

The consideration payable in connection with the exercise of the TGR Call Option was arrived at on a willing buyer willing seller basis, taking into account the potential growth and earnings of TGR Food Industries Sdn Bhd and its subsidiaries.

iii Exercise of the Cash Consideration Call Options

On 12 June 2018, Mr. Saw Tatt Ghee exercised the Cash Consideration Call Options and nominated STG Food Industries Malaysia Sdn Bhd and a former employee of the Group, Mr. Chen Wui Keat, as the transferee of 10,000 shares and 40,000 shares respectively in NNC Food Industries Malaysia Sdn Bhd.

Following the completion of the transfer of shares from Mr. Joel Teh Yi Weng and Mr. Edwin Koh Wei Min, TGR Food Industries Sdn Bhd and STG Food Industries Malaysia Sdn Bhd held 84% and 1% respectively of the issued and paid-up share capital of NNC Food Industries Malaysia Sdn Bhd as at 30 June 2018.

iv Exercise of the NNC Malaysia Call Options and the TGR Call Option

On 15 May 2019, STG Food Industries Malaysia Sdn Bhd exercised the NNC Malaysia Call Options and the TGR Call Option for the purchase of shares in NNC Food Industries Malaysia Sdn Bhd and TGR Food Industries Sdn Bhd held by the NNC Malaysia Selling Shareholders and RCC Capital. In accordance with the terms of the NNC Malaysia Call Options and the TGR Call Option, the consideration payable to the NNC Malaysia Selling Shareholders and RCC Capital following the exercise of the NNC Malaysia Call Options and the TGR Call Option was satisfied by the allotment and issuance of 186,151 shares and 187,640 shares in the Company to the NNC Malaysia Selling Shareholders and RCC Capital respectively. The shares issued to the NNC Malaysia Selling Shareholders and RCC Capital represent in aggregate 0.5% of the share capital immediately after the placement and the issue of the Cornerstone Shares.

Following from the exercise of the Cash Consideration Call Options, the NNC Malaysia Call Options and the TGR Call Option, the Group's effective equity interest in NNC Food Industries Malaysia increased from approximately 43% to 64% and the Group's effective equity interest in TGR Food Industries Sdn Bhd increased from 51% to 63%.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

2 **The Restructuring Exercise (cont'd)**

(i) Conversion of Preference Shares

Pursuant to the subscription agreements entered into between the Company and the Pre-IPO Investors on 27 March 2018, 1 May 2018 and 21 May 2018, the Company agreed to issue an aggregate of 4,906,769 Series 1A non-redeemable convertible preference shares and 2,330,948 Series 1B non-redeemable convertible preference shares (the "Preference Shares") to the Pre-IPO Investors for an aggregate subscription amount of AUD7,310,094. On 2 May 2018, 13 June 2018 and 12 July 2018, the Company allotted the Preference Shares to the Pre-IPO Investors pursuant to the terms of the subscription agreements.

The Preference Shares do not carry any voting rights until after the completion of the Restructuring Exercise, whereupon each Preference Share shall be entitled to one (1) vote. Each Preference Share may be converted into 1.359017 shares, with the number of shares to be issued on conversion rounded down to the nearest whole number.

On 10 June 2019, 7,237,717 Preference Shares were converted into 9,836,174 shares pursuant to the terms of the subscription agreements.

(j) Acquisition of shares of the Brand Holding Companies

Pursuant to the Top Tier Share Sale Agreements dated on or about 11 September 2018 entered into between the shareholders of the Brand Holding Companies (which now included STG Food Industries 5 Pty Ltd and STG Food Industries Malaysia Sdn Bhd) and the Company, the Company acquired the entire issued and paid-up capital of each Brand Holding Company ("Top Tier Restructuring"). The purchase consideration for each acquisition was arrived at on a willing buyer willing seller basis taking into account an independent valuation of each Brand Holding Company as at 30 June 2018, and was satisfied through the allotment and issuance of an aggregate of 39,516,800 shares in the Company at AUD1.01 per share for an aggregate consideration of AUD40,000,000.

Following completion of the Top Tier Restructuring on 17 June 2019, the Brand Holding Companies became wholly-owned subsidiaries of the Company.

(k) Share Split

On 10 June 2019, the shareholders approved the sub-division of 60,209,965 shares in the capital of the Company into 209,000,000 Shares.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies**

(a) **Basis of preparation**

The combined financial statements of the Group are presented in Australian dollar ("AUD") except when otherwise indicated. The combined financial statements of the Group have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs"). The combined financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

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

Use of estimates and judgements

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

The areas involving a higher degree of judgment in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within next financial year are disclosed in Note 3(w) to the combined financial statements.

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

New and revised standards

During the financial years ended 30 June 2016, 2017 and 2018, the Group has adopted all new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the respective reporting periods.

From 1 July 2017, as a result of the amendments to FRS 7 Statement of Cash Flows (Disclosure Initiative), the Group has provided additional disclosure in relation to changes in liabilities from financing activities for the current financial year (Note 24(c)).

The adoption of these new/revised FRSs and INT FRSs did not have any material effect on the financial results or position of the Group and the Company.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

(a) **Basis of preparation (cont'd)**

New and revised standards (cont'd)

New standards, amendments to standards and interpretations that have been issued at the end of reporting period but are not yet effective for the financial year ended 30 June 2018 have not been applied in preparing these combined financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company, except as disclosed as follows:

Convergence with International Financial Reporting Standards (IFRS)

The Accounting Standards Council ("ASC") announced that Singapore incorporated companies listed on the Singapore Exchange ("SGX") or are in the process of issuing equity or debt instruments for trading on SGX, will apply a new financial reporting framework identical to the International Financial Reporting Standards (IFRS Convergence), known as Singapore Financial Reporting Standards (International) ("SFRS(I)"), with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 30 June 2019 will be prepared in accordance with SFRS(I) issued by ASC. These financial statements will be the last set of financial statements prepared under the current FRSs.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). In addition to the adoption of the new framework, the Group will be adopting other new SFRS(I), amendments to standards and interpretations of SFRS(I) which are effective from the same date.

The Group does not expect the application of the new standards, amendments to standards and interpretations, and the IFRS Convergence to have significant impact on the combined financial statements except as set out below:

Application of SFRS(I) 1 and IFRS Convergence

When the Group adopts SFRS(I) in its 2019 financial statements, the Group will apply SFRS(I) 1 with effect from 1 July 2017 as the date of transition for the Group and the Company.

SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, subject to certain mandatory exceptions and optional exemptions under SFRS(I) 1. The Group does not expect the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 to have any significant impact on the combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

(a) **Basis of preparation (cont'd)**

New and revised standards (cont'd)

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 replaces FRS 18 'Revenue', FRS 11 'Construction contracts' and other revenue-related interpretations. It applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts. SFRS(I) 15 provides a single, principle-based model to be applied to all contracts with customers. An entity recognises revenue in accordance with the core principle in SFRS(I) 15 by applying a 5-step approach.

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. SFRS(I) 15 includes disclosure requirements that will result in disclosure of comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group plans to adopt SFRS(I) 15 in its financial statements for the financial year ending 30 June 2019 using the full retrospective approach. As a result, the Group will apply the changes in accounting policies retrospectively to each reporting year presented.

Management has performed an analysis of the requirements of the initial application of SFRS(I) 15. Management anticipates that the adoption of SFRS(I) 15 will not have a material impact on the financial statements of the Group in the period of their initial adoption except for additional disclosure required to be made in the Group's financial statements.

SFRS(I) 9 Financial Instruments

SFRS(I) 9 which replaces FRS 39, includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SFRS(I) 9 are based on an expected credit loss model and replace FRS 39 incurred loss model.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

(a) **Basis of preparation (cont'd)**

New and revised standards (cont'd)

SFRS(I) 9 Financial Instruments (cont'd)

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 at the date of initial application in the opening retained earnings and reserves as at 1 July 2018.

(a) *Classification and measurement*

The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under SFRS(I) 9. Loans and receivables that are currently accounted for at amortised cost are expected to continue to be measured at amortised cost.

For unquoted equity securities currently classified as AFS but which is measured at cost under FRS 39 will be measured at fair value under SFRS(I) 9 and the Group will present changes in fair value of these assets in OCI.

Upon adoption of SFRS(I) 9, the Group expects to have no material financial impact to the opening retained earnings or other component of equity arising from the re-measurement of AFS unquoted securities from cost to fair value.

(b) *Impairment*

SFRS(I) 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group will apply the simplified approach and record lifetime expected losses on all trade receivables.

The Group will adopt SFRS(I) 9 when it becomes effective in financial year ending 30 June 2019. Management has performed an analysis of the requirements of the initial application of the new SFRS(I) 9 which will result in changes to the accounting policies relating to the impairment provisions of financial assets. Management anticipates that the adoption of SFRS(I) 9 will not have a material impact on the financial statements of the Group in the period of their initial adoption.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

(a) **Basis of preparation (cont'd)**

New and revised standards (cont'd)

SFRS(I) 16 Leases

SFRS(I) 16 replaces the existing FRS 17: Leases. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their balance sheets to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, the nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability. The accounting for lessors will not change significantly.

The standard is effective for annual periods beginning on or after 1 January 2019. The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of AUD20,302,137 (Note 28(b)). The Group anticipates that the adoption of SFRS(I) 16 in the future may potentially have a material impact on the amounts reported and disclosures made in the financial statements. It is not practicable to provide a reasonable estimate of the impact of SFRS(I) 16 until the Group performs a detailed assessment. The Group is in the process of performing a detailed assessment of the impact and plans to adopt the standard on the required effective date.

Reconciliation of FRS to SFRS(I)

On 19 January 2018, Monetary Authority of Singapore ("MAS") announced those entities who lodge prospectus with MAS on or after 1 January 2018 are required to prepare the restatement of up to three years of historical audited financial statements in accordance with SFRS(I) in the prospectus. However, transitional relief was also given for these entities that choose to lodge a prospectus on or after 1 January 2018 using the current FRS by including the followings:

- audited statements of reconciliation of the four primary financial statements (i.e. statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows) prepared in accordance with the FRS, and the respective financial statements prepared in accordance with the new framework, SFRS(I) for the historical financial information for the annual period beginning on or after 1 January 2017; and

- notes to describe any differences between the financial figures of the audited annual financial statements prepared in accordance with the FRS, and the financial figures of the annual financial statements prepared in accordance with the SFRS(I).

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

(a) **Basis of preparation (cont'd)**

New and revised standards (cont'd)

Reconciliation of FRS to SFRS(I) (cont'd)

The Group has elected to use the transitional relief to prepare the combined financial statements using the current FRS.

An assessment has been made with respect to the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1. There is no impact on the combined financial statements of our Group arising from the assessment on the adoption of SFRS(I). Accordingly, for the purposes of paragraph 8A(b)(ii) of Part IX (Financial Information) of the Fifth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, no audited reconciliation of the statement of profit or loss and other comprehensive income, statement of cash flows, statement of financial position and statement of changes in equity for the most recent completed financial year has been presented.

(b) **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity, and the amount of revenue and related cost can be reliably measured.

Food and beverage retails

Food and beverage retails revenues are comprised of retail sales of food and beverages through the Group-owned restaurants and stores and are recognised at the point of sale, net of discounts and goods and services tax.

Supply chain

Supply chain revenues are primarily comprised of sales of food, supplies and equipment to franchised restaurants and stores, other than equipment sales related to initial restaurant or store establishment or renovations directly by the Group or through distributors. Revenues from supply chain sales are recognised upon delivery and significant risks and rewards of ownership of the goods have been passed.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

(b) **Revenue recognition (cont'd)**

Franchise fees and royalty income

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

Initial and renewal franchise fees received are recognised over the term of the related franchise agreement. Royalties are based on a percentage of gross sales at franchise restaurants and stores and are recognised when earned and collectability is reasonably assured. Fees collected in advance are deferred until earned.

Project income

Project income are derived from equipment sales at establishment of a restaurant or store and in connection with a restaurant or store renewal or renovation and other franchise related fees.

Project income is recognised when material services and conditions are completed by the Group. The Group uses the percentage-of-completion method to determine the appropriate revenue amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the reporting date as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. When it is probable that the total costs will exceed total revenue, the expected loss is recognised as an expense immediately in the combined statements of comprehensive income.

Dartslive machine revenue

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

Interest income

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

Dividend income

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

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

(c) **Subsidiaries**

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

(d) **Basis of preparation of combined financial statements**

Business combinations involving entities under common control

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

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

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

The combined financial statements of the Group were prepared by applying the pooling of interest method as the Restructuring Exercise as described in Note 2 is a legal reorganisation of entities under common control. Under this method, the Company has been treated as the holding company of the subsidiaries for the financial years presented rather than from the completion of the Restructuring Exercise. Accordingly, the results of the Group include the results of the subsidiaries for the entire periods under review. Such manner of presentation reflects the economic substance of the companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidiary relationships were not established.

Pursuant to this:

– Assets and liabilities are reflected at their existing carrying amounts;

– No adjustments are made to reflect the fair values on the date of combination or recognise any new assets or liabilities;

– No additional goodwill is recognised as a result of the combination;

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

(d) **Basis of preparation of combined financial statements (cont'd)**

Business combinations involving entities under common control (cont'd)

Pursuant to this (cont'd):

– Prior to the issue of shares by the Company in connection with the Restructuring Exercise, the aggregate equity of the subsidiaries held directly by the Company is shown as the Group's equity for financial years under review; and

– Upon the completion of the Restructuring Exercise, any difference between the consideration paid by the Company and the equity 'acquired' is reflected within the equity of the Group as merger reserve.

Business combinations using acquisition method

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

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

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

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

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

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

(d) **Basis of preparation of combined financial statements (cont'd)**

Business combinations using acquisition method (cont'd)

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

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

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

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

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

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

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

(e) **Associated companies**

An associated company is an entity over which the Group has significant influence but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more but not exceeding 50% of the voting power of another entity.

Investment in associated companies are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

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

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

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

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

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

Upon loss of significant influence over the associate, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

(e) **Associated companies (cont'd)**

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group shall reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(f) **Goodwill**

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

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

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

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

The Group's policy for goodwill arising on the acquisition of an associate is described in Note 2(e) to the combined financial statements.

(g) **Property, plant and equipment**

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

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

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

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

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

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

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

Depreciation

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

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

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

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

(h) **Intangible assets**

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

(h) **Intangible assets (cont'd)**

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

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 asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. 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.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

Franchise rights

Costs relating to master franchise fees paid are capitalised and amortised on a straight-line basis over the franchise period ranging from 5 to 20 years.

(i) **Impairment of non-financial assets excluding goodwill**

At each reporting date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

(i) **Impairment of non-financial assets excluding goodwill (cont'd)**

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

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

(j) **Inventories**

Inventories comprise raw materials, consumables, semi-finished goods, and finished goods.

Inventories are valued at the lower of cost and net realisable value. Costs comprise purchase costs accounted for on a first-in, first-out basis. In the case of semi-finished goods, costs also include an appropriate share of production overheads based on normal operating capacity.

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

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

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NOTES TO THE COMBINED FINANCIAL STATEMENTS
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3 **Summary of significant accounting policies (cont'd)**

(k) **Leases**

When a Group entity is the lessee:

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between reduction of the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in finance lease liabilities. The interest element of the finance cost is taken to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The asset acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Operating leases

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

When a Group entity is the lessor:

Operating leases

Leases where the Group entity retains substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(l) **Income taxes**

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

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

(l) **Income taxes (cont'd)**

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or recoverable in respect of previous years.

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

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

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

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

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

(m) **Financial assets**

Classification

The Group classifies its financial assets according to the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The Group's financial assets are loans and receivables and available-for-sale.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are presented as "trade and other receivables" (excluding GST receivables and prepayments), "restricted cash" and "cash and bank balances" on the combined statements of financial position.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

(m) **Financial assets (cont'd)**

Classification (cont'd)

Financial assets, available-for-sale

Financial assets, available-for-sale include equity securities that are non-derivatives and are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the assets within 12 months after the reporting date.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to profit or loss. Any amount in the fair value reserve relating to that asset is also transferred to profit or loss.

Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

Subsequent measurement

Available-for-sale investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measurable, are measured at cost less impairment loss. Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss.

Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

(m) **Financial assets (cont'd)**

Impairment (cont'd)

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

If in subsequent periods, the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversed date.

Financial assets, available-for-sale

In the case of an equity security classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the security is impaired.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that was recognised directly in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised.

Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale financial assets are not reversed through profit or loss.

For available-for-sale financial assets carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The amount of impairment loss is recognised in profit or loss and such losses are not reversed in subsequent periods.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

(n) **Cash and cash equivalents**

For the purpose of presentation in the combined statements of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and excludes pledged deposits. Bank overdrafts are presented as current borrowings on the combined statements of financial positions.

(o) **Financial liabilities**

Financial liabilities include trade and other payables and borrowings. Financial liabilities are recognised on the combined statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

(p) **Share capital**

Ordinary shares

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

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends which are non-discretionary thereon are recognised as interest expense in profit or loss.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS
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3 **Summary of significant accounting policies (cont'd)**

(q) **Provisions for other liabilities**

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

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

(r) **Borrowing costs**

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

(s) **Employee benefits**

Defined contribution plans

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

Employee leave entitlements

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

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NOTES TO THE COMBINED FINANCIAL STATEMENTS
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3 **Summary of significant accounting policies (cont'd)**

(t) **Foreign currencies**

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates (the "functional currency"). The Group's revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to a single geographical region, Australia, which is the Group's principal place of business and operations. Australian dollar ("AUD") is the currency that mainly influences sales prices for goods and services, labour, material and other costs of providing goods or services and of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services for Australia entities. Therefore, the management has determined that AUD is the functional currency for the Australia entities in the Group. In view of the increased financial reliance of the Company on the operations of its Australia entities, the management also determined that AUD is the functional currency of the Company. The combined financial statements of the Group are presented in Australian dollar, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the currency transaction reserve within equity in the combined financial statements. The currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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

Translation of Group entities' financial statements

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

(i) Assets and liabilities are translated at the closing rates at the date of the combined statements of financial position;

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NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

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

Translation of Group entities' financial statements (cont'd)

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

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

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

Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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

(u) **Dividend**

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

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

(v) **Segment reporting**

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

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
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3 **Summary of significant accounting policies (cont'd)**

(w) **Critical accounting judgements and key sources of estimation uncertainty**

Critical judgements in applying the entity's accounting policies

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

Control over Papparich Australia Pty Ltd

Management has assessed and concluded that Papparich Australia Pty Ltd is a subsidiary of the Group even though the Group owns 50% ownership interest in Papparich Australia Pty Ltd on the basis that the Group has the ability to direct and control the relevant activities of Papparich Australia Pty Ltd including but are not limited to operating, financing and investing activities. Accordingly, the Group has accounted for this investment as its subsidiary and consolidated the subsidiary's financial statements into the Group.

Key sources of estimation uncertainty

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

Impairment of non-financial assets (other than goodwill and other indefinite-life intangible assets)

At each reporting date, the Group assesses whether there are any indications of impairment for all non-financial assets. The Group also assesses whether there is any indication that an impairment loss recognised in prior periods for a non-financial asset, other than goodwill, may no longer exist or may have decreased.

If any such indication exists, the Group estimates the recoverable amount of that asset. An impairment loss exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. An impairment loss recognised in prior periods shall be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate in order to determine the present value of the cash flows. The carrying values of the Group's property, plant and equipment are disclosed in Note 11 to the combined financial statements.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

3 **Summary of significant accounting policies (cont'd)**

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

Key sources of estimation uncertainty (cont'd)

Impairment of trade receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's trade receivables at the end of the reporting period is disclosed in Note 20 to the combined financial statements. If the present value of estimated future cash flows differ from management's estimates, the Group's allowance for impairment for trade receivables and the trade receivables balance at the end of the reporting period will be affected accordingly.

4 **Revenue**

	2016	2017	2018
	AUD	AUD	AUD
Food and beverage retails	11,444,127	17,108,964	23,664,799
Supply chain	7,441,951	8,505,765	7,882,307
Franchise – Franchise fees and royalty income	2,217,629	2,612,642	3,307,818
Franchise – Project income	2,715,924	1,681,311	1,215,525
Others – Dartslive machine revenue	383,929	405,408	408,141
	24,203,560	30,314,090	36,478,590

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5 **Other income**

	2016	2017	2018
	AUD	AUD	AUD
Management fees			
– related parties	171,386	222,733	244,391
– third parties	7,707	14,644	21,000
Interest income			
– bank	18,541	12,085	26,152
Rental income			
– related parties	3,350	12,600	9,780
– third parties	2,999	4,300	34,708
Gain on sale of a Group-owned store	–	–	617,095
Rebates from suppliers	615,172	717,296	730,786
Training income			
– related parties	–	8,140	18,965
– third parties	13,797	6,000	8,590
Miscellaneous income	65,201	29,533	69,115
	898,153	1,027,331	1,780,582

6 **Staff costs**

	2016	2017	2018
	AUD	AUD	AUD
Wages and salaries	6,188,625	7,563,824	9,928,744
Contributions to defined contribution plan	527,854	647,317	827,189
Other benefits	391,153	288,565	395,580
	7,107,632	8,499,706	11,151,513

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

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For the financial years ended 30 June 2016, 2017 and 2018

7 Finance costs

	2016	2017	2018
	AUD	AUD	AUD
Interest expense			
– finance leases	30,792	43,031	57,563
– bank loans	51,483	47,424	56,414
– others	5,759	25,152	8,344
	88,034	115,607	122,321

8 Other expenses

	2016	2017	2018
	AUD	AUD	AUD
Included in other expenses are:			
Accounting fee	43,992	60,462	83,819
Advertising and marketing expense	160,622	317,609	353,878
Bad debts written off – trade (Note 27)	13,931	11,759	–
Cleaning expenses	170,046	153,750	164,653
Consultancy and legal fees	135,391	206,319	131,985
Foreign exchange (gain)/loss	(48,317)	3,468	(14,691)
Insurance expenses	74,221	159,185	158,712
Warehouse, office and outlet supplies	127,342	248,237	260,071
Professional fees	61,500	51,719	523,796
Management fee expense (Note 27)	8,736	638,487	957,419
Network service fees	173,824	149,200	145,038
Non-trade advances to related parties written off (Note 27)	219,092	–	68,000
Property, plant and equipment written off	281,124	–	104,540
Repair and maintenance	60,938	92,545	130,658
Royalty fees	262,722	509,922	622,130
Transport	38,369	50,368	76,390
Travel and accommodation expenses	136,663	184,825	295,436
Utilities	217,059	283,609	427,145
Intangible assets written off (Note 12)	–	–	4,796

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9 **Tax expense**

	2016	2017	2018
	AUD	AUD	AUD
Tax expense attributable to profits is made up of:			
Current income tax provision	1,167,240	1,757,942	2,059,958
Deferred tax	(137,635)	(173,083)	(342,265)
Over provision in respect of previous financial years			
– current income tax	–	(6,812)	(110,870)
	1,029,605	1,578,047	1,606,823

The income tax expense on the results of the financial years ended 30 June 2016, 2017 and 2018 differs from the amount of income tax determined by applying the Australia statutory rate of income tax due to the following factors:

	2016	2017	2018
	AUD	AUD	AUD
Profit before tax	3,152,237	5,124,191	5,525,170
Tax calculated at a tax rate of 30% (2017 and 2016: 30%)	945,671	1,537,257	1,657,551
Effect of different tax rates in other countries	96	(4,103)	(21,810)
Effect of results of equity-accounted investees presented net of tax	–	(4,119)	–
Expenses not deductible for tax purposes	144,983	89,742	81,902
Over provision of taxation in prior years	–	(6,812)	(110,870)
Others	(61,145)	(33,918)	50
	1,029,605	1,578,047	1,606,823

10 **Earnings per share**

For illustrative purposes, the basic earnings per share is calculated based on the net profit attributable to equity holders of the Company for each of the financial years ended 30 June 2016, 2017 and 2018 and pre-invitation shares of 209,000,000.

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

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11 Property, plant and equipment

	Machinery and equipment	Furniture and fittings	Office equipment	Motor vehicles	Renovation	Total
	AUD	AUD	AUD	AUD	AUD	AUD
2016						
Cost						
At 1 July 2015	1,442,758	1,321,776	213,142	50,462	947,005	3,975,143
Additions	562,846	885,211	95,562	36,000	673,443	2,253,062
Write-off	(31,758)	(348,520)	(61,773)	(20,000)	–	(462,051)
Currency translation differences	2,730	–	23	–	15,445	18,198
At 30 June 2016	1,976,576	1,858,467	246,954	66,462	1,635,893	5,784,352
Accumulated depreciation						
At 1 July 2015	510,335	471,717	61,860	18,906	203,097	1,265,915
Depreciation charge	267,778	216,993	63,542	9,639	126,365	684,317
Write-off	(22,987)	(115,535)	(32,271)	(10,134)	–	(180,927)
Currency translation differences	412	–	4	–	729	1,145
At 30 June 2016	755,538	573,175	93,135	18,411	330,191	1,770,450
Net carrying value						
At 30 June 2016	1,221,038	1,285,292	153,819	48,051	1,305,702	4,013,902
2017						
Cost						
At 1 July 2016	1,976,576	1,858,467	246,954	66,462	1,635,893	5,784,352
Additions	963,300	29,570	26,956	–	2,793,106	3,812,932
Currency translation differences	393	–	6	–	1,855	2,254
At 30 June 2017	2,940,269	1,888,037	273,916	66,462	4,430,854	9,599,538
Accumulated depreciation						
At 1 July 2016	755,538	573,175	93,135	18,411	330,191	1,770,450
Depreciation charge	316,179	210,618	33,029	11,724	304,844	876,394
Currency translation differences	81	–	1	–	284	366
At 30 June 2017	1,071,798	783,793	126,165	30,135	635,319	2,647,210
Net carrying value						
At 30 June 2017	1,868,471	1,104,244	147,751	36,327	3,795,535	6,952,328

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11 Property, plant and equipment (cont'd)

	Machinery and equipment	Furniture and fittings	Office equipment	Motor vehicles	Renovation	Total
	AUD	AUD	AUD	AUD	AUD	AUD
2018						
Cost						
At 1 July 2017	2,940,269	1,888,037	273,916	66,462	4,430,854	9,599,538
Additions	1,073,371	2,107,076	20,580	66,961	1,620,309	4,888,297
Disposal of a Group-owned store	(157,982)	–	–	–	(269,737)	(427,719)
Write-off	(101,508)	(507,863)	(453)	–	–	(609,824)
Currency translation differences	8,596	3,384	270	439	(776)	11,913
At 30 June 2018	3,762,746	3,490,634	294,313	133,862	5,780,650	13,462,205
Accumulated depreciation						
At 1 July 2017	1,071,798	783,793	126,165	30,135	635,319	2,647,210
Depreciation charge	469,751	317,629	32,918	12,019	684,636	1,516,953
Disposal of a Group-owned store	(50,514)	–	–	–	(82,300)	(132,814)
Write-off	(76,893)	(427,938)	(453)	–	–	(505,284)
Currency translation differences	(132)	188	61	28	(1,040)	(895)
At 30 June 2018	1,414,010	673,672	158,691	42,182	1,236,615	3,525,170
Net carrying value						
At 30 June 2018	2,348,736	2,816,962	135,622	91,680	4,544,035	9,937,035

(a) During the year, the Group acquired property, plant and equipment with an aggregate cost of AUD4,888,297 (2017: AUD3,812,932; 2016: AUD2,253,062) of which AUD747,126 (2017: AUD703,589; 2016: AUD541,915) was acquired by means of finance lease. Cash payments of AUD4,141,171 (2017: AUD3,109,343; 2016: AUD1,711,147) were made to purchase property, plant and equipment.

The net carrying values of property, plant and equipment held under finance lease agreements at the end of the reporting period were AUD1,386,810 (2017: AUD1,011,625; 2016: AUD529,848) (Note 24).

(b) Bank borrowings and overdrafts are secured on property, plant and equipment of the Group with a net carrying value of AUD7,252,993 (2017: AUD5,167,467; 2016: AUD2,663,920).

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12 **Intangible assets**

	2016	2017	2018
	AUD	AUD	AUD
Cost			
At 1 July	443,477	443,477	933,896
Additions	–	490,419	1,264,303
Write-off	–	–	(4,796)
Currency translation differences	–	–	5,020
At 30 June	443,477	933,896	2,198,423
Accumulated amortisation			
At 1 July	46,938	85,203	143,461
Amortisation charge for the year	38,265	58,258	88,797
Currency translation differences	–	–	550
At 30 June	85,203	143,461	232,808
Net carrying value			
At 30 June	358,274	790,435	1,965,615

Franchise rights have remaining useful lives of 4 to 16 years (2017: 5 to 17 years; 2016: 6 to 18 years) as at respective end of the reporting periods.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
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13 **Investment in subsidiaries**

Following completion of the Restructuring Exercise as described in Note 2, details of the Company's subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal business activities	Effective equity interest of the Company		
			2016	2017	2018
			%	%	%
Subsidiaries held by the Company					
STG Food Industries Pty Ltd[2]	Australia	Investment holding	100	100	100
STG Confectionery Pty Ltd[3]	Australia	Investment holding	–	100	100
STG Food Industries 3 Pty Ltd[3]	Australia	Investment holding	100	100	100
STG Food Industries Malaysia Sdn Bhd[4]	Malaysia	Investment holding	–	100	100
STG Food Industries 5 Pty Ltd[3]	Australia	Investment holding	–	100	100
STG Beverage (NZ) Pty Ltd[3]	Australia	Investment holding	100	100	100
STG Entertainment Pty Ltd[3]	Australia	Investment holding	100	100	100
STG Confectionery 2 Pty Ltd[3]	Australia	Investment holding	–	–	100
GC (England) Pte. Ltd.[1]	Singapore	Investment holding	–	–	55
Subsidiaries held by STG Food Industries Pty Ltd					
Papparich Australia Pty Ltd[2]	Australia	Trading and management of sub-franchisees	50	50	50
Papparich Outlets Pty Ltd[5]	Australia	Investment holding	–	–	100

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13 **Investment in subsidiaries (cont'd)**

Name of subsidiary	Country of incorporation	Principal business activities	Effective equity interest of the Company		
			2016	2017	2018
			%	%	%
Subsidiaries held by Papparich Australia Pty Ltd					
Papparich Central (Melbourne) Pty Ltd[(2)]	Australia	Processing, sale and distribution of foods and supplies	50	50	50
PPR Co Outlet Pty Ltd[(2)]	Australia	Operator of restaurants	50	50	50
Malaysian Fine Foods Pty Ltd[(6)]	Australia	Operator of restaurants	–	–	50
Subsidiary held by PPR Co Outlet Pty Ltd					
Delicious Foodcraft Pty Ltd[(2)(7)]	Australia	Operator of restaurants	15	15	10
Subsidiaries held by Papparich Outlets Pty Ltd					
Delicious Foodcraft Pty Ltd[(2)(7)]	Australia	Operator of restaurants	80	80	80
Oldtown QV (Aust) Pty Ltd[(2)]	Australia	Operator of restaurants	100	100	100
PPR Ryde (NSW) Pty Ltd[(8)]	Australia	Operator of restaurants	–	–	–
Subsidiary held by STG Confectionery Pty Ltd					
HBCT (Aust) Pty Ltd[(3)]	Australia	Trading and management of sub-franchisees	–	92	100

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13 **Investment in subsidiaries (cont'd)**

Name of subsidiary	Country of incorporation	Principal business activities	Effective equity interest of the Company		
			2016	2017	2018
			%	%	%
Subsidiaries held by HBCT (Aust) Pty Ltd					
HBCT Marketing Pty Ltd[3]	Australia	Management of marketing funds	–	92	100
HBCT Co Outlets Pty Ltd[3]	Australia	Operator of food and beverage outlets	–	92	100
Subsidiaries held by HBCT Co Outlets Pty Ltd					
HBCT (NSW) Co Pty Ltd[3]	Australia	Operator of food and beverage outlets	–	96	100
HBCT (WA) Pty Ltd[3]	Australia	Operator of food and beverage outlets	–	87	100
JCT (Doncaster) Pty Ltd[3]	Australia	Operator of food and beverage outlets	–	96	100
JCT (ACT) Pty Ltd[9]	Australia	Dormant	–	–	100
JCT (Chadstone) Pty Ltd[10]	Australia	Operator of food and beverage outlets	–	32	32
JCT Queensland Pty Ltd[9]	Australia	Operator of food and beverage outlets	–	–	100
Subsidiary held by STG Food Industries 3 Pty Ltd					
NeNe Chicken (Australia) Pty Ltd[3]	Australia	Trading and management of sub-franchisees	95	95	100

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13 **Investment in subsidiaries (cont'd)**

Name of subsidiary	Country of incorporation	Principal business activities	Effective equity interest of the Company		
			2016	2017	2018
			%	%	%
Subsidiaries held by NeNe Chicken (Australia) Pty Ltd					
NN MC Pty Ltd[3]	Australia	Operator of food and beverage outlets	81	81	100
NN BH Pty Ltd[3]	Australia	Operator of food and beverage outlets	81	81	100
Subsidiary held by STG Food Industries Malaysia Sdn Bhd					
TGR Food Industries Sdn. Bhd.[4]	Malaysia	Investment holding	–	51	51
Subsidiary held by TGR Food Industries Sdn Bhd					
NNC Food Industries Malaysia Sdn. Bhd.[4]	Malaysia	Operator of restaurants	–	–	43
Subsidiary held by NNC Food Industries Malaysia Sdn. Bhd.					
NNC F&B Restaurants Sdn. Bhd.[4]	Malaysia	Operator of restaurants	–	–	43
Subsidiary held by NNC F&B Restaurants Sdn Bhd					
NNC Restaurants Damansara Sdn. Bhd.[4]	Malaysia	Operator of restaurants	–	–	30
NNC Food City Sdn. Bhd.[4]	Malaysia	Dormant	–	–	43
NNC Food Avenue Sdn. Bhd.[4]	Malaysia	Dormant	–	–	43

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13 **Investment in subsidiaries (cont'd)**

Name of subsidiary	Country of incorporation	Principal business activities	Effective equity interest of the Company		
			2016	2017	2018
			%	%	%
Subsidiaries held by STG Food Industries 5 Pty Ltd					
IPR (WA) Pty Ltd[3]	Australia	Operator of food and beverage outlets	–	51	51
IPR (NZ) Pty Ltd[5]	New Zealand	Dormant	–	–	51
Subsidiary held by STG Beverage (NZ) Pty Ltd					
GCHA (NZ) Pty Ltd[3]	Australia	Investment holding	100	100	100
Subsidiary held by GCHA (NZ) Pty Ltd					
Gongcha Limited[3]	New Zealand	Operator of food and beverage outlets	100	100	100
Subsidiary held by Gongcha Limited					
JCT Auckland Limited[3]	New Zealand	Operator of food and beverage outlets	–	100	100
Subsidiary held by STG Entertainment Pty Ltd					
iDarts Australia Pty Ltd[3]	Australia	Trading and management of sub-franchisees	85	85	100

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13 **Investment in subsidiaries (cont'd)**

Name of subsidiary	Country of incorporation	Principal business activities	Effective equity interest of the Company		
			2016	2017	2018
			%	%	%
Subsidiary held by iDarts Australia Pty Ltd					
BPC Australia Pty Ltd[3]	Australia	Trading and management of sub-franchisees	–	55	55
Dartslive Australia Pty Ltd	Australia	Dormant	100	100	100
Subsidiary held by STG Confectionery 2 Pty Ltd					
Pafu Australia Pty Ltd[3]	Australia	Trading and management of sub-franchisees	–	–	100
Pafu IP Holdings Pte. Ltd.[1]	Singapore	Investment holding	–	–	83
Subsidiary held by Pafu Australia Pty Ltd					
Pafu Co Outlets Pty Ltd[3]	Australia	Operator of food and beverage outlets	–	–	100

(1) Not required to be audited in the country of incorporation. Exempted from audit in 2018 as company is dormant during the financial period

(2) Audited by Crowe Horwath Australasia in Australia for the purpose of preparation of the Group's combined financial statements

(3) Audited by independent overseas member firm of Baker Tilly International in Australia for the purpose of preparation of the Group's combined financial statements

(4) Audited by YYC & Co. in Malaysia

(5) Incorporated on 26 June 2018

(6) Acquired the remaining interest on 10 January 2018

(7) Restructuring was completed on 10 September 2018 and it becomes a 80% owned subsidiary of Papparich Outlets Pty Ltd

(8) Acquired on 10 September 2018

(9) Incorporated on 18 August 2017

(10) The Groups holds 32% ownership interest in 2017 and 2018 and accounts for it as an associate (Note 14)

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13 **Investment in subsidiaries (cont'd)**

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

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

Name of subsidiary	Principal place of business/Country of incorporation	Ownership interests held by NCI
30 June 2016		
Papparich Australia Pty Ltd	Australia	50%
30 June 2017		
Papparich Australia Pty Ltd	Australia	50%
30 June 2018		
Papparich Australia Pty Ltd	Australia	50%

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

Summarised Consolidated Statements of Financial Position

	Papparich Australia Pty Ltd		
	2016	**2017**	**2018**
	AUD	**AUD**	**AUD**
Non-current assets	2,345,073	3,179,656	4,285,461
Current assets	2,669,283	3,816,687	3,993,818
Non-current liabilities	(498,706)	(632,057)	(594,409)
Current liabilities	(2,674,008)	(3,714,612)	(3,455,240)
Net assets	1,841,642	2,649,674	4,229,630
Net asset attributable to NCI	1,020,843	1,422,605	2,148,362

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13 **Investment in subsidiaries (cont'd)**

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

Summarised Consolidated Statements of Comprehensive Income

	Papparich Australia Pty Ltd		
	2016	**2017**	**2018**
	AUD	**AUD**	**AUD**
Revenue	14,288,463	15,236,099	14,253,439
Profit before tax	3,154,899	3,347,929	3,512,590
Income tax expense	(937,119)	(1,039,897)	(968,492)
Profit and total comprehensive income	2,217,780	2,308,032	2,544,098
Profit allocated to NCI	1,186,757	1,193,761	1,290,948
Dividends paid to NCI	1,060,500	793,479	500,000

Summarised Cash Flows

	Papparich Australia Pty Ltd		
	2016	**2017**	**2018**
	AUD	**AUD**	**AUD**
Cash flows from operating activities	2,548,515	2,471,283	1,651,741
Cash flows used in investing activities	(696,176)	(845,425)	(28,619)
Cash flows used in financing activities	(2,015,077)	(1,695,431)	(1,403,251)
Net (decrease)/increase in cash and cash equivalents	(162,738)	(69,573)	219,871

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13 **Investment in subsidiaries (cont'd)**

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

As part of the restructuring exercise, the Group acquired 8% and 9% equity interests in HBCT (Aust) Pty Ltd and HBCT (WA) Pty Ltd respectively from its non-controlling interests for a total cash consideration of AUD158,820.

As a result of this acquisition, HBCT (Aust) Pty Ltd and HBCT (WA) Pty Ltd are now wholly-owned subsidiaries of the Group. The carrying value of the net assets of HBCT (Aust) Pty Ltd and HBCT (WA) Pty Ltd at 1 July 2017 were AUD625,430 and the carrying value of the additional interests acquired was AUD28,567. The difference of AUD130,253 between the consideration and the carrying value of the additional interest acquired has been recognised within equity as premium paid for acquisition of non-controlling interests.

The following summarises the effect of the change in the Group ownership interest in HBCT (Aust) Pty Ltd and HBCT (WA) Pty Ltd on the equity attributable to equity holders of the Group.

	Group
	2018
	AUD
Consideration paid for acquisition of non-controlling interests	158,819
Carrying amount of non-controlling interest equity acquired	(28,566)
Decrease in equity attributable to equity holders of the Group	130,253

(c) Acquisition of subsidiaries subsequent to 30 June 2018

Acquisition of PPR Ryde (NSW) Pty Ltd

On 3 August 2018 and 10 September 2018, the Group's subsidiary, Papparich Outlets Pty Ltd acquired 37% and 63% respectively of the issued share capital of PPR Ryde (NSW) Pty Ltd ("PPR Ryde") for AUD1,223,113. The Group acquired PPR Ryde in order to enhance the scale of the Group's existing networks in Australia and to add geographical diversification to new regions.

Acquisition-date consideration transferred

	AUD
Cash paid	452,140
Non-cash consideration	770,973
Total consideration transferred	1,223,113

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13 **Investment in subsidiaries (cont'd)**

(c) Acquisition of subsidiaries subsequent to 30 June 2018 (cont'd)

Acquisition of PPR Ryde (NSW) Pty Ltd (cont'd)

Fair values of identifiable assets and liabilities of subsidiary at acquisition date

	AUD
Property, plant and equipment	656,841
Deferred tax assets	31,967
Inventories	16,988
Trade and other receivables	23,866
Cash and cash equivalents	199,214
Trade and other payables	(293,969)
Tax payables	(137,577)
Total identifiable net assets at fair value	497,330
Goodwill	725,783
Total consideration transferred	1,223,113

Effect on cash flows of the Group

	AUD
Total consideration for 100% equity interest acquired	1,223,113
Less: Non-cash consideration[(1)]	(770,973)
Consideration settled in cash	452,140
Less: Cash and cash equivalents of subsidiary acquired	(199,214)
Net cash outflow on acquisition	252,926

(1) The non-cash consideration for the acquisition was determined in the form of 1,091 issued and paid-up ordinary shares of STG Food Industries Pty Ltd ("STGFI") at AUD706.67 per share, representing the fair value of the equity of STGFI measured using the market approach based on maintainable earnings at a multiple derived from mergers and acquisition data. In using the mergers and acquisition data, a review was undertaken of recent transactions of market comparable businesses from which the implied earnings multiples are calculated. The estimate is adjusted for the net debt and non-controlling interest's share of STGFI group.

Goodwill

The goodwill arising from the acquisition of AUD725,783 is attributable to additional and recurring revenue streams expected from the acquisition of PPR Ryde.

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13 **Investment in subsidiaries (cont'd)**

(c) Acquisition of subsidiaries subsequent to 30 June 2018 (cont'd)

Acquisition of JCT (Chadstone) Pty Ltd

On 10 September 2018, the Group's subsidiary, HBCT Co Outlets Pty Ltd acquired an additional 68% equity interest in its 32% owned associate, JCT (Chadstone) Pty Ltd. Upon the acquisition, JCT (Chadstone) Pty Ltd became a subsidiary of the Group.

The Group has acquired JCT (Chadstone) Pty Ltd in order to enhance the scale of the Group's existing networks in Australia.

Acquisition-date consideration transferred

	AUD
Non-cash consideration transferred	200,883

Fair values of identifiable assets and liabilities of subsidiary at acquisition date

	AUD
Property, plant and equipment	167,113
Deferred tax asset	10,394
Inventories	4,281
Trade and other receivables	1,051
Cash and cash equivalents	53,456
Borrowings	(27,579)
Trade and other payables	(49,018)
Tax payables	(84,436)
Total identifiable net assets at fair value	75,262
Goodwill	220,154
Fair value gain on previously held 32% interest (Note 14)	(94,533)
Total consideration transferred	200,883

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13 **Investment in subsidiaries (cont'd)**

(c) Acquisition of subsidiaries subsequent to 30 June 2018 (cont'd)

Acquisition of JCT (Chadstone) Pty Ltd (cont'd)

Effect on cash flows of the Group

	AUD
Total consideration for 68% equity interest acquired	200,883
Less: Non-cash consideration [(1)]	(200,883)
Consideration settled in cash	–
Add: Cash and cash equivalents of subsidiary acquired	53,456
Net cash inflow on acquisition	53,456

(1) The non-cash consideration for the acquisition was determined in the form of 2,169 issued and paid-up ordinary shares of STG Confectionery Pty Ltd ("STG Confectionery") at AUD92.62 per share, representing the fair value of the equity of STG Confectionery measured using the market approach based on maintainable earnings at a multiple derived from mergers and acquisition data. In using the mergers and acquisition data, a review was undertaken of recent transactions of market comparable businesses from which the implied earnings multiples are calculated. The estimate is adjusted for the net debt of STG Confectionery group.

Goodwill

The goodwill arising from the acquisition of AUD220,154 is attributable to additional and recurring revenue streams expected from the acquisition of JCT (Chadstone) Pty Ltd.

Gain on remeasuring previously held equity interest in JCT (Chadstone) Pty Ltd to fair value at acquisition date

The Group will recognise a gain of AUD73,266 as a result of measuring at fair value its 32% equity interest in JCT (Chadstone) Pty Ltd held before the business combination in the Group's profit or loss for the year ending 30 June 2019.

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14 **Investment in associated companies**

The Group's investment in associated companies are summarised below:

	2016	2017	2018
	AUD	AUD	AUD
Carrying amount:			
Malaysian Fine Foods Pty Ltd	30	30	–
JCT (Chadstone) Pty Ltd	–	13,759	21,267
	30	13,789	21,267

The following information relates to associated companies of the Group:

Name of Company	Principal place of business/ Country of incorporation	Principal activity	Ownership interest held		
			2016	2017	2018
			%	%	%
Held through subsidiaries					
Unquoted equity shares					
Malaysian Fine Foods Pty Ltd*	Australia	Dormant	30	30	–
JCT (Chadstone) Pty Ltd**	Australia	Operator of food and beverage outlets	–	32	32

* Not required to be audited in the country of incorporation

** Audited by independent overseas member firm of Baker Tilly International in Australia for the purpose of preparation of the Group's combined financial statements

These associated companies are measured using the equity method. The activities of the associated companies are strategic to the Group.

Subsequent to the financial year ended 30 June 2018, on 10 September 2018, the Group acquired the remaining 68% equity interest in JCT (Chadstone) Pty Ltd., which became a wholly-owned subsidiary of the Group (Note 13(c)).

All associated companies are not restricted by regulatory requirements on the distribution of dividends.

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14 **Investment in associated companies (cont'd)**

The management does not consider the associated companies to be material to the Group. Hence the summarised financial information for the associated companies and a reconciliation of the summarised financial information to the carrying amount of its interest in the associated companies are not disclosed in the combined financial statements.

15 **Available-for-sale financial assets**

	2016	2017	2018
	AUD	AUD	AUD
Unquoted equity shares, at cost	150	150	110,150

The investment in unquoted investments represents 25% (2017: 15%; 2016: 15%) interest in equity shares of PPR Cockburn Pty Ltd ("PPR Cockburn"), a company incorporated in Western Australia. The cost approximates its fair value as at year end. Subsequently on 22 February 2019, 5% equity interest was disposed to the major shareholder of PPR Cockburn for AUD30,000.

16 **Deferred tax asset**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movements in the deferred tax account are as follows:

	2016	2017	2018
	AUD	AUD	AUD
Balance at beginning of the year	345,145	484,535	657,671
Tax credit to profit or loss (Note 9)	137,635	173,083	342,265
Currency translation differences	1,755	53	(131)
Balance at end of the year	484,535	657,671	999,805

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16 **Deferred tax asset (cont'd)**

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

	Provisions	Deferred income	Lease incentives and straight-line lease liability	Tax losses	Others	Total
	AUD	AUD	AUD	AUD	AUD	AUD
2016						
Balance at beginning of the year	54,813	137,683	7,115	144,898	636	345,145
Credited/(charged) to profit or loss for the year	108,489	56,339	63,494	(90,527)	(160)	137,635
Currency translation differences	–	–	1,755	–	–	1,755
Balance at end of the year	163,302	194,022	72,364	54,371	476	484,535
2017						
Balance at beginning of the year	163,302	194,022	72,364	54,371	476	484,535
Credited/(charged) to profit or loss for the year	(3,146)	128,071	52,760	(29,943)	25,341	173,083
Currency translation differences	53	–	–	–	–	53
Balance at end of the year	160,209	322,093	125,124	24,428	25,817	657,671
2018						
Balance at beginning of the year	160,209	322,093	125,124	24,428	25,817	657,671
Credited/(charged) to profit or loss for the year	89,449	(102,066)	346,952	6,015	1,915	342,265
Currency translation differences	–	–	(131)	–	–	(131)
Balance at end of the year	249,658	220,027	471,945	30,443	27,732	999,805

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16 **Deferred tax asset (cont'd)**

At the end of the reporting period, the Group has unutilised tax losses of AUD68,000 (2017: AUD81,000; 2016: AUD181,000) that are available for carry forward to offset against future taxable income subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. Deferred tax asset has been recognised in respect of such losses.

17 **Restricted cash**

	2016	2017	2018
	AUD	AUD	AUD
Term deposits (pledged)	488,982	619,012	1,011,620

Term deposits are pledged to financial institutions for obtaining bank guarantees given to landlords of leased premises during the terms of the lease periods. The interest rates of term deposits at 30 June 2018 range from 1.37% to 3.25% (2017: 1.37% to 3.00%; 2016: 1.85% to 3.00%) per annum.

18 **Due from/(to) customers for contract work-in-progress**

	2016	2017	2018
	AUD	AUD	AUD
Aggregate costs incurred to-date	–	785,575	151,618
Attributable profits recognised to-date	–	51,892	21,883
	–	837,467	173,501
Less: Progress billings	–	(894,636)	(385,371)
	–	(57,169)	(211,870)
Presented as:			
Due from customers for contract work-in-progress	–	203,002	–
Due to customers for contract work-in-progress	–	(260,171)	(211,870)
	–	(57,169)	(211,870)

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19 **Inventories**

	2016	2017	2018
	AUD	AUD	AUD
Raw materials and consumables	573,613	641,949	855,740
Semi-finished goods	2,000	–	–
Finished goods	652,761	505,276	567,081
	1,228,374	1,147,225	1,422,821

20 **Trade and other receivables**

	2016	2017	2018
	AUD	AUD	AUD
Non-current			
Rental bond	59,842	59,792	–
Refundable deposits	71,381	71,381	117,240
Deferred expenditure	90,938	131,489	140,580
	222,161	262,662	257,820
Current			
Trade receivables			
– related parties	383	137,378	9,130
– third parties	894,636	2,299,628	2,518,703
Accrued income	43,435	72,835	42,000
Sundry deposits	35,657	35,657	154,911
Prepayments	62,636	231,223	306,876
Sundry receivables	78,454	212,116	445,660
Deferred expenditure	35,146	49,051	383,397
Other current assets	499,376	645,604	623,081
Amounts due from related parties (non-trade)	27,928	74,612	22,721
	1,677,651	3,758,104	4,506,479
	1,899,812	4,020,766	4,764,299

Amounts due from related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

Impairment losses on trade receivables and amounts due to related parties (non-trade) recognised as an expense amounted to AUDNil (2017: AUDNil; 2016: AUD13,931) and AUD68,000 (2017: AUDNil; 2016: AUD219,092).

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21 **Cash and bank balances**

	2016	2017	2018
	AUD	AUD	AUD
Cash and bank balances	1,116,673	1,603,706	7,393,666
Fixed deposits	102,079	169,004	259,106
	1,218,752	1,772,710	7,652,772

Fixed deposits are placed with banks and mature within 4 to 12 months (2017: 4 to 12 months; 2016: 3 to 4 months) after the end of the reporting period.

22 **Share capital**

The Company was incorporated on 11 January 2018 with an initial share capital of SGD100 comprising 10,000 shares.

The share capital in the combined statements of financial position as at 30 June 2016, 2017 and 2018 represents the aggregate amounts of the share capital of the subsidiaries comprising STG Food Industries Pty Ltd, STG Confectionery Pty Ltd, STG Food Industries 3 Pty Ltd, STG Food Industries Malaysia Sdn Bhd, STG Food Industries 5 Pty Ltd, STG Beverage (NZ) Pty Ltd, STG Entertainment Pty Ltd, STG Confectionery 2 Pty Ltd, GC (England) Pte. Ltd. and the Company.

	2016	2017	2018
	AUD	AUD	AUD
Ordinary shares	610	1,560	11,520
Non-redeemable convertible preference shares	–	–	6,689,421
	610	1,560	6,700,941

Ordinary shares

	2016	2017	2018
	Number of ordinary shares		
Issued and paid up			
At beginning and end of year/date of incorporation	740	610	1,561
Issue of shares	–	951	1,000,463
Pooling of interest	(130)	–	–
At end of the year	610	1,561	1,002,024

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22 **Share capital (cont'd)**

Ordinary shares (cont'd)

	2016	2017	2018
	AUD	AUD	AUD
Issued and paid up			
At beginning and end of year/date of incorporation	740	610	1,560
Issue of shares	–	950	9,960
Pooling of interest	(130)	–	–
At end of the year	610	1,560	11,520

The ordinary shares have no par values, are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

Non-redeemable convertible preference shares

	2016	2017	2018
	Number of non-redeemable convertible preference shares		
Issued and paid up			
At beginning and end of year/date of incorporation	–	–	–
Issue of shares	–	–	6,755,737
At end of the year	–	–	6,755,737

	2016	2017	2018
	AUD	AUD	AUD
Issued and paid up			
At beginning and end of year/date of incorporation	–	–	–
Issue of shares:			
– Series 1A non-redeemable convertible preference shares	–	–	4,469,037
– Series 1B non-redeemable convertible preference shares	–	–	2,354,257
Transaction costs	–	–	(133,873)
At end of the year	–	–	6,689,421

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22 **Share capital (cont'd)**

Non-redeemable convertible preference shares (cont'd)

The Series 1A and Series 1B non-redeemable convertible preference shares ("Series 1A and Series 1B NRCPS") confer upon the holders the following rights:

(a) Dividends

Holders have the right to receive dividend distributions by the Company. The preferential dividend shall:

(i) be declared by the Directors at any time and from time to time and payable at such time as the Directors shall determine; and

(ii) be paid in priority to any dividend or distribution in favour of holders of any other classes of shares in the Company.

(b) Voting

The right to attend and vote at general meetings of the Company only upon the completion of the Restructuring Exercise and the Company has given written notice to the holders to that effect.

(c) Conversion

Unless earlier converted, each Series 1A and Series 1B NRCPS will be automatically converted into one ordinary share or the holder with the prior written consent of the issuer at the issuer's discretion, may at any time, request that the issuer to convert all the NRCPS into ordinary share.

23 **Other reserves**

	Foreign currency translation reserve	Merger reserve	Capital reserve	Total
	AUD	AUD	AUD	AUD
2016				
At beginning of the financial year	884	–	–	884
Pooling of interest	–	(199,970)	–	(199,970)
Other comprehensive income	(4,219)	–	–	(4,219)
At end of the financial year	(3,335)	(199,970)	–	(203,305)

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23 **Other reserves (cont'd)**

	Foreign currency translation reserve	Merger reserve	Capital reserve	Total
	AUD	AUD	AUD	AUD
2017				
At beginning of the financial year	(3,335)	(199,970)	–	(203,305)
Other comprehensive income	1,152	–	–	1,152
At end of the financial year	(2,183)	(199,970)	–	(202,153)
2018				
At beginning of the financial year	(2,183)	(199,970)	–	(202,153)
Acquisition of non-controlling interests of subsidiaries	–	–	(130,253)	(130,253)
Pooling of interest	–	118,358	–	118,358
Other comprehensive loss	(4,995)	–	–	(4,995)
At end of the financial year	(7,178)	(81,612)	(130,253)	(219,043)

Foreign currency translation reserve

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

Merger reserve

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

Capital reserve

Capital reserve represents the premium paid for acquisition of non-controlling interests in subsidiaries, HBCT (Aust) Pty Ltd and HBCT (WA) Pty Ltd.

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24 **Borrowings**

	2016	2017	2018
	AUD	AUD	AUD
Non-current			
Bank loan 4 (secured)	–	–	400,536
Finance lease liabilities (secured)	344,864	746,394	926,385
	344,864	746,394	1,326,921
Current			
Bank overdrafts (secured)	187,914	214,101	223,957
Bank loan 1 (secured)	242,525	187,398	115,738
Bank loan 2 (secured)	49,650	–	–
Bank loan 3 (secured)	–	404,185	306,459
Finance lease liabilities (secured)	184,984	265,231	376,303
	665,073	1,070,915	1,022,457
Total borrowings	1,009,937	1,817,309	2,349,378

Terms and debt repayment schedule

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

	Interest rate per annum	Year of maturity	Carrying amount
	%		AUD
At 30 June 2016			
Secured bank loans			
– Bank loan 1 – floating rate	10.65	2020	242,525
– Bank loan 2 – floating rate	7.66	2020	49,650
			292,175
At 30 June 2017			
Secured bank loans			
– Bank loan 1 – floating rate	10.63	2020	187,398
– Bank loans 3 – fixed rate	6.79 – 6.88	2020	404,185
			591,583
At 30 June 2018			
Secured bank loans			
– Bank loan 1 – floating rate	10.63	2020	115,738
– Bank loans 3 – fixed rate	6.79 – 6.88	2020	306,459
– Bank loan 4 – floating rate	7.21	2023	400,536
			822,733

24 **Borrowings (cont'd)**

Terms and debt repayment schedule (cont'd)

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

The secured bank overdrafts of the Group are secured over personal guarantee by certain directors of the Company and subsidiaries. Interest is payable at 8.17% – 8.25% (2017: 8.17% – 8.25%; 2016: 8.17% – 8.52%) per annum.

(a) **Fair values**

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

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

(b) **Finance lease liabilities**

	Minimum lease payments	Present value
	AUD	AUD
2016		
Not later than one financial year	193,493	184,984
Later than one financial year but not later than five financial years	393,104	344,864
Total minimum lease payments	586,597	529,848
Less: Future finance charges	(56,749)	–
Present value of finance lease liabilities	529,848	529,848
Representing finance lease liabilities:		
Current	184,984	
Non-current	344,864	
	529,848	
Effective interest rates	4.82% – 6.85%	

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24 **Borrowings (cont'd)**

(b) **Finance lease liabilities (cont'd)**

	Minimum lease payments	Present value
	AUD	AUD
2017		
Not later than one financial year	323,699	265,231
Later than one financial year but not later than five financial years	809,670	746,394
Total minimum lease payments	1,133,369	1,011,625
Less: Future finance charges	(121,744)	–
Present value of finance lease liabilities	1,011,625	1,011,625
Representing finance lease liabilities:		
Current	265,231	
Non-current	746,394	
	1,011,625	
Effective interest rates	4.82% – 6.85%	
2018		
Not later than one financial year	450,808	376,303
Later than one financial year but not later than five financial years	995,725	926,385
Total minimum lease payments	1,446,533	1,302,688
Less: Future finance charges	(143,845)	–
Present value of finance lease liabilities	1,302,688	1,302,688
Representing finance lease liabilities:		
Current	376,303	
Non-current	926,385	
	1,302,688	
Effective interest rates	4.76% – 5.83%	

The net carrying values of property, plant and equipment acquired under finance lease agreements are disclosed in Note 11.

Based on the discounted cash flow analysis using market interest rates for similar finance lease agreements at the end of the reporting period, the fair values of finance lease liabilities at the end of the reporting period approximate their carrying amounts as the market interest rate at the end of the reporting period is close to the effective interest rate of the Group's existing finance lease liabilities. This fair value measurement for disclosures purpose is categorised in Level 3 of the fair value hierarchy.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

24 **Borrowings (cont'd)**

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

	Bank loans	Finance lease liabilities	Amounts due to shareholders/ related parties	Total
	AUD	AUD	AUD	AUD
Balance at 1 July 2017	591,583	1,011,625	3,297,958	4,901,166
Changes from financing cash flows:				
– Proceeds	400,536	–	–	400,536
– Repayments	(155,298)	(456,116)	(130,899)	(742,313)
– Interest paid	(39,838)	(44,288)	–	(84,126)
Non-cash changes:				
– Interest expense	56,414	57,563	–	113,977
– New finance leases	–	747,126	–	747,126
Effect of changes in foreign exchange rates	(30,664)	(13,222)	–	(43,886)
Balance at 30 June 2018	822,733	1,302,688	3,167,059	5,292,480

25 **Trade and other payables**

	2016	2017	2018
	AUD	AUD	AUD
Non-current			
Lease incentives	12,318	227,183	1,025,897
Straight-line lease liability	355,641	312,634	394,319
Deferred income	469,122	564,697	606,910
	837,081	1,104,514	2,027,126

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25 **Trade and other payables (cont'd)**

	2016	2017	2018
	AUD	AUD	AUD
Current			
Trade creditors			
– third parties	837,859	2,531,727	1,876,609
– related parties	232,834	59,936	–
Deferred income	303,700	689,484	441,605
Other payables	1,422,149	1,360,684	2,091,691
Deposits	30,000	30,000	68,729
Franchise deposits received	200,000	261,524	420,442
Dividends payable (Note 26)	53,300	39,000	8,000
Accrued operating expenses	208,897	299,981	730,581
Amounts due to shareholders/related parties (non-trade)	2,301,646	3,297,958	3,167,059
Marketing fund liability	26,320	66,421	49,922
Lease incentives	3,175	18,158	169,577
Straight-line lease liability	29,110	146,308	140,590
Subscription money received in advance	–	–	486,800
	5,648,990	8,801,181	9,651,605
	6,486,071	9,905,695	11,678,731

Amounts due to shareholders/related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

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26 **Dividends paid/payable**

	2016	2017	2018
	AUD	AUD	AUD
Ordinary dividends:			
STG Food Industries Pty Ltd			
Interim single tier tax exempt dividend of AUD8,950 per share	895,000	–	–
Interim single tier tax exempt dividend of AUD7,500 per share	–	750,000	–
Interim single tier tax exempt dividend of AUD5,000 per share	–	–	500,000
Oldtown QV (Aust) Pty Ltd			
Interim single tier tax exempt dividend of AUD1,000 per share	100,000	–	–
Interim single tier tax exempt dividend of AUD4,000 per share	–	400,000	–
Interim single tier tax exempt dividend of AUD4,500 per share	–	–	450,000
Delicious Foodcraft Pty Ltd			
Interim single tier tax exempt dividend of AUD3,500 per share	204,500	–	–
Interim single tier tax exempt dividend of AUD2,500 per share	–	133,000	–
STG Confectionery Pty Ltd			
Interim single tier tax exempt dividend of AUD125 per share	–	–	100,000
Dividends paid/payable to equity holders of the Group	1,199,500	1,283,000	1,050,000

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NOTES TO THE COMBINED FINANCIAL STATEMENTS
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26 **Dividends paid/payable (cont'd)**

	2016	2017	2018
	AUD	AUD	AUD
Papparich Australia Pty Ltd			
Interim single tier tax exempt dividend of AUD6.50 per share	975,000	–	–
Interim single tier tax exempt dividend of AUD5.00 per share	–	750,000	–
Interim single tier tax exempt dividend of AUD3.33 per share	–	–	500,000
Delicious Foodcraft Pty Ltd			
Interim single tier tax exempt dividend of AUD3,500 per share	85,500	–	–
Interim single tier tax exempt dividend of AUD2,500 per share	–	43,479	–
Dividends paid/payable to non-controlling interests of the Group	1,060,500	793,479	500,000

The dividends have been declared to the existing shareholders prior to the Restructuring Exercise. The dividend per share is calculated based on the number of ordinary shares of the respective company in issue as at date of dividend declaration.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS
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27 **Related party transactions**

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

	2016	2017	2018
	AUD	AUD	AUD
With other related parties			
Income			
Supply chain revenue	1,900,007	372,906	348,915
Franchise fees and royalty income	102,338	89,836	89,824
Project income	83,100	–	–
Training income	–	8,140	18,965
Rental income	3,350	12,600	9,780
Management fee income	171,386	222,733	244,391
Expenses			
Purchases	–	–	76,125
Bad debts written off – trade	13,931	–	–
Non-trade advances written off	219,092	–	68,000
Rental expense	205,447	493,827	566,698
Management fee expense	8,736	638,487	900,615
Sales rebate	324,104	144,161	–
Acquisition of franchise right	–	–	1,000,000

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

(b) Key management personnel compensation

Total key management personnel compensation is analysed as follows:

	2016	2017	2018
	AUD	AUD	AUD
Salaries, allowances, bonuses	644,503	411,240	264,581
Employer's contributions to defined contribution plan	55,851	33,904	24,180
	700,354	445,144	288,761

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28 **Commitments**

(a) Capital commitments

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

	2016	2017	2018
	AUD	AUD	AUD
Capital commitments in respect of intangible assets	–	–	744,000

(b) Lease commitments

The Group has various operating lease agreements for offices, central kitchen, restaurants and retail outlet premises. These non-cancellable leases have remaining non-cancellable lease terms of between less than 3 years to 10 years. Most leases contain renewable options. Some of the leases contain escalation clauses and provide for contingent rentals based on percentages of sales derived from the outlets. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Included in the rental on operating leases for the financial year ended 30 June 2018 are contingent rentals of AUD249,786 (2017: AUD343,508; 2016: AUD278,154).

Commitments in relation to non-cancellable operating leases contracted for at the end of the reporting period, but not recognised as liabilities, are as follows:

	2016	2017	2018
	AUD	AUD	AUD
Not later than one financial year	1,476,503	2,714,071	3,796,787
Later than one financial year but not later than five financial years	6,120,754	9,269,396	13,204,883
Later than five financial years	2,541,194	2,016,102	3,300,467
	10,138,451	13,999,569	20,302,137

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29 **Financial instruments**

(a) **Categories of financial instruments**

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

	2016	2017	2018
	AUD	AUD	AUD
Financial assets			
Available-for-sale financial assets, at cost	150	150	110,150
Loans and receivables (including cash and bank balances)	3,298,052	5,850,426	12,396,518
	3,298,202	5,850,576	12,506,668
Financial liabilities			
At amortised cost	5,644,571	9,068,314	8,858,790

(b) **Financial risk management**

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

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

Foreign currency risk

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

29 **Financial instruments (cont'd)**

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

Foreign currency risk (cont'd)

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

Denominated in:

	SGD
	AUD
Group	
At 30 June 2018	
Trade and other receivables	164,204
Cash and bank balances	705,610
Trade and other payables	(21,386)
Net financial assets denominated in foreign currency	848,428
Company	
At 30 June 2018	
Trade and other receivables	164,204
Cash and bank balances	705,610
Trade and other payables	(21,386)
Net financial assets denominated in foreign currency	848,428

The following table demonstrates the sensitivity to a reasonably possible change in the SGD exchange rate against the respective functional currencies of the Group's entities, with all other variable held constant, of the Group's profit after tax:

	Group and Company Increase/(decrease) in profit after tax		
	2016	**2017**	**2018**
	AUD	**AUD**	**AUD**
SGD/AUD			
– strengthened 10% (2017: 10%; 2016: 10%)	–	–	70,000
– weakened 10% (2017: 10%; 2016: 10%)	–	–	(70,000)

29 **Financial instruments (cont'd)**

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

Interest rate risk

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

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

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has credit policies in place and the exposure to credit risk is monitored on an ongoing basis by the management.

As at the end of the reporting period, the Group's trade receivables are all due from debtors located in Australia. The Group's trade receivables comprise 1 debtor (2017: 1 debtor; 2016: 1 debtor) that individually represented 62% (2017: 59%; 2016: 39%) of the trade receivables.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are substantially with corporate debtors with good collection track record with the Group. Cash and bank balances that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Non-trade balances due from related parties are repayable on demand and are not past due as at the end of the reporting period.

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29 **Financial instruments (cont'd)**

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

Credit risk (cont'd)

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The table below is an ageing analysis of trade receivables of the Group:

	2016	2017	2018
	AUD	AUD	AUD
Not past due and not impaired	823,680	2,063,034	1,188,746
Past due but not impaired	71,339	373,972	1,339,087
	895,019	2,437,006	2,527,833

The age analysis of trade receivables past due but not impaired is as follows:

	2016	2017	2018
	AUD	AUD	AUD
Past due < 30 days	25,815	138,890	317,281
Past due 31 to 60 days	36,914	70,556	684,819
Past due 61 to 90 days	5,933	80,520	209,206
Past due over 90 days	2,677	84,006	127,781
	71,339	373,972	1,339,087

Other than trade receivables and non-trade amounts due from related parties, the Group has no receivables that are impaired at the reporting date.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. In managing its liquidity, management monitors and reviews the Group's and the Company's forecasts of liquidity reserves (comprise cash and bank balances and available credit facilities) base on expected cash flows of the respective operating companies of the Group.

29 **Financial instruments (cont'd)**

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

Liquidity risk (cont'd)

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

	1 year or less	Within 2 to 5 years	Over 5 years	Total
	AUD	AUD	AUD	AUD
Group				
At 30 June 2016				
Trade and other payables	4,281,053	353,581	–	4,634,634
Borrowings	705,790	393,104	–	1,098,894
	4,986,843	746,685	–	5,733,528
At 30 June 2017				
Trade and other payables	6,941,429	309,576	–	7,251,005
Borrowings	1,200,489	809,670	–	2,010,159
	8,141,918	1,119,246	–	9,261,164
At 30 June 2018				
Trade and other payables	6,728,757	387,565	–	7,116,322
Borrowings	1,170,823	1,455,963	–	2,626,786
	7,899,580	1,843,528	–	9,743,108
Company				
At 30 June 2018				
Trade and other payables	320,088	–	–	320,088

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30 **Fair values of assets and liabilities**

(a) ***Fair value hierarchy***

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

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

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

(c) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values as they are short-term in nature, market interest rate instruments, or fixed rate instruments whereby the fixed rates approximate market interest rates on or near the end of the reporting period.

(c) ***Determination of fair values***

Non-current borrowings

The basis of determining fair values for disclosure at the end of the reporting period is disclosed in Note 24 to the combined financial statements.

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31 Segment information

The Group is organised into business units based on its business segments purposes. The reportable segments are food and beverage retails, supply chain and franchise which are described below. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

(i) Food and beverage retails segment includes operations with respect to all franchise and Group-owned restaurants and stores.

(ii) The supply chain segment primarily includes the manufacturing, procurement and distribution of food, equipment and supplies to restaurants and stores from the Group's supply chain center operations in Australia.

(iii) The franchise segment primarily includes operations related to the Group's franchising business.

The segment information provided to the management for the reportable segments are as follows:

	Food and beverage retails	Supply chain	Franchise	Others	Eliminations	Consolidation total
	AUD	AUD	AUD	AUD	AUD	AUD
2016						
Segment revenue						
Sales to external customers	11,444,127	7,441,951	4,933,553	383,929	–	24,203,560
Intersegment sales	–	2,052,301	430,432	–	(2,482,733)	–
Total revenue	11,444,127	9,494,252	5,363,985	383,929	(2,482,733)	24,203,560
Tax (expense)/credit	(96,019)	(570,827)	(374,724)	11,965	–	(1,029,605)
Segment (loss)/profit	(77,925)	1,328,502	944,325	(72,270)	–	2,122,632

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31 **Segment information (cont'd)**

The segment information provided to the management for the reportable segments are as follows: (cont'd)

	Food and beverage retails	Supply chain	Franchise	Others	Eliminations	Consolidation total
	AUD	AUD	AUD	AUD	AUD	AUD
2016 (cont'd)						
Depreciation and amortisation	331,224	228,083	93,577	69,928	(230)	722,582
Property, plant and equipment written off	281,124	–	–	–	–	281,124
Non-trade advances to related parties written off	–	–	219,092	–	–	219,092
Bad debt written off – trade	–	–	13,931	–	–	13,931
Segment assets	3,728,203	3,919,644	2,864,418	1,021,135	(2,386,511)	9,146,889
Unallocated assets						545,922
Total assets						9,692,811
Segment assets include:						
Investment in associated companies	30	–	–	–	–	30
Additions to:						
– Property, plant and equipment	1,531,381	688,462	55,415	(22,196)	–	2,253,062
Segment liabilities	2,963,737	2,450,879	2,006,966	2,012,358	(2,036,311)	7,397,629
Unallocated liabilities						673,446
Total liabilities						8,071,075

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31 **Segment information (cont'd)**

The segment information provided to the management for the reportable segments are as follows: (cont'd)

	Food and beverage retails	Supply chain	Franchise	Others	Eliminations	Consolidation total
	AUD	AUD	AUD	AUD	AUD	AUD
2017						
Segment revenue						
Sales to external customers	17,108,964	8,505,765	4,293,953	405,408	–	30,314,090
Intersegment sales	–	2,950,236	842,443	–	(3,792,679)	–
Total revenue	17,108,964	11,456,001	5,136,396	405,408	(3,792,679)	30,314,090
Tax expense	(586,047)	(556,745)	(432,439)	(2,816)	–	(1,578,047)
Segment profit	827,999	1,404,706	1,265,442	47,997	–	3,546,144
Depreciation and amortisation	527,295	281,917	79,165	46,275	–	934,652
Share of results of associates	13,727	–	–	–	–	13,727
Segment assets	8,641,280	5,181,353	4,259,746	1,507,216	(4,206,790)	15,382,805
Unallocated assets						794,283
Total assets						16,177,088
Segment assets include:						
Investment in associated companies	13,789	–	–	–	–	13,789
Additions to:						
– Property, plant and equipment	2,937,699	407,196	468,037	–	–	3,812,932
– Intangible assets	–	–	490,419	–	–	490,419
Segment liabilities	7,731,754	2,918,478	3,633,341	1,911,802	(3,856,590)	12,338,785
Unallocated liabilities						744,800
Total liabilities						13,083,585

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31 **Segment information (cont'd)**

The segment information provided to the management for the reportable segments are as follows: (cont'd)

	Food and beverage retails	Supply chain	Franchise	Others	Eliminations	Consolidation total
	AUD	AUD	AUD	AUD	AUD	AUD
2018						
Segment revenue						
Sales to external customers	23,664,799	7,882,307	4,523,343	408,141	–	36,478,590
Intersegment sales	–	3,520,789	871,960	–	(4,392,749)	–
Total revenue	23,664,799	11,403,096	5,395,303	408,141	(4,392,749)	36,478,590
Tax expense	(447,250)	(626,670)	(528,969)	(3,934)	–	(1,606,823)
Segment profit/(loss)	1,055,586	1,527,414	1,446,864	(111,517)	–	3,918,347
Depreciation and amortisation	1,132,285	327,817	105,681	39,967	–	1,605,750
Gain on sale of a Group-owned store	617,095	–	–	–	–	617,095
Property, plant and equipment written off	104,540	–	–	–	–	104,540
Intangible assets written off	–	–	4,796	–	–	4,796
Share of results of associates	7,508	–	–	–	–	7,508
Non-trade advances to related parties written off	–	–	68,000	–	–	68,000
Segment assets	14,497,994	6,102,661	6,509,313	9,181,975	(9,223,566)	27,068,377
Unallocated assets						817,007
Total assets						27,885,384
Segment assets include:						
Investment in associated companies	131,267	–	–	–	–	131,267
Additions to:						
– Property, plant and equipment	4,436,498	376,008	48,880	26,911	–	4,888,297
– Intangible assets	–	–	1,264,303	–	–	1,264,303
Segment liabilities	13,360,872	1,873,139	4,932,354	3,729,471	(8,413,738)	15,482,098
Unallocated liabilities						217,390
Total liabilities						15,699,488

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31 **Segment information (cont'd)**

Segment results

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Sales between operating segments are on terms agreed by the group companies concerned.

Segment assets

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the combined financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments other than deferred tax asset, goods and services tax receivable and designated bank account for marketing fund of the respective master franchisee entity which are classified as unallocated assets.

Segment liabilities

The amounts provided to the management with respect to total liabilities are measured in a manner consistent with that of the combined financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than current tax payable, goods and services tax payable of the respective master franchisee entity. These liabilities are classified as unallocated liabilities.

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	2016	2017	2018
	AUD	AUD	AUD
Sales to external customers			
Australia	23,179,293	28,557,691	32,725,288
Malaysia	–	–	660,009
New Zealand	1,024,267	1,756,399	3,093,293
	24,203,560	30,314,090	36,478,590

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

31 **Segment information (cont'd)**

Geographical information (cont'd)

	2016	2017	2018
	AUD	AUD	AUD
Non-current assets			
Australia	3,917,929	7,042,181	10,119,088
Malaysia	–	–	888,265
New Zealand	545,215	845,860	1,057,145
	4,463,144	7,888,041	12,064,498

Non-current assets information presented above are non-current assets as presented on the combined statements of financial position excluding deferred tax asset and financial instrument.

Information about major customers

Revenue of approximately AUD5,007,000 (2017: AUD5,380,000; 2016: AUD2,704,000) are derived from a single external customer who individually contributed 10% or more of the Group's revenue and is attributable to the supply chain segment.

32 **Capital management**

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

The capital structure of the Group mainly consists of equity and borrowings and the Group's overall strategy remains unchanged from financial years ended 2016 to 2018.

The Group is in compliance with all externally imposed capital requirements for the financial years ended 30 June 2016, 2017 and 2018.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
For the financial years ended 30 June 2016, 2017 and 2018

33 **Subsequent events**

In addition to the events as disclosed in Note 2 to these financial statements, the following are the other significant events after the end of the reporting year:

(a) During the six months from 1 July 2018 to 31 December 2018, Papparich Australia Pty Ltd, Oldtown QV (Aust) Pty Ltd and Delicious Foodcraft Pty Ltd, subsidiaries of the Group declared interim dividends of AUD590,000. These dividends have been paid to the shareholders during the reporting period.

(b) In January 2019 and March 2019, STG Food Industries Pty Ltd, Papparich Australia Pty Ltd, STG Food Industries 3 Pty Ltd and STG Entertainment Pty Ltd, subsidiaries of the Group declared and paid to the shareholders interim dividends of AUD830,000.

(c) On 10 June 2019, the Company was converted into public company limited by shares.

34 **Authorisation of combined financial statements**

The combined financial statements of the Group for the financial years ended 30 June 2016, 2017 and 2018 were authorised for issue in accordance with a resolution of the directors dated 26 June 2019.

APPENDIX B – INTERIM CONDENSED UNAUDITED COMBINED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2018

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED
(Co. Reg. No. 201801590R)
AND ITS SUBSIDIARIES

INTERIM CONDENSED UNAUDITED
COMBINED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD
ENDED 31 DECEMBER 2018

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

STATEMENT BY DIRECTORS

In the opinion of the directors:

(i) the interim condensed unaudited combined financial statements of ST Group Food Industries Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages B-5 to B-58 are drawn up so as to give a true and fair view of the financial position of the Group as at 31 December 2018 and the financial performance, changes in equity and cash flows of the Group for the six-month period ended on that date in accordance with Singapore Financial Reporting Standard (International) 1-34 Interim Financial Reporting ("SFRS(I) 1-34"); and

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

On behalf of the Board of Directors

Saw Tatt Ghee
Director

Saw Lee Ping
Director

26 June 2019

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM CONDENSED UNAUDITED COMBINED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2018

26 June 2019

The Board of Directors
ST Group Food Industries Holdings Limited
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Dear Sirs,

Report on Review of Interim Condensed Unaudited Combined Financial Statements

Introduction

We have reviewed the accompanying interim condensed unaudited combined financial statements of ST Group Food Industries Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") as set out on pages B-5 to B-58, which comprise the interim condensed unaudited combined statement of financial position of the Group as at 31 December 2018, and the related interim condensed unaudited combined statement of comprehensive income, interim condensed unaudited combined statement of changes in equity and interim condensed unaudited combined statement of cash flows of the Group for the six-month period then ended, and selected explanatory notes (the "interim financial information"). The Company's management is responsible for the preparation and presentation of the interim financial information in accordance with Singapore Financial Reporting Standard (International) 1-34, Interim Financial Reporting ("SFRS(I) 1-34"). Our responsibility is to express a conclusion on the interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with SFRS(I) 1-34.

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM CONDENSED UNAUDITED COMBINED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2018 (cont'd)

Report on Review of Interim Condensed Unaudited Combined Financial Statements (cont'd)

Other Matter

Other than the Group's combined statement of financial position as at 30 June 2018 which has been audited, all other comparative figures have not been audited nor reviewed. The interim condensed unaudited combined financial statements for the corresponding six-month period ended 31 December 2018 is the responsibility of the management.

Restriction on Distribution and Use

This report is made solely to you as a body and for the inclusion in the Offer Document of the Company in connection with the proposed listing of the shares of the Company on the Catalist Board of Singapore Exchange Securities Trading Limited and for no other purpose.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

Partner in charge: Joshua Ong Kian Guan

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

INTERIM CONDENSED UNAUDITED COMBINED STATEMENT OF COMPREHENSIVE INCOME
Six months from 1 July 2018 to 31 December 2018

	Note	Unaudited Six-month period ended 31 December 2018	2017
		AUD	AUD
Revenue	3	24,950,612	18,251,050
Other income	4	877,527	514,506
Expenses			
Changes in inventories		416,529	27,987
Purchase of inventories		(6,760,819)	(4,626,151)
Franchise restaurants and stores related establishment costs		(1,061,512)	(912,522)
Rental on operating leases	28(b)	(2,460,671)	(1,716,202)
Staff costs	5	(7,700,084)	(5,125,505)
Depreciation expense	10	(1,059,614)	(674,472)
Amortisation expense	11	(126,094)	(32,787)
Finance costs	6	(88,584)	(63,832)
Other expenses	7	(3,092,452)	(2,567,005)
Share of results of associates		–	6,998
Profit before tax		3,894,838	3,082,065
Tax expense	8	(1,126,736)	(898,548)
Profit for the period		2,768,102	2,183,517
Other comprehensive income/(loss):			
Item that is or may be reclassified subsequently to profit or loss:			
Currency translation differences on consolidation		5,179	(772)
Total comprehensive income for the period		2,773,281	2,182,745
Profit attributable to:			
Equity holders of the Company		1,912,485	1,608,014
Non-controlling interests		855,617	575,503
Profit for the period		2,768,102	2,183,517
Total comprehensive income attributable to:			
Equity holders of the Company		1,917,664	1,607,242
Non-controlling interests		855,617	575,503
Total comprehensive income for the period		2,773,281	2,182,745
Earnings per share for profit attributable to equity holders of the Company (cents per share) – Basic and diluted	9	0.92	0.77

The accompanying notes form an integral part of the interim condensed unaudited combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

INTERIM CONDENSED UNAUDITED COMBINED STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Note	Unaudited 31 December 2018	Audited 30 June 2018
		AUD	AUD
ASSETS			
Non-current assets			
Property, plant and equipment	10	13,581,788	9,937,035
Intangible assets	11	3,675,212	1,965,615
Investment in an associated company	13	–	21,267
Available-for-sale financial assets	14	–	110,150
Financial assets at fair value through other comprehensive income	15	110,150	–
Deferred tax asset	16	1,334,613	999,805
Restricted cash	17	1,691,725	1,011,620
Trade and other receivables	20	319,836	257,820
Total non-current assets		20,713,324	14,303,312
Current assets			
Contract assets	18	5,940	–
Inventories	19	1,839,349	1,422,821
Trade and other receivables	20	4,623,268	4,506,479
Cash and bank balances	21	5,298,358	7,652,772
Total current assets		11,766,915	13,582,072
Total assets		32,480,239	27,885,384
EQUITY AND LIABILITIES			
Equity			
Share capital	22	15,618,115	6,700,941
Other reserves	23	(7,661,600)	(219,043)
Retained earnings		5,324,153	3,641,668
Equity attributable to equity holders of the Company, total		13,280,668	10,123,566
Non-controlling interests		2,557,947	2,062,330
Total equity		15,838,615	12,185,896
Non-current liabilities			
Borrowings	24	1,909,463	1,326,921
Trade and other payables	25	1,737,430	1,420,216
Contract liabilities	18	1,100,232	606,910
Total non-current liabilities		4,747,125	3,354,047
Current liabilities			
Trade and other payables	25	8,071,683	9,210,000
Contract liabilities	18	495,000	653,475
Borrowings	24	1,163,172	1,022,457
Tax payable		2,164,644	1,459,509
Total current liabilities		11,894,499	12,345,441
Total liabilities		16,641,624	15,699,488
Total equity and liabilities		32,480,239	27,885,384

The accompanying notes form an integral part of the interim condensed unaudited combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

INTERIM CONDENSED UNAUDITED COMBINED STATEMENT OF CHANGES IN EQUITY
Six months from 1 July 2018 to 31 December 2018

	Note	Share capital (Note 22)	Other reserves (Note 23)	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
		AUD	AUD	AUD	AUD	AUD	AUD
(Unaudited)							
Period ended 31 December 2017							
At 1 July 2017 (Audited)		1,560	(202,153)	1,963,555	1,762,962	1,330,541	3,093,503
Profit for the period		–	–	1,608,014	1,608,014	575,503	2,183,517
Other comprehensive loss							
Currency translation differences on consolidation		–	(772)	–	(772)	–	(772)
Other comprehensive loss for the financial period, net of tax		–	(772)	–	(772)	–	(772)
Total comprehensive income for the period		–	(772)	1,608,014	1,607,242	575,503	2,182,745
Transactions with owners recognised directly in equity							
Dividends	26	–	–	(650,000)	(650,000)	(400,000)	(1,050,000)
At 31 December 2017 (Unaudited)		1,560	(202,925)	2,921,569	2,720,204	1,506,044	4,226,248

The accompanying notes form an integral part of the interim condensed unaudited combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

INTERIM CONDENSED UNAUDITED COMBINED STATEMENT OF CHANGES IN EQUITY
Six months from 1 July 2018 to 31 December 2018 (cont'd)

	Note	Share capital (Note 22)	Other reserves (Note 23)	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
		AUD	AUD	AUD	AUD	AUD	AUD
(Unaudited)							
Period ended 31 December 2018							
At 1 July 2018 (Audited)		6,700,941	(219,043)	3,641,668	10,123,566	2,062,330	12,185,896
Profit for the period		–	–	1,912,485	1,912,485	855,617	2,768,102
Other comprehensive income							
Currency translation differences on consolidation		–	5,179	–	5,179	–	5,179
Other comprehensive income for the financial period, net of tax		–	5,179	–	5,179	–	5,179
Total comprehensive income for the period		–	5,179	1,912,485	1,917,664	855,617	2,773,281
Transactions with owners recognised directly in equity							
Issuance of ordinary shares	22	10,693	–	–	10,693	–	10,693
Issuance of non-redeemable convertible preference shares	22	486,800	–	–	486,800	–	486,800
Adjustment pursuant to the Restructuring Exercise	22	8,419,681	(7,447,736)	–	971,945	–	971,945
Dividends	26	–	–	(230,000)	(230,000)	(360,000)	(590,000)
At 31 December 2018 (Unaudited)		15,618,115	(7,661,600)	5,324,153	13,280,668	2,557,947	15,838,615

The accompanying notes form an integral part of the interim condensed unaudited combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

INTERIM CONDENSED UNAUDITED COMBINED STATEMENT OF CASH FLOWS
Six months from 1 July 2018 to 31 December 2018

	Note	Unaudited Six-month period ended 31 December 2018	2017
		AUD	AUD
Cash flows from operating activities			
Total profit before tax		3,894,838	3,082,065
Adjustments for:			
Depreciation		1,059,614	674,472
Amortisation		126,094	32,787
Interest income		(30,302)	(5,482)
Interest expenses		72,660	63,832
Property, plant and equipment written off		192,819	104,540
Share of results from associates		–	(6,998)
Fair value gain on re-measurement of pre-existing equity interest in a subsidiary		(73,266)	–
Unrealised exchange gain		(20,977)	–
Operating cash flow before working capital changes		5,221,480	3,945,216
Inventories		(395,259)	(81,955)
Receivables and contract assets		(162,209)	150,074
Payables and contract liabilities		889,086	1,189,553
Currency translation adjustments		(23,064)	(51,727)
Cash flows generated from operations		5,530,034	5,151,161
Income tax paid		(758,851)	(621,810)
Net cash generated from operating activities		4,771,183	4,529,351
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	12(b)	(199,470)	–
Purchases of property, plant and equipment	10	(3,647,965)	(2,299,966)
Purchases of intangible assets	11(b)	(886,010)	(189,069)
Advances to related parties		(8,312)	(58,352)
Interest received		30,302	5,482
Net cash used in investing activities		(4,711,455)	(2,541,905)

The accompanying notes form an integral part of the interim condensed unaudited combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

INTERIM CONDENSED UNAUDITED COMBINED STATEMENT OF CASH FLOWS
Six months from 1 July 2018 to 31 December 2018 (cont'd)

	Note	Unaudited Six-month period ended 31 December 2018	2017
		AUD	AUD
Cash flows from financing activities			
Proceeds from borrowings		730,926	186,836
Repayment of borrowings		(473,254)	(237,398)
Repayment to shareholders/related parties		(1,347,908)	(301,249)
Dividends paid to shareholders		(238,000)	(674,000)
Dividends paid to non-controlling interests		(360,000)	(300,000)
Interest paid		(72,660)	(63,832)
Increase in fixed deposits pledged		(680,105)	(302,877)
Net cash used in financing activities		(2,441,001)	(1,692,520)
Net (decrease)/increase in cash and cash equivalents		(2,381,273)	294,926
Cash and cash equivalents at beginning of the financial period		7,428,815	1,558,609
Effects of currency translation on cash and cash equivalents		9,077	–
Cash and cash equivalents at end of the financial period		5,056,619	1,853,535

For the purpose of presenting the interim condensed unaudited combined statement of cash flows, the combined cash and cash equivalents comprise the following:

Cash and bank balances	21	5,298,358	2,048,605
Less: Bank overdrafts	24	(241,739)	(195,070)
Cash and cash equivalents per interim condensed unaudited combined statement of cash flows		5,056,619	1,853,535

The accompanying notes form an integral part of the interim condensed unaudited combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED UNAUDITED COMBINED FINANCIAL STATEMENTS
For the six-month period ended 31 December 2018

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

1 Corporate information

ST Group Food Industries Holdings Pte. Ltd. (the "Company") (Co. Reg. No. 201801590R) was incorporated in Singapore on 11 January 2018 as a private limited company. On 10 June 2019, the Company was converted into a public company limited by shares and changed its name to ST Group Food Industries Holdings Limited.

The registered office and principal place of business of the Company is at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 12 to the interim condensed unaudited combined financial statements.

In preparation for the proposed listing of the Company on the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Company underwent a restructuring exercise to streamline and rationalise the group structure which are disclosed in the audited combined financial statements for the financial years ended 30 June 2016, 2017 and 2018.

These interim condensed unaudited combined financial statements have been prepared solely for inclusion in the Offer Document of the Company dated 26 June 2019 in connection with the proposed listing of the Company on the Catalist Board of Singapore Exchange Securities Trading Limited.

The interim condensed unaudited combined financial statements for the Group for the six months ended 31 December 2018 were authorised for issue by the Board of Directors on 26 June 2019.

2 Summary of significant accounting policies

(a) Basis of preparation

The interim condensed unaudited combined financial statements for the six months ended 31 December 2018 have been prepared in accordance with Singapore Financial Reporting Standard (International) 1-34 Interim Financial Reporting ("SFRS(I) 1-34").

The interim condensed unaudited combined financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited combined financial statements for the financial years ended 30 June 2016, 2017 and 2018.

The interim condensed unaudited combined financial statements are presented in Australian dollar ("AUD").

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED UNAUDITED COMBINED FINANCIAL STATEMENTS
For the six-month period ended 31 December 2018

2 Summary of significant accounting policies (cont'd)

(b) **Full convergence with International Financial Reporting Standards (IFRS) and adoption of new standards**

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group has adopted the new financial reporting framework on 1 July 2018 with transition date of 1 July 2017.

An assessment has been made with respect to the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1. There is no impact on the financial statements of the Group arising from the assessment on the adoption of SFRS(I). Accordingly, the Group has not presented interim condensed unaudited combined statement of financial position as at 1 July 2017, which is the date of transition to SFRS(I).

The accounting policies adopted in the preparation of the interim condensed unaudited combined financial statements are consistent with those followed in the preparation of the Group's annual combined financial statements for the financial year ended 30 June 2018, except for the adoption of SFRS(I) 15 and SFRS(I) 9 effective as of 1 January 2018. The adoption of these standards did not have any significant effect on the financial performance or positions of the Group other than the change of presentation on due from customers for contract work-in-progress to contract assets, due to customers for contract work-in-progress and deferred income to contract liabilities and reclassifications of available-for sale financial assets to financial assets at fair value through other comprehensive income.

(c) **Standards issued but not yet effective**

The Group has not adopted the following standard that has been issued but not yet effective that may be relevant to the Group:

Description	Effective for annual periods beginning on or after
SFRS(I) 16 Leases	1 January 2019

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED UNAUDITED COMBINED FINANCIAL STATEMENTS
For the six-month period ended 31 December 2018

2 Summary of significant accounting policies (cont'd)

(c) **Standards issued but not yet effective (cont'd)**

The nature of the impending changes in accounting policy on adoption of SFRS(I) 16 are described below.

SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on the statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets, total liabilities and earnings before interest, taxes, depreciation and amortisation ("EBITDA").

(d) **Critical accounting judgements and key sources of estimation uncertainty**

The critical judgements and key sources of estimation uncertainty made by the management remains unchanged from audited combined financial statements for the financial years ended 30 June 2016, 2017 and 2018.

3 Revenue

	Unaudited Six-month period ended 31 December	
	2018	**2017**
	AUD	**AUD**
Food and beverage retails	16,954,011	11,093,535
Supply chain	4,355,313	4,300,978
Franchise – Franchise fees and royalty income	1,847,973	1,318,850
Franchise – Project income	1,619,383	1,325,517
Others – Dartslive machine revenue	173,932	212,170
	24,950,612	18,251,050

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED UNAUDITED COMBINED FINANCIAL STATEMENTS
For the six-month period ended 31 December 2018

4 Other income

	Unaudited Six-month period ended 31 December	
	2018	2017
	AUD	AUD
Management fees		
– related parties (Note 27)	10,751	86,192
– third parties	58,261	25,250
Interest income		
– bank	30,302	5,482
Fair value gain on re-measurement of pre-existing equity interest in a subsidiary (Note 12(b))	73,266	–
Rental income		
– related parties (Note 27)	–	6,511
– third parties	106,012	–
Rebates from suppliers	419,293	280,714
Training income	43,000	43,200
Miscellaneous income	136,642	67,157
	877,527	514,506

5 Staff costs

	Unaudited Six-month period ended 31 December	
	2018	2017
	AUD	AUD
Wages and salaries	6,760,116	4,482,630
Contributions to defined contribution plan	578,973	366,041
Other benefits	360,995	276,834
	7,700,084	5,125,505

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED UNAUDITED COMBINED FINANCIAL STATEMENTS
For the six-month period ended 31 December 2018

6 Finance costs

	Unaudited Six-month period ended 31 December	
	2018	2017
	AUD	AUD
Interest expense		
– finance leases	56,819	31,291
– bank loans	15,841	27,372
– others	15,924	5,169
	88,584	63,832

7 Other expenses

	Unaudited Six-month period ended 31 December	
	2018	2017
	AUD	AUD
Included in other expenses are:		
Accounting fee	84,068	41,390
Advertising and marketing expense	183,826	186,719
Cleaning expenses	121,372	80,205
Consultancy and legal fees	1,562	18,371
Foreign exchange gain	(87,177)	(1,873)
Insurance expenses	32,327	83,358
Warehouse and outlet supplies	133,534	154,160
Professional fees	238,384	60,974
Management fee expense	497,533	419,627
Network service fees	65,600	70,600
Property, plant and equipment written off (Note 10)	192,819	104,540
Repair and maintenance	112,440	48,320
Royalty fees	409,987	263,702
Transport	53,812	46,013
Travel and accommodation expenses	130,214	112,402
Utilities	369,037	215,723

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED UNAUDITED COMBINED FINANCIAL STATEMENTS
For the six-month period ended 31 December 2018

8 Tax expense

	Unaudited Six-month period ended 31 December	
	2018	**2017**
	AUD	**AUD**
Tax expense attributable to profits is made up of:		
Current year		
– Income tax	1,483,510	978,596
– Deferred tax	(282,028)	11,707
Over provision in respect of previous financial periods		
– Income tax	(76,222)	(55,562)
– Deferred tax	(6,740)	(36,193)
Withholding tax	8,216	–
	1,126,736	898,548

The income tax expense on the results of the financial period ended 31 December 2018 differs from the amount of income tax determined by applying the Australia statutory rate of income tax due to the following factors:

	Unaudited Six-month period ended 31 December	
	2018	**2017**
	AUD	**AUD**
Profit before tax	3,894,838	3,082,065
Tax calculated at a tax rate of 30% (2017: 30%)	1,168,451	924,620
Effect of different tax rates in other countries	25,265	4,150
Expenses not deductible for tax purposes	39,092	41,118
Over provision of taxation in prior periods	(82,962)	(91,755)
Others	(23,110)	20,415
	1,126,736	898,548

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED UNAUDITED COMBINED FINANCIAL STATEMENTS
For the six-month period ended 31 December 2018

9 Earnings per share

For illustrative purposes, the basic earnings per share is calculated based on the net profit attributable to equity holders of the Company for the six-months financial periods ended 31 December 2018 and 2017 and pre-invitation shares of 209,000,000.

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

10 Property, plant and equipment

	Machinery and equipment	Furniture and fittings	Office equipment	Motor vehicles	Renovation	Total
	AUD	AUD	AUD	AUD	AUD	AUD
(Unaudited)						
31 December 2018						
Cost						
At 1 July 2018	3,762,746	3,490,634	294,313	133,862	5,780,650	13,462,205
Additions	881,470	1,145,089	19,741	20,000	1,973,715	4,040,015
Acquisition of subsidiaries	22,514	–	5,277	5,146	791,017	823,954
Reclassification	(30,271)	–	(1,572)	–	–	(31,843)
Write-off	(33,246)	–	–	(3,640)	(237,359)	(274,245)
Currency translation differences	15,553	2,923	571	1,139	57,822	78,008
At 31 December 2018	4,618,766	4,638,646	318,330	156,507	8,365,845	18,098,094
Accumulated depreciation						
At 1 July 2018	1,414,010	673,672	158,691	42,182	1,236,615	3,525,170
Depreciation charge	278,849	246,969	16,763	12,844	504,189	1,059,614
Reclassification	(5,902)	–	(1,572)	–	–	(7,474)
Write-off	(17,405)	–	–	(1,738)	(62,283)	(81,426)
Currency translation differences	13,734	154	79	113	6,342	20,422
At 31 December 2018	1,683,286	920,795	173,961	53,401	1,684,863	4,516,306
Net carrying value						
At 31 December 2018	**2,935,480**	**3,717,851**	**144,369**	**103,106**	**6,680,982**	**13,581,788**

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

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10 Property, plant and equipment (cont'd)

	Machinery and equipment	Furniture and fittings	Office equipment	Motor vehicles	Renovation	Total
	AUD	AUD	AUD	AUD	AUD	AUD
(Audited)						
30 June 2018						
Cost						
At 1 July 2017	2,940,269	1,888,037	273,916	66,462	4,430,854	9,599,538
Additions	1,073,371	2,107,076	20,580	66,961	1,620,309	4,888,297
Disposal of a Group-owned store	(157,982)	–	–	–	(269,737)	(427,719)
Write-off	(101,508)	(507,863)	(453)	–	–	(609,824)
Currency translation differences	8,596	3,384	270	439	(776)	11,913
At 30 June 2018	3,762,746	3,490,634	294,313	133,862	5,780,650	13,462,205
Accumulated depreciation						
At 1 July 2017	1,071,798	783,793	126,165	30,135	635,319	2,647,210
Depreciation charge	469,751	317,629	32,918	12,019	684,636	1,516,953
Disposal of a Group-owned store	(50,514)	–	–	–	(82,300)	(132,814)
Write-off	(76,893)	(427,938)	(453)	–	–	(505,284)
Currency translation differences	(132)	188	61	28	(1,040)	(895)
At 30 June 2018	1,414,010	673,672	158,691	42,182	1,236,615	3,525,170
Net carrying value						
At 30 June 2018	2,348,736	2,816,962	135,622	91,680	4,544,035	9,937,035

(a) During the period, the Group acquired property, plant and equipment with an aggregate cost of AUD4,040,015 (30 June 2018: AUD4,888,297) of which AUD392,050 (30 June 2018: AUD747,126) was acquired by means of finance lease. Cash payments of AUD3,647,965 (30 June 2018: AUD4,141,171) were made to purchase property, plant and equipment.

The net carrying value of property, plant and equipment held under finance lease agreements at the end of the reporting period was AUD1,670,811 (30 June 2018: AUD1,386,810) (Note 24).

(b) Bank borrowings and overdrafts are secured on property, plant and equipment of the Group with a net carrying value of AUD9,984,014 (30 June 2018: AUD7,252,993).

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11 Intangible assets

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Goodwill arising on business combination (Note (a))	945,937	–
Franchise rights (Note (b))	2,729,275	1,965,615
	3,675,212	1,965,615

(a) Goodwill arising on business combination

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Cost		
At beginning of period/year	–	–
Acquisition of subsidiaries	945,937	–
At end of period/year	945,937	–
Accumulated impairment		
At beginning and end of period/year	–	–
Net carrying value	945,937	–

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11 Intangible assets (cont'd)

(b) Franchise rights

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Cost		
At beginning of period/year	2,198,423	933,896
Additions	886,010	1,264,303
Write-off	–	(4,796)
Currency translation differences	5,644	5,020
At end of period/year	3,090,077	2,198,423
Accumulated amortisation		
At beginning of period/year	232,808	143,461
Amortisation charge for the period/year	126,094	88,797
Currency translation differences	1,900	550
At end of period/year	360,802	232,808
Net carrying value		
At end of period/year	2,729,275	1,965,615

Franchise rights have remaining useful lives of 3 to 29 years (30 June 2018: 4 to 16 years) as at respective end of the reporting periods.

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12 Investment in subsidiaries

Following completion of the Restructuring Exercise as described in Note 2 to the Group's audited combined financial statements for the financial years ended 30 June 2016, 2017 and 2018, details of the Company's subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal business activities	Effective equity interest	
			31 December 2018	30 June 2018
			%	%
Subsidiaries held by the Company				
STG Food Industries Pty Ltd[2]	Australia	Investment holding	100	100
STG Confectionery Pty Ltd[3]	Australia	Investment holding	100	100
STG Food Industries 3 Pty Ltd[3]	Australia	Investment holding	100	100
STG Food Industries Malaysia Sdn Bhd[4]	Malaysia	Investment holding	100	100
STG Food Industries 5 Pty Ltd[3]	Australia	Investment holding	100	100
STG Beverage (NZ) Pty Ltd[3]	Australia	Investment holding	100	100
STG Entertainment Pty Ltd[3]	Australia	Investment holding	100	100
STG Confectionery 2 Pty Ltd[3]	Australia	Investment holding	100	100
GC (England) Pte. Ltd.[1]	Singapore	Investment holding	55	55
Subsidiaries held by STG Food Industries Pty Ltd				
Papparich Australia Pty Ltd[2]	Australia	Trading and management of sub-franchisees	50	50
Papparich Outlets Pty Ltd[2][5]	Australia	Investment holding	100	100
Subsidiaries held by Papparich Australia Pty Ltd				
Papparich Central (Melbourne) Pty Ltd[2]	Australia	Processing, sale and distribution of foods and supplies	50	50
PPR Co Outlet Pty Ltd[2]	Australia	Operator of restaurants	50	50
Malaysian Fine Foods Pty Ltd[2]	Australia	Operator of restaurants	50	50
PPR UEXP Pty Ltd[2][10]	Australia	Operator of restaurants	50	–

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12 Investment in subsidiaries (cont'd)

Name of subsidiary	Country of incorporation	Principal business activities	Effective equity interest	
			31 December 2018	30 June 2018
			%	%
Subsidiary held by PPR Co Outlet Pty Ltd				
Delicious Foodcraft Pty Ltd[(2)(6)]	Australia	Operator of restaurants	10	10
Subsidiaries held by Papparich Outlets Pty Ltd				
Delicious Foodcraft Pty Ltd[(2)(6)]	Australia	Operator of restaurants	80	80
Oldtown QV (Aust) Pty Ltd[(2)]	Australia	Operator of restaurants	100	100
PPR Ryde (NSW) Pty Ltd[(2)(7)]	Australia	Operator of restaurants	100	–
Subsidiary held by STG Confectionery Pty Ltd				
HBCT (Aust) Pty Ltd[(3)]	Australia	Trading and management of sub-franchisees	100	100
Subsidiaries held by HBCT (Aust) Pty Ltd				
HBCT Marketing Pty Ltd[(3)]	Australia	Management of marketing funds	100	100
HBCT Co Outlets Pty Ltd[(3)]	Australia	Operator of food and beverage outlets	100	100
Subsidiaries held by HBCT Co Outlets Pty Ltd				
HBCT (NSW) Co Pty Ltd[(3)]	Australia	Operator of food and beverage outlets	100	100
HBCT (WA) Pty Ltd[(3)]	Australia	Operator of food and beverage outlets	100	100
JCT (Doncaster) Pty Ltd[(3)]	Australia	Operator of food and beverage outlets	100	100

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12 Investment in subsidiaries (cont'd)

Name of subsidiary	Country of incorporation	Principal business activities	Effective equity interest	
			31 December 2018	30 June 2018
			%	%
Subsidiaries held by HBCT Co Outlets Pty Ltd				
JCT (ACT) Pty Ltd[3][8]	Australia	Dormant	100	100
JCT (Chadstone) Pty Ltd[3][9]	Australia	Operator of food and beverage outlets	100	32
JCT Queensland Pty Ltd[3][8]	Australia	Operator of food and beverage outlets	100	100
Subsidiary held by STG Food Industries 3 Pty Ltd				
NeNe Chicken (Australia) Pty Ltd[3]	Australia	Trading and management of sub-franchisees	100	100
Subsidiaries held by NeNe Chicken (Australia) Pty Ltd				
NN MC Pty Ltd[3]	Australia	Operator of food and beverage outlets	100	100
NN BH Pty Ltd[3]	Australia	Operator of food and beverage outlets	100	100
Subsidiary held by STG Food Industries Malaysia Sdn Bhd				
TGR Food Industries Sdn. Bhd.[4]	Malaysia	Investment holding	51	51
Subsidiary held by TGR Food Industries Sdn Bhd				
NNC Food Industries Malaysia Sdn. Bhd.[4]	Malaysia	Operator of restaurants	43	43
Subsidiary held by NNC Food Industries Malaysia Sdn. Bhd.				
NNC F&B Restaurants Sdn. Bhd.[4]	Malaysia	Operator of restaurants	43	43

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12 Investment in subsidiaries (cont'd)

Name of subsidiary	Country of incorporation	Principal business activities	Effective equity interest	
			31 December 2018	30 June 2018
			%	%
Subsidiary held by NNC F&B Restaurants Sdn Bhd				
NNC Restaurants Damansara Sdn. Bhd.[4]	Malaysia	Operator of restaurants	30	30
NNC Food City Sdn. Bhd.[4]	Malaysia	Dormant	43	43
NNC Food Avenue Sdn. Bhd.[4]	Malaysia	Dormant	43	43
Subsidiaries held by STG Food Industries 5 Pty Ltd				
IPR (WA) Pty Ltd[3]	Australia	Operator of food and beverage outlets	51	51
IPR (NZ) Pty Ltd[3][5]	New Zealand	Dormant	51	51
Subsidiary held by STG Beverage (NZ) Pty Ltd				
GCHA (NZ) Pty Ltd[3]	Australia	Investment holding	100	100
Subsidiary held by GCHA (NZ) Pty Ltd				
Gongcha Limited[3]	New Zealand	Operator of food and beverage outlets	100	100
Subsidiary held by Gongcha Limited				
JCT Auckland Limited[3]	New Zealand	Operator of food and beverage outlets	100	100
Subsidiary held by STG Entertainment Pty Ltd				
iDarts Australia Pty Ltd[3]	Australia	Trading and management of sub-franchisees	100	100

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12 Investment in subsidiaries (cont'd)

Name of subsidiary	Country of incorporation	Principal business activities	Effective equity interest	
			31 December 2018	30 June 2018
			%	%
Subsidiary held by iDarts Australia Pty Ltd				
BPC Australia Pty Ltd[3]	Australia	Trading and management of sub-franchisees	55	55
Dartslive Australia Pty Ltd	Australia	Dormant	100	100
Subsidiary held by STG Confectionery 2 Pty Ltd				
Pafu Australia Pty Ltd[3]	Australia	Trading and management of sub-franchisees	100	100
Pafu IP Holdings Pte. Ltd.[1]	Singapore	Investment holding	83	83
Subsidiary held by Pafu Australia Pty Ltd				
Pafu Co Outlets Pty Ltd[3]	Australia	Operator of food and beverage outlets	100	100

(1) Not required to be audited in the country of incorporation. Exempted from audit as company is dormant during the financial period

(2) Reviewed by Crowe Horwath Australasia in Australia for the purpose of preparation of the Group's combined financial statements

(3) Reviewed by independent overseas member firm of Baker Tilly International in Australia for the purpose of preparation of the Group's combined financial statements

(4) Reviewed by Baker Tilly Monteiro Heng in Malaysia

(5) Incorporated on 26 June 2018

(6) Restructuring was completed on 10 September 2018 and it becomes a 80% owned subsidiary of Papparich Outlets Pty Ltd

(7) Acquired on 10 September 2018

(8) Incorporated on 18 August 2017

(9) The Groups holds 32% ownership interest in financial year 2018 and accounts for it as an associate (Note 13)

(10) Incorporated on 23 November 2018

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

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12 Investment in subsidiaries (cont'd)

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

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

Name of subsidiary	Principal place of business/Country of incorporation	Ownership interests held by NCI
31 December 2018		
Papparich Australia Pty Ltd	Australia	50%
30 June 2018		
Papparich Australia Pty Ltd	Australia	50%

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

Summarised Consolidated Statements of Financial Position

	Papparich Australia Pty Ltd	
	31 December 2018	30 June 2018
	AUD	AUD
Non-current assets	5,419,376	4,285,461
Current assets	3,519,762	3,993,818
Non-current liabilities	(1,123,473)	(594,409)
Current liabilities	(2,755,302)	(3,455,240)
Net assets	5,060,363	4,229,630
Net asset attributable to NCI	2,628,921	2,148,362

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12 Investment in subsidiaries (cont'd)

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

Summarised Consolidated Statements of Comprehensive Income

	Papparich Australia Pty Ltd	
	31 December 2018	31 December 2017
	AUD	AUD
Revenue	7,968,330	7,481,801
Profit before tax	2,057,817	1,721,191
Income tax expense	(527,083)	(441,749)
Profit and total comprehensive income	1,530,734	1,279,442
Profit allocated to NCI	765,367	643,631
Dividends paid to NCI	360,000	400,000

Summarised Cash Flows

	Papparich Australia Pty Ltd	
	31 December 2018	31 December 2017
Cash flows generated from operating activities	1,960,417	1,250,118
Cash flows used in investing activities	(1,380,315)	(384,270)
Cash flows used in financing activities	(474,381)	(828,060)
Net increase in cash and cash equivalents	105,721	37,788

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12 Investment in subsidiaries (cont'd)

(b) Acquisition of subsidiaries

Acquisition of PPR Ryde (NSW) Pty Ltd

On 3 August 2018 and 10 September 2018, the Group's subsidiary, Papparich Outlets Pty Ltd acquired 37% and 63% respectively of the issued share capital of PPR Ryde (NSW) Pty Ltd ("PPR Ryde") for AUD1,223,113. The Group acquired PPR Ryde in order to enhance the scale of the Group's existing networks in Australia and to add geographical diversification to new regions.

Acquisition-date consideration transferred

	AUD
Cash paid	452,140
Non-cash consideration	770,973
Total consideration transferred	1,223,113

Fair values of identifiable assets and liabilities of subsidiary at acquisition date

	AUD
Property, plant and equipment	656,841
Deferred tax asset	31,967
Inventories	16,988
Trade and other receivables	23,866
Cash and cash equivalents	199,214
Trade and other payables	(293,969)
Tax payables	(137,577)
Total identifiable net assets at fair value	497,330
Goodwill	725,783
Total consideration transferred	1,223,113

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12 Investment in subsidiaries (cont'd)

(b) Acquisition of subsidiaries (cont'd)

Acquisition of PPR Ryde (NSW) Pty Ltd (cont'd)

Effect on cash flows of the Group

	AUD
Total consideration for 100% equity interest acquired	1,223,113
Less: Non-cash consideration[(1)]	(770,973)
Consideration settled in cash	452,140
Less: Cash and cash equivalents of subsidiary acquired	(199,214)
Net cash outflow on acquisition	252,926

(1) The non-cash consideration for the acquisition was determined in the form of 1,091 issued and paid-up ordinary shares of STG Food Industries Pty Ltd ("STGFI") at AUD706.67 per share, representing the fair value of the equity of STGFI measured using the market approach based on maintainable earnings at a multiple derived from mergers and acquisition data. In using the mergers and acquisition data, a review was undertaken of recent transactions of market comparable businesses from which the implied earnings multiples are calculated. The estimate is adjusted for the net debt and non-controlling interest's share of STGFI group. The fair value is in Level 2 of the fair value hierarchy.

Goodwill

The goodwill arising from the acquisition of AUD725,783 is attributable to additional and recurring revenue streams expected from the acquisition of PPR Ryde.

Revenue and profit contribution

The acquired subsidiary contributed revenues of AUD1,035,613 and net profit of AUD35,545 to the Group for the period from 10 September 2018 to 31 December 2018. If the acquisition had occurred on 1 July 2018, the Group revenue would have been AUD26,650,526 and total profit would have been AUD2,965,835.

Acquisition of JCT (Chadstone) Pty Ltd

On 10 September 2018, the Group's subsidiary, HBCT Co Outlets Pty Ltd acquired an additional 68% equity interest in its 32% owned associate, JCT (Chadstone) Pty Ltd. Upon the acquisition, JCT (Chadstone) Pty Ltd became a subsidiary of the Group.

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12 Investment in subsidiaries (cont'd)

(b) Acquisition of subsidiaries (cont'd)

Acquisition of JCT (Chadstone) Pty Ltd (cont'd)

The Group has acquired JCT (Chadstone) Pty Ltd in order to enhance the scale of the Group's existing networks in Australia.

Acquisition-date consideration transferred

	AUD
Non-cash consideration transferred	200,883

Fair values of identifiable assets and liabilities of subsidiary at acquisition date

	AUD
Property, plant and equipment	167,113
Deferred tax asset	10,394
Inventories	4,281
Trade and other receivables	1,051
Cash and cash equivalents	53,456
Borrowings	(27,579)
Trade and other payables	(49,018)
Tax payables	(84,436)
Total identifiable net assets at fair value	75,262
Goodwill	220,154
Fair value of previously held 32% interest	(94,533)
Total consideration transferred	200,883

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12 Investment in subsidiaries (cont'd)

(b) Acquisition of subsidiaries (cont'd)

Acquisition of JCT (Chadstone) Pty Ltd (cont'd)

Effect on cash flows of the Group

	AUD
Total consideration for 68% equity interest acquired	200,883
Less: Non-cash consideration[(1)]	(200,883)
Consideration settled in cash	–
Add: Cash and cash equivalents of subsidiary acquired	53,456
Net cash inflow on acquisition	53,456

(1) The non-cash consideration for the acquisition was determined in the form of 2,169 issued and paid-up ordinary shares of STG Confectionery Pty Ltd ("STG Confectionery") at AUD92.62 per share, representing the fair value of the equity of STG Confectionery measured using the market approach based on maintainable earnings at a multiple derived from mergers and acquisition data. In using the mergers and acquisition data, a review was undertaken of recent transactions of market comparable businesses from which the implied earnings multiples are calculated. The estimate is adjusted for the net debt of STG Confectionery group. The fair value is in Level 2 of the fair value hierarchy.

Goodwill

The goodwill arising from the acquisition of AUD220,154 is attributable to additional and recurring revenue streams expected from the acquisition of JCT (Chadstone) Pty Ltd.

Gain on remeasuring previously held equity interest in JCT (Chadstone) Pty Ltd to fair value at acquisition date

The Group recognised a gain of AUD73,266 as a result of measuring at fair value its 32% equity interest in JCT (Chadstone) Pty Ltd held before the business combination in the Group's profit or loss for the period ended 31 December 2018.

Revenue and profit contribution

The acquired subsidiary contributed revenues of AUD186,711 and net profit of AUD2,154 to the Group for the period from 10 September 2018 to 31 December 2018. If the acquisition had occurred on 1 July 2018, the Group revenue would have been AUD25,079,709 and total profit would have been AUD2,778,287.

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13 Investment in an associated company

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

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Carrying amount:		
JCT (Chadstone) Pty Ltd	–	21,267

On 10 September 2018, the Group acquired the remaining 68% equity interest in JCT (Chadstone) Pty Ltd., which became a wholly-owned subsidiary of the Group (Note 12(b)).

14 Available-for-sale financial assets

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Unquoted equity shares, at cost	–	110,150

The investment in unquoted investments as at 30 June 2018 represents 25% equity shares of PPR Cockburn Pty Ltd ("PPR Cockburn"), a company incorporated in Western Australia. The cost approximated its fair value as at 30 June 2018.

15 Financial assets at fair value through other comprehensive income

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Non-current asset		
Equity investments designated at FVOCI		
Unquoted equity shares	110,150	–

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15 Financial assets at fair value through other comprehensive income (cont'd)

Unquoted equity shares represent 25% interest in a company, PPR Cockburn in Western Australia which is engaged in operating of food and beverage outlet. This investment in equity shares is not held for trading. Accordingly, management has elected to designate this investment in equity shares at fair value through other comprehensive income. It is the Group's strategy to hold this investment for long-term purposes.

Subsequent to the financial period ended 31 December 2018, the Group disposed 5% equity interest to the major shareholder of PPR Cockburn for AUD30,000.

The fair values of the unquoted equity shares are determined based on recent transacted prices of the investee company's equity as well as internal and external changes in the business and market environment that the investee operates in. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

16 Deferred tax asset

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movements in the deferred tax account are as follows:

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Balance at beginning of the period/year	999,805	657,671
Acquisition of subsidiaries	42,361	–
Tax credit to profit or loss (Note 8)	288,768	342,265
Currency translation differences	3,679	(131)
Balance at end of the period/year	1,334,613	999,805

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16 Deferred tax asset (cont'd)

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

	Provisions	Contract liabilities	Lease incentives and straight-line lease liability	Tax losses	Others	Total
	AUD	AUD	AUD	AUD	AUD	AUD
(Unaudited)						
31 December 2018						
As at 1 July 2018 (Audited)	249,658	220,027	471,945	30,443	27,732	999,805
Acquisition of subsidiaries	26,577	–	–	–	15,784	42,361
(Charged)/credited to profit or loss for the period	(39,653)	151,140	116,030	32,767	28,484	288,768
Currency translation differences	1,559	1,987	–	–	133	3,679
At 31 December 2018 (Unaudited)	238,141	373,154	587,975	63,210	72,133	1,334,613
(Audited)						
30 June 2018						
At 1 July 2017 (Audited)	160,209	322,093	125,124	24,428	25,817	657,671
Credited/(charged) to profit or loss for the year	89,449	(102,066)	346,952	6,015	1,915	342,265
Currency translation differences	–	–	(131)	–	–	(131)
At 30 June 2018 (Audited)	249,658	220,027	471,945	30,443	27,732	999,805

At the end of the reporting period, the Group has unutilised tax losses of AUD158,000 (30 June 2018: AUD68,000) that are available for carry forward to offset against future taxable income subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. Deferred tax asset has been recognised in respect of such losses.

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17 Restricted cash

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Term deposits (pledged)	1,691,725	1,011,620

Term deposits are pledged to financial institutions for obtaining bank guarantees given to landlords of leased premises during the terms of the lease periods. The interest rates of term deposits at 31 December 2018 range from 0.5% to 3.45% (30 June 2018: 1.37% to 3.25%) per annum.

18 Contract assets and contract liabilities

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

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

	Unaudited 31 December 2018	Unaudited 1 July 2018
	AUD	AUD
Contract assets	5,940	–
Contract liabilities		
– Current	495,000	653,475
– Non-current	1,100,232	606,910
	1,595,232	1,260,385

Upon adoption of SFRS(I) 15, contract liabilities as at 1 July 2018 were reclassified from deferred income included under trade and other payables and due to customers for contract work-in-progress.

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18 Contract assets and contract liabilities (cont'd)

Significant changes in the contract liabilities balances during the financial period/year are as follows:

	Contract liabilities	
	Unaudited 31 December 2018	Unaudited 30 June 2018
	AUD	AUD
Revenue recognised that was included in the contract liability balance at the beginning of the period/year	179,819	263,701
Increase due to cash received excluding amounts recognised as revenue during the period/year	844,728	438,166

19 Inventories

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Raw materials and consumables	1,065,600	855,740
Finished goods	773,749	567,081
	1,839,349	1,422,821

20 Trade and other receivables

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Non-current		
Refundable deposits	169,348	117,240
Deferred expenditure	150,488	140,580
	319,836	257,820

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20 Trade and other receivables (cont'd)

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Current		
Trade receivables		
– related parties	3,479	9,130
– third parties	2,421,568	2,518,703
Accrued income	133,014	42,000
Sundry deposits	185,303	154,911
Prepayments	307,681	306,876
Sundry receivables	102,263	445,660
Deferred expenditure	938,789	383,397
Other current assets	500,138	623,081
Amounts due from related parties	31,033	22,721
	4,623,268	4,506,479
	4,943,104	4,764,299

Amounts due from related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

21 Cash and bank balances

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Cash and bank balances	5,298,358	7,393,666
Fixed deposits	–	259,106
	5,298,358	7,652,772

As at 30 June 2018, fixed deposits are placed with banks and mature within 4 to 12 months after the end of the reporting period.

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22 Share capital

The Company was incorporated on 11 January 2018 with an initial share capital of SGD100 comprising 10,000 shares.

The share capital in the combined statements of financial position as at 31 December 2018 and 30 June 2018 represents the aggregate amounts of the share capital of the subsidiaries comprising STG Food Industries Pty Ltd, STG Confectionery Pty Ltd, STG Food Industries 3 Pty Ltd, STG Food Industries Malaysia Sdn Bhd, STG Food Industries 5 Pty Ltd, STG Beverage (NZ) Pty Ltd, STG Entertainment Pty Ltd, STG Confectionery 2 Pty Ltd, GC (England) Pte. Ltd. and the Company.

Pursuant to the Restructuring Exercise as described in Note 2(e) to the Group's audited combined financial statements for the financial years ended 30 June 2016, 2017 and 2018, the Purchasing Subsidiaries acquired the shareholding interests in certain Outlet Companies.

Upon the completion of the Restructuring Exercise, the Outlet Companies became wholly-owned subsidiaries of the Group.

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Ordinary shares	8,441,894	11,520
Non-redeemable convertible preference shares	7,176,221	6,689,421
	15,618,115	6,700,941

Ordinary shares

	Unaudited 31 December 2018	Audited 30 June 2018
	Number of ordinary shares	
Issued and paid up		
At beginning of period/year	1,002,024	1,561
Issue of shares	1,221,559	1,000,463
At end of period/year	2,223,583	1,002,024

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22 Share capital (cont'd)

Ordinary shares (cont'd)

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Issued and paid up		
At beginning of period/date of incorporation	11,520	1,560
Issue of shares	8,430,374	9,960
At end of period/year	8,441,894	11,520

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

Non-redeemable convertible preference shares

	Unaudited 31 December 2018	Audited 30 June 2018
	Number of non-redeemable convertible preference shares	
Issued and paid up		
At beginning of period/date of incorporation	6,755,737	–
Issue of shares	481,980	6,755,737
At end of period/year	7,237,717	6,755,737

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22 Share capital (cont'd)

Non-redeemable convertible preference shares (cont'd)

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Issued and paid up		
At beginning of period/date of incorporation	6,689,421	–
Issue of shares:		
– Series 1A non-redeemable convertible preference shares (Note 25)	486,800	4,469,037
– Series 1B non-redeemable convertible preference shares	–	2,354,257
Transaction costs	–	(133,873)
At end of period/year	7,176,221	6,689,421

The Series 1A and Series 1B non-redeemable convertible preference shares ("Series 1A and Series 1B RPSNRCPS") confer upon the holders the following rights:

(a) Dividends

Holders have the right to receive dividend distributions by the Company. The preferential dividend shall:

(i) be declared by the Directors at any time and from time to time and payable at such time as the Directors shall determine; and

(ii) be paid in priority to any dividend or distribution in favour of holders of any other classes of shares in the Company.

(b) Voting

The right to attend and vote at general meetings of the Company only upon the completion of the Restructuring Exercise and the Company has given written notice to the holders to that effect.

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22 Share capital (cont'd)

Non-redeemable convertible preference shares (cont'd)

(c) Conversion

Unless earlier converted, each Series 1A and Series 1B NRCPS will be automatically converted into one ordinary share or the holder with the prior written consent of the issuer at the issuer's discretion, may at any time, request that the issuer to convert all the NRCPS into ordinary share.

23 Other reserves

	Foreign currency translation reserve	Merger reserve	Capital reserve	Total
	AUD	AUD	AUD	AUD
(Unaudited)				
31 December 2018				
At 1 July 2018 (Audited)	(7,178)	(81,612)	(130,253)	(219,043)
Other comprehensive income	5,179	–	–	5,179
Adjustments pursuant to Restructuring Exercise	–	(7,447,736)	–	(7,447,736)
At 31 December 2018 (Unaudited)	(1,999)	(7,529,348)	(130,253)	(7,661,600)
(Audited)				
30 June 2018				
At 1 July 2017 (Audited)	(2,183)	(199,970)	–	(202,153)
Acquisition of non-controlling interests of subsidiaries	–	–	(130,253)	(130,253)
Pooling of interest	–	118,358	–	118,358
Other comprehensive income	(4,995)	–	–	(4,995)
At 30 June 2018 (Audited)	(7,178)	(81,612)	(130,253)	(219,043)

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23 Other reserves (cont'd)

Foreign currency translation reserve

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

Merger reserve

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

Capital reserve

Capital reserve represents the premium paid for acquisition of non-controlling interests in subsidiaries, HBCT (Aust) Pty Ltd and HBCT (WA) Pty Ltd.

24 Borrowings

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Non-current		
Bank loan 2 (secured)	347,519	–
Bank loan 3 (secured)	309,332	400,536
Bank loan 4 (secured)	240,104	–
Finance lease liabilities (secured)	1,012,508	926,385
	1,909,463	1,326,921
Current		
Bank overdrafts (secured)	241,739	223,957
Bank loan 1 (secured)	–	115,738
Bank loan 2 (secured)	149,565	306,459
Bank loan 3 (secured)	103,111	–
Bank loan 4 (secured)	183,456	–
Finance lease liabilities (secured)	485,301	376,303
	1,163,172	1,022,457
Total borrowings	3,072,635	2,349,378

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24 Borrowings (cont'd)

Terms and debt repayment schedule

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

	Interest rate per annum	Year of maturity	Carrying amount
	%		AUD
(Unaudited)			
At 31 December 2018			
Secured bank loans			
– Bank loans 2 – floating rate	6.68 – 6.88	2020 – 2022	497,084
– Bank loan 3 – floating rate	7.57	2023	412,443
– Bank loan 4 – floating rate	3.86	2022	423,560
			1,333,087
(Audited)			
At 30 June 2018			
Secured bank loans			
– Bank loan 1 – floating rate	10.63	2020	115,738
– Bank loans 2 – fixed rate	6.79 – 6.88	2020	306,459
– Bank loan 3 – floating rate	7.21	2023	400,536
			822,733

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

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24 Borrowings (cont'd)

Terms and debt repayment schedule (cont'd)

The secured bank overdrafts of the Group are secured over personal guarantees by certain directors of the Company and subsidiaries. Interest is payable at 8.25% to 9.95% (30 June 2018: 8.17% – 8.25%) per annum.

(a) **Fair values**

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

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

(b) **Finance lease liabilities**

	Minimum lease payments	Present value
	AUD	AUD
(Unaudited)		
31 December 2018		
Not later than one financial year	560,760	485,301
Later than one financial year but not later than five financial years	1,086,080	1,012,508
Total minimum lease payments	1,646,840	1,497,809
Less: Future finance charges	(149,031)	–
Present value of finance lease liabilities	1,497,809	1,497,809
Representing finance lease liabilities:		
Current	485,301	
Non-current	1,012,508	
	1,497,809	
Effective interest rates	5.35% – 5.79%	

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24 Borrowings (cont'd)

(b) **Finance lease liabilities (cont'd)**

	Minimum lease payments	Present value
	AUD	**AUD**
(Audited)		
30 June 2018		
Not later than one financial year	450,808	376,303
Later than one financial year but not later than five financial years	995,725	926,385
Total minimum lease payments	1,446,533	1,302,688
Less: Future finance charges	(143,845)	–
Present value of finance lease liabilities	1,302,688	1,302,688
Representing finance lease liabilities:		
Current	376,303	
Non-current	926,385	
	1,302,688	
Effective interest rates	4.76% – 5.83%	

The net carrying values of property, plant and equipment acquired under finance lease agreements are disclosed in Note 10.

Based on the discounted cash flow analysis using market interest rates for similar finance lease agreements at the end of the reporting period, the fair values of finance lease liabilities at the end of the reporting period approximate their carrying amounts as the market interest rate at the end of the reporting period is close to the effective interest rate of the Group's existing finance lease liabilities. This fair value measurement for disclosures purpose is categorised in Level 3 of the fair value hierarchy.

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24 Borrowings (cont'd)

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

	Bank loans	Finance lease liabilities	Amount due to shareholders/ related parties	Total
	AUD	AUD	AUD	AUD
(Unaudited)				
31 December 2018				
Balance at 1 July 2018 (Audited)	822,733	1,302,688	3,167,059	5,292,480
Acquisition of subsidiary	–	27,579	86,299	113,878
Changes from financing cash flows:				
– Proceeds	730,926	–	–	730,926
– Repayments	(248,747)	(224,507)	(1,347,908)	(1,821,162)
– Interest paid	(15,841)	(56,819)	–	(72,660)
Non-cash changes:				
– Interest expense	15,841	56,819	–	72,660
– New finance leases	–	392,050	–	392,050
Effect of changes in foreign exchange rates	28,175	–	–	28,175
Balance at 31 December 2018 (Unaudited)	1,333,087	1,497,810	1,905,450	4,736,347

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24 Borrowings (cont'd)

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

	Bank loans	Finance lease liabilities	Amount due to shareholders/ related parties	Total
	AUD	AUD	AUD	AUD
(Audited)				
30 June 2018				
Balance at 1 July 2017 (Audited)	591,583	1,011,625	3,297,958	4,901,166
Changes from financing cash flows:				
– Proceeds	400,536	–	–	400,536
– Repayments	(155,298)	(456,116)	(130,899)	(742,313)
– Interest paid	(39,838)	(44,288)	–	(84,126)
Non-cash changes:				
– Interest expense	56,414	57,563	–	113,977
– New finance leases	–	747,126	–	747,126
Effect of changes in foreign exchange rates	(30,664)	(13,222)	–	(43,886)
Balance at 30 June 2018 (Audited)	822,733	1,302,688	3,167,059	5,292,480

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25 Trade and other payables

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Non-current		
Lease incentives	1,356,087	1,025,897
Straight-line lease liability	373,365	394,319
Franchise deposits received	7,978	–
	1,737,430	1,420,216
Current		
Trade creditors – third parties	1,999,369	1,876,609
Other payables		
– third parties	2,005,046	2,091,691
– related parties	10,332	–
Deposits	39,148	68,729
Franchise deposits received	483,978	420,442
Dividends payable	–	8,000
Accrued operating expenses	1,244,431	730,581
Amounts due to shareholders/related parties (non-trade)	1,905,450	3,167,059
Marketing fund liability	63,782	49,922
Lease incentives	231,464	169,577
Straight-line lease liability	88,683	140,590
Subscription money received in advance (Note 22)	–	486,800
	8,071,683	9,210,000
	9,749,754	10,630,216

Amounts due to shareholders/related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

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26 Dividends paid

	Unaudited Six-month period ended 31 December	
	2018	2017
	AUD	AUD
Ordinary dividends:		
STG Food Industries Pty Ltd		
Interim single tier tax exempt dividend of AUD5,000 per share	–	400,000
Oldtown QV (Aust) Pty Ltd		
Interim single tier tax exempt dividend of AUD2,500 per share	–	250,000
Interim single tier tax exempt dividend of AUD2,000 per share	200,000	–
Delicious Foodcraft Pty Ltd		
Interim single tier tax exempt dividend of AUD400 per share	30,000	–
Dividends paid to equity holders of the Group	230,000	650,000
Papparich Australia Pty Ltd		
Interim single tier tax exempt dividend of AUD1.33 per share	200,000	–
Interim single tier tax exempt dividend of AUD1.00 per share	150,000	–
Interim single tier tax exempt dividend of AUD2.00 per share	–	300,000
Interim single tier tax exempt dividend of AUD0.67 per share	–	100,000
Delicious Foodcraft Pty Ltd		
Interim single tier tax exempt dividend of AUD400 per share	10,000	–
Dividends paid to non-controlling interest of the Group	360,000	400,000

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26 Dividends paid (cont'd)

The dividends have been declared to the existing shareholders prior to the Restructuring Exercise. The dividend per share is calculated based on the number of ordinary shares of the respective company in issue as at date of dividend declaration.

27 Related party transactions

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

	Unaudited Six-month period ended 31 December	
	2018	2017
	AUD	AUD
With other related parties		
Income		
Supply chain revenue	55,134	163,007
Franchise fees and royalty income	16,458	39,367
Rental income	–	6,511
Management fee income	10,751	86,192
Waiver of amounts due to shareholders/related parties (non-trade)	182,500	–
Expenses		
Purchases	49,100	–
Rental expense	296,680	263,975
Management fee expense	482,262	418,775

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

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27 Related party transactions (cont'd)

(b) Key management personnel compensation

Total key management personnel compensation is analysed as follows:

	Unaudited Six-month period ended 31 December	
	2018	2017
	AUD	AUD
Salaries, allowances, bonuses	95,535	105,796
Employer's contributions to defined contribution plan	7,156	7,288
	102,691	113,084

28 Capital commitments

(a) Capital commitments

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

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Capital commitments in respect of intangible assets	–	744,000

(b) Lease commitments

The Group has various operating lease agreements for offices, central kitchen, restaurants and retail outlet premises. These non-cancellable leases have remaining non-cancellable lease terms of between less than 3 years to 10 years (30 June 2018: 3 years to 10 years). Most leases contain renewable options. Some of the leases contain escalation clauses and provide for contingent rentals based on percentages of sales derived from the outlets. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

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28 Capital commitments (cont'd)

(b) Lease commitments (cont'd)

Included in the rental on operating leases is contingent rentals of AUD115,860 for the financial period ended 31 December 2018 (31 December 2017: AUD127,772).

Commitments in relation to non-cancellable operating leases contracted for at the end of the reporting period, but not recognised as liabilities, are as follows:

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	AUD
Not later than one financial year	5,165,391	3,796,787
Later than one financial year but not later than five financial years	18,064,927	13,204,883
Later than five financial years	3,516,914	3,300,467
	26,747,232	20,302,137

29 Financial instruments, financial risks and capital risks management

There has been no change in the financial risk management of the Group and the Group's overall capital risks management remains unchanged from the audited combined financial statements for the financial years ended 30 June 2016, 2017 and 2018.

30 Fair values of assets and liabilities

(a) ***Fair value hierarchy***

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

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

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

(c) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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30 Fair values of assets and liabilities (cont'd)

(b) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values as they are short-term in nature, market interest rate instruments, or fixed rate instruments whereby the fixed rates approximate market interest rates on or near the end of the reporting period.

(c) ***Determination of fair values***

Non-current borrowings

The basis of determining fair values for disclosure at the end of the reporting period is disclosed in Note 24 to the interim condensed unaudited combined financial statements.

31 Segment information

The Group is organised into business units based on its business segments purposes. The reportable segments are food and beverage retails, supply chain and franchise which are described below. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

(i) Food and beverage retails segment includes operations with respect to all franchise and Group-owned restaurants and stores.

(ii) The supply chain segment primarily includes the manufacturing, procurement and distribution of food, equipment and supplies to restaurants and stores from the Group's supply chain center operations in Australia.

(iii) The franchise segment primarily includes operations related to the Group's franchising business.

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31 Segment information (cont'd)

The segment information provided to the management for the reportable segments are as follows:

	Food and beverage retails	Supply chain	Franchise	Others	Eliminations	Consolidation total
	AUD	AUD	AUD	AUD	AUD	AUD
(Unaudited)						
Six-month period ended 31 December 2018						
Segment revenue						
Sales to external customers	16,954,011	4,355,313	3,467,356	173,932	–	24,950,612
Intersegment sales	–	2,715,270	650,677	–	(3,365,947)	–
Total revenue	16,954,011	7,070,583	4,118,033	173,932	(3,365,947)	24,950,612
Tax expense	(204,363)	(367,310)	(559,931)	4,868	–	(1,126,736)
Segment profit	525,421	823,001	1,554,914	(135,234)	–	2,768,102
Depreciation and amortisation	874,079	162,186	141,633	10,283	(2,473)	1,185,708
Property, plant and equipment written off	185,176	–	–	7,643	–	192,819
Segment assets	18,943,238	7,907,692	9,102,942	19,695,740	(23,997,315)	31,652,297
Unallocated assets						827,943
Total assets						32,480,240
Segment assets include:						
Additions to:						
– Property, plant and equipment	3,766,294	28,378	245,343	–	–	4,040,015
– Intangible assets	–	–	929,010	–	(43,000)	886,010
Segment liabilities	16,256,090	2,254,090	7,741,366	2,769,254	(14,102,602)	14,918,198
Unallocated liabilities						1,723,426
Total liabilities						16,641,624

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED UNAUDITED COMBINED FINANCIAL STATEMENTS
For the six-month period ended 31 December 2018

31 Segment information (cont'd)

	Food and beverage retails	Supply chain	Franchise	Others	Eliminations	Consolidation total
	AUD	AUD	AUD	AUD	AUD	AUD
(Unaudited)						
Six-month period ended 31 December 2017						
Segment revenue						
Sales to external customers	11,093,535	4,300,978	2,644,367	212,170	–	18,251,050
Intersegment sales	–	1,942,059	618,135	–	(2,560,194)	–
Total revenue	11,093,535	6,243,037	3,262,502	212,170	(2,560,194)	18,251,050
Tax expense	(144,631)	(445,412)	(317,534)	9,029	–	(898,548)
Segment profit	495,188	1,040,527	655,595	(7,793)	–	2,183,517
Depreciation and amortisation	488,575	157,378	44,979	16,327	–	707,259
Property, plant and equipment written off	104,540	–	–	–	–	104,540
Share of results of associates	6,998	–	–	–	–	6,998

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED UNAUDITED COMBINED FINANCIAL STATEMENTS
For the six-month period ended 31 December 2018

31 Segment information (cont'd)

	Food and beverage retails	Supply chain	Franchise	Others	Eliminations	Consolidation total
	AUD	AUD	AUD	AUD	AUD	AUD
(Audited)						
30 June 2018						
Segment assets	14,497,994	6,102,661	6,509,313	9,181,975	(9,223,566)	27,068,377
Unallocated assets						817,007
Total assets						27,885,384
Segment assets include:						
Investment in associated companies	131,267	–	–	–	–	131,267
Additions to:						
– Property, plant and equipment	4,436,498	376,008	48,880	26,911	–	4,888,297
– Intangible assets	–	–	1,264,303	–	–	1,264,303
Segment liabilities	13,360,872	1,873,139	4,932,354	3,729,471	(8,413,738)	15,482,098
Unallocated liabilities						217,390
Total liabilities						15,699,488

Segment results

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Sales between operating segments are on terms agreed by the group companies concerned.

Segment assets

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the interim condensed unaudited combined financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments other than the deferred tax asset, goods and services tax receivable and designated bank account for marketing fund of the respective master franchisee entity which are classified as unallocated assets.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED UNAUDITED COMBINED FINANCIAL STATEMENTS
For the six-month period ended 31 December 2018

31 Segment information (cont'd)

Segment liabilities

The amounts provided to the management with respect to total liabilities are measured in a manner consistent with that of the interim condensed unaudited combined financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than the current tax payable, goods and services tax payable of the respective master franchisee entity. These liabilities are classified as unallocated liabilities.

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Unaudited Six-month period ended 31 December	
	2018	**2017**
	AUD	**AUD**
Sales to external customers		
Australia	21,242,610	16,605,290
Malaysia	1,528,779	–
New Zealand	2,179,223	1,645,760
	24,950,612	18,251,050

	Unaudited 31 December 2018	Audited 30 June 2018
	AUD	**AUD**
Non-current assets		
Australia	14,515,140	10,119,087
Malaysia	1,247,138	888,265
New Zealand	1,645,210	1,057,145
	17,407,488	12,064,497

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED UNAUDITED COMBINED FINANCIAL STATEMENTS
For the six-month period ended 31 December 2018

31 Segment information (cont'd)

Geographical information (cont'd)

Non-current assets information presented above are non-current assets as presented on the interim condensed unaudited combined statements of financial position excluding deferred tax asset and financial instrument.

Information about major customers

Revenue of approximately AUD2,428,000 (31 December 2017: AUD2,705,000) are derived from a single external customer who individually contributed 10% or more of the Group's revenue and is attributable to the supply chain segment.

32 Subsequent events

The significant subsequent events are disclosed in Note 33 of the audited combined financial statements for the financial years ended 30 June 2016, 2017 and 2018.

33 Authorisation of interim condensed unaudited combined financial statements

The interim condensed unaudited combined financial statements for the six-month period ended 31 December 2018 were authorised in accordance with a resolution of the directors dated 26 June 2019.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED
(Co. Reg. No. 201801590R)
AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 AND SIX-MONTH PERIOD ENDED 31 DECEMBER 2018

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION OF ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 AND SIX-MONTH PERIOD ENDED 31 DECEMBER 2018

26 June 2019

The Board of Directors
ST Group Food Industries Holdings Limited
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Dear Sirs

Report on the Compilation of Unaudited Pro Forma Combined Financial Information

We have completed our assurance engagement to report on the compilation of unaudited pro forma combined financial information of ST Group Food Industries Holdings Limited (the "Company") and its subsidiaries (the "Group") by management. The unaudited pro forma combined financial information of the Group consists of the unaudited pro forma combined statements of financial position as at 30 June 2018 and 31 December 2018, the unaudited pro forma combined statements of comprehensive income and the unaudited pro forma combined statements of cash flows for the financial year ended 30 June 2018 and six-month period ended 31 December 2018 and related notes as set out on Appendix C of the Offer Document issued by the Group. The unaudited pro forma combined financial information of the Group has been prepared for illustrative purposes only and based on certain assumptions after making certain adjustments. The applicable criteria on the basis of which management of the Group has compiled the unaudited pro forma combined financial information are described in Explanatory Notes 3.

The unaudited pro forma combined financial information of the Group has been compiled by management to illustrate the impact of the events or transactions set out in Explanatory Notes 2 on:

(i) the unaudited pro forma combined financial positions of the Group as at 30 June 2018 and 31 December 2018 as if the events or transactions had occurred on 30 June 2018 and 31 December 2018 respectively;

(ii) the unaudited pro forma combined financial performance of the Group for the financial year ended 30 June 2018 and six-month period ended 31 December 2018 as if the events or transactions had occurred on 1 July 2017; and

(iii) the unaudited pro forma combined cash flows of the Group for the financial year ended 30 June 2018 and six-month period ended 31 December 2018 as if the events or transactions had occurred on 1 July 2017.

As part of this process, information about the Group's financial position, profit or loss and other comprehensive income and cash flows has been extracted by management from the Group's financial statements for the financial year ended 30 June 2018, on which an audit report has been published, and the Group's interim condensed unaudited consolidated financial statements for the six-month period ended 31 December 2018, on which a review report has been published.

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION OF ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 AND SIX-MONTH PERIOD ENDED 31 DECEMBER 2018 (cont'd)

Management's Responsibility for the Unaudited Pro Forma Combined Financial Information

Management is responsible for compiling the unaudited pro forma combined financial information of the Group on the basis of the applicable criteria as described in Explanatory Notes 3.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Singapore Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

Our responsibility is to express an opinion about whether the unaudited pro forma combined financial information of the Group has been compiled, in all material respects, by management on the basis as described in Explanatory Notes 3.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* ("SSAE 3420") issued by the Institute of Singapore Chartered Accountants. This standard requires that the auditor plan and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the unaudited pro forma combined financial information of the Group on the basis of the applicable criteria as described in Explanatory Notes 3.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma combined financial information of the Group, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma combined financial information of the Group.

The purpose of the unaudited pro forma combined financial information of the Group included in the Offer Document is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at the respective dates would have been as presented.

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION OF ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 AND SIX-MONTH PERIOD ENDED 31 DECEMBER 2018 (cont'd)

Auditor's Responsibilities (cont'd)

A reasonable assurance engagement to report on whether the unaudited pro forma combined financial information of the Group has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by management in the compilation of the unaudited pro forma combined financial information of the Group provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

(i) The related pro forma adjustments give appropriate effect to those criteria; and

(ii) The unaudited pro forma combined financial information of the Group reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgement, having regard to the auditor's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma combined financial information of the Group has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma combined financial information of the Group.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) The unaudited pro forma combined financial information of the Group has been compiled:

  (i) for the financial year ended 30 June 2018 in a manner consistent with the accounting policies adopted by the Group in its latest audited financial statements, which are in accordance with Financial Reporting Standards in Singapore ("FRSs");

  (ii) for the six-month period ended 31 December 2018 in a manner consistent with the accounting policies adopted by the Group in its latest reviewed financial statements, which are in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)");

  (iii) on the basis of the applicable criteria stated in Explanatory Notes 3 of the unaudited pro forma combined financial information of the Group; and

(b) Each material adjustment made to the information used in the preparation of the unaudited pro forma combined financial information of the Group is appropriate for the purpose of preparing such unaudited financial information.

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION OF ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 AND SIX-MONTH PERIOD ENDED 31 DECEMBER 2018 (cont'd)

Restriction of Use and Distribution

This report has been prepared solely to you for inclusion in the Offer Document in connection with the proposed listing of ST Group Food Industries Holdings Limited on Catalist, the sponsor supervised board of the Singapore Exchange Securities Trading Limited and for no other purpose.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

Partner in charge: Joshua Ong Kian Guan

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 30 June 2018

	Audited combined statement of comprehensive income	Unaudited pro forma adjustments	Unaudited pro forma combined statement of comprehensive income
	AUD	AUD	AUD
Revenue	36,478,590	(1,130,040)[(i)]	35,348,550
Other income	1,780,582	(89,109)[(i)]	1,691,473
Expenses			
Changes in inventories	275,595	–	275,595
Purchase of inventories	(10,004,136)	374,984[(i)]	(9,629,152)
Franchise restaurants and stores related establishment costs	(1,040,793)	–	(1,040,793)
Rental on operating leases	(3,852,479)	91,166[(i)]	(3,761,313)
Staff costs	(11,151,513)	378,260[(i)]	(10,773,253)
Depreciation expense	(1,516,953)	89,109[(i)]	(1,427,844)
Amortisation expense	(88,797)	–	(88,797)
Finance costs	(122,321)	–	(122,321)
Other expenses	(5,240,113)	78,850[(i)]	(5,161,263)
Share of results of associates	7,508	–	7,508
Profit before tax	5,525,170	(206,780)	5,318,390
Tax expense	(1,606,823)	56,848[(i)]	(1,549,975)
Profit for the year	3,918,347	(149,932)	3,768,415
Other comprehensive loss:			
Item that is or may be reclassified subsequently to profit or loss:			
Currency translation differences on consolidation	(4,995)	–	(4,995)
Total comprehensive income for the year	3,913,352	(149,932)	3,763,420
Profit attributable to:			
Equity holders of the Company	2,728,113	(74,966)[(i)]	2,653,147
Non-controlling interests	1,190,234	(74,966)[(i)]	1,115,268
Profit for the year	3,918,347	(149,932)	3,768,415
Total comprehensive income attributable to:			
Equity holders of the Company	2,723,118	(74,966)[(i)]	2,648,152
Non-controlling interests	1,190,234	(74,966)[(i)]	1,115,268
Total comprehensive income for the year	3,913,352	(149,932)	3,763,420
Earnings per share for profit attributable to equity holders of the Company (cents per share) – Basic and diluted	1.31	–	1.27

Notes to the pro forma adjustments:

The pro forma adjustments relate to:

(i) Remove the financial results contributed by the Group-owned store prior to the disposal in the financial year ended 30 June 2018.

The accompanying notes form an integral part of this unaudited pro forma combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF COMPREHENSIVE INCOME
Six months from 1 July 2018 to 31 December 2018

	Unaudited combined statement of comprehensive income	Unaudited pro forma adjustments	Unaudited pro forma combined statement of comprehensive income
	AUD	AUD	AUD
Revenue	24,950,612	–	24,950,612
Other income	877,527	–	877,527
Expenses			
Changes in inventories	416,529	–	416,529
Purchase of inventories	(6,760,819)	–	(6,760,819)
Franchise restaurants and stores related establishment costs	(1,061,512)	–	(1,061,512)
Rental on operating leases	(2,460,671)	–	(2,460,671)
Staff costs	(7,700,084)	–	(7,700,084)
Depreciation expense	(1,059,614)	–	(1,059,614)
Amortisation expense	(126,094)	–	(126,094)
Finance costs	(88,584)	–	(88,584)
Other expenses	(3,092,452)	–	(3,092,452)
Profit before tax	3,894,838	–	3,894,838
Tax expense	(1,126,736)	–	(1,126,736)
Profit for the year	2,768,102	–	2,768,102
Other comprehensive income:			
Item that is or may be reclassified subsequently to profit or loss:			
Currency translation differences on consolidation	5,179	–	5,179
Total comprehensive income for the period	2,773,281	–	2,773,281
Profit attributable to:			
Equity holders of the Company	1,912,485	–	1,912,485
Non-controlling interests	855,617	–	855,617
Profit for the period	2,768,102	–	2,768,102
Total comprehensive income attributable to:			
Equity holders of the Company	1,917,664	–	1,917,664
Non-controlling interests	855,617	–	855,617
Total comprehensive income for the period	2,773,281	–	2,773,281
Earnings per share for profit attributable to equity holders of the Company (cents per share) – Basic and diluted	0.92	–	0.92

The accompanying notes form an integral part of this unaudited pro forma combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	Audited combined statement of financial position	Unaudited pro forma adjustments	Unaudited pro forma combined statement of financial position
	AUD	AUD	AUD
ASSETS			
Non-current assets			
Property, plant and equipment	9,937,035	–	9,937,035
Intangible assets	1,965,615	–	1,965,615
Investment in associated companies	21,267	–	21,267
Available-for-sale financial assets	110,150	–	110,150
Deferred tax asset	999,805	–	999,805
Restricted cash	1,011,620	–	1,011,620
Trade and other receivables	257,820	–	257,820
Total non-current assets	14,303,312	–	14,303,312
Current assets			
Due from customers for contract work-in-progress	–	–	–
Inventories	1,422,821	–	1,422,821
Trade and other receivables	4,506,479	–	4,506,479
Cash and cash equivalents	7,652,772	(1,626,780)[(i)(ii)]	6,025,992
Total current assets	13,582,072	(1,626,780)	11,955,292
Total assets	27,885,384	(1,626,780)	26,258,604
EQUITY AND LIABILITIES			
Equity			
Share capital	6,700,941	–	6,700,941
Other reserves	(219,043)	–	(219,043)
Retained earnings	3,641,668	(1,084,966)[(i)(ii)]	2,556,702
Equity attributable to equity holders of the Company, total	10,123,566	(1,084,966)	9,038,600
Non-controlling interests	2,062,330	(484,966)[(ii)]	1,577,364
Total equity	12,185,896	(1,569,932)	10,615,964

The accompanying notes form an integral part of this unaudited pro forma combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
As at 30 June 2018 (cont'd)

	Audited combined statement of financial position	Unaudited pro forma adjustments	Unaudited pro forma combined statement of financial position
	AUD	AUD	AUD
Non-current liabilities			
Borrowings	1,326,921	–	1,326,921
Trade and other payables	2,027,126	–	2,027,126
Total non-current liabilities	3,354,047	–	3,354,047
Current liabilities			
Due to customers for contract work-in-progress	211,870	–	211,870
Trade and other payables	9,651,605	–	9,651,605
Borrowings	1,022,457	–	1,022,457
Tax payable	1,459,509	(56,848)[(i)]	1,402,661
Total current liabilities	12,345,441	(56,848)	12,288,593
Total liabilities	15,699,488	(56,848)	15,642,640
Total equity and liabilities	27,885,384	(1,076,780)	26,258,604

Notes to the pro forma adjustments:

The pro forma adjustments relate to:

(i) Remove the financial results contributed by the Group-owned store prior to the disposal in the financial year ended 30 June 2018.

(ii) Dividends declared and paid by the Group subsequent to financial year ended 30 June 2018.

The accompanying notes form an integral part of this unaudited pro forma combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Unaudited combined statement of financial position	Unaudited pro forma adjustments	Unaudited pro forma combined statement of financial position
	AUD	AUD	AUD
ASSETS			
Non-current assets			
Property, plant and equipment	13,581,788	–	13,581,788
Intangible assets	3,675,212	–	3,675,212
Financial assets at fair value through other comprehensive income	110,150	–	110,150
Deferred tax asset	1,334,613	–	1,334,613
Restricted cash	1,691,725	–	1,691,725
Trade and other receivables	319,836	–	319,836
Total non-current assets	20,713,324	–	20,713,324
Current assets			
Contract assets	5,940	–	5,940
Inventories	1,839,349	–	1,839,349
Trade and other receivables	4,623,268	–	4,623,268
Cash and cash equivalents	5,298,358	(830,000)[(i)]	4,468,358
Total current assets	11,766,915	(830,000)	10,936,915
Total assets	32,480,239	(830,000)	31,650,239
EQUITY AND LIABILITIES			
Equity			
Share capital	15,618,115	–	15,618,115
Other reserves	(7,661,600)	–	(7,661,600)
Retained earnings	5,324,153	(780,000)[(i)]	4,544,153
Equity attributable to equity holders of the Company, total	13,280,668	(780,000)	12,500,668
Non-controlling interests	2,557,947	(50,000)[(i)]	2,507,947
Total equity	15,838,615	(830,000)	15,008,615
Non-current liabilities			
Borrowings	1,909,463	–	1,909,463
Trade and other payables	1,737,430	–	1,737,430
Contract liabilities	1,100,232	–	1,100,232
Total non-current liabilities	4,747,125	–	4,747,125

The accompanying notes form an integral part of this unaudited pro forma combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
As at 31 December 2018 (cont'd)

	Unaudited combined statement of financial position	Unaudited pro forma adjustments	Unaudited pro forma combined statement of financial position
	AUD	AUD	AUD
Current liabilities			
Trade and other payables	8,071,683	–	8,071,683
Contract liabilities	495,000	–	495,000
Borrowings	1,163,172	–	1,163,172
Tax payable	2,164,644	–	2,164,644
Total current liabilities	11,894,499	–	11,894,499
Total liabilities	16,641,624	–	16,641,624
Total equity and liabilities	32,480,239	–	31,650,239

Notes to the pro forma adjustments:

The pro forma adjustments relate to:

(i) Dividends declared and paid by the Group subsequent to the six-month period ended 31 December 2018.

The accompanying notes form an integral part of this unaudited pro forma combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF CASH FLOWS
For the financial year ended 30 June 2018

	Audited combined statement of cash flows	Unaudited pro forma adjustments	Unaudited pro forma combined statement of cash flows
	AUD	AUD	AUD
Cash flows from operating activities			
Total profit before tax	5,525,170	(206,780)[(i)]	5,318,390
Adjustments for:			
Depreciation	1,516,953	(89,109)[(i)]	1,427,844
Amortisation	88,797	–	88,797
Non-trade advances to related parties written off	68,000	–	68,000
Interest income	(26,152)	–	(26,152)
Interest expenses	122,321	–	122,321
Gain on sale of a Group-owned store	(617,095)	89,109[(i)]	(527,986)
Property, plant and equipment written off	104,540	–	104,540
Share of results from associates	(7,508)	–	(7,508)
Unrealised exchange loss	(48,398)	–	(48,398)
Operating cash flow before working capital changes	6,726,628	(206,780)	6,519,848
Contract work-in-progress	154,701	–	154,701
Inventories	(275,596)	–	(275,596)
Receivables	(795,424)	–	(795,424)
Payables	1,409,940	–	1,409,940
Currency translation adjustment	(27,196)	–	(27,196)
Cash flows generated from operations	7,193,053	(206,780)	6,986,273
Income tax paid	(1,586,778)	–	(1,586,778)
Net cash generated from operating activities	5,606,275	(206,780)	5,399,495
Cash flows from investing activities			
Capital contributions from non-controlling interests in subsidiaries	70,121	–	70,121
Purchases of property, plant and equipment	(4,141,171)	–	(4,141,171)
Purchase of intangible assets	(1,264,303)	–	(1,264,303)
Proceed from sale of a Group-owned store	912,000	–	912,000
Advances to related parties	(16,110)	–	(16,110)
Interest received	26,152	–	26,152
Acquisition of available-for-sale-investment	(110,000)	–	(110,000)
Net cash used in investing activities	(4,523,311)	–	(4,523,311)

The accompanying notes form an integral part of this unaudited pro forma combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF CASH FLOWS
For the financial year ended 30 June 2018 (cont'd)

	Audited combined statement of cash flows	Unaudited pro forma adjustments	Unaudited pro forma combined statement of cash flows
	AUD	AUD	AUD
Cash flows from financing activities			
Capital contributions from shareholders for subsidiaries accounted for on common control basis	120,000	–	120,000
Proceeds from borrowings	400,536	–	400,536
Repayment of borrowings	(611,414)	–	(611,414)
Repayment to shareholders/related parties	(130,899)	–	(130,899)
Dividends paid to shareholders	(1,081,000)	(1,010,000)[(ii)]	(2,091,000)
Dividends paid to non-controlling interests	(500,000)	(410,000)[(ii)]	(910,000)
Interest paid	(84,126)	–	(84,126)
Increase in fixed deposits pledged	(392,608)	–	(392,608)
Acquisition of non-controlling interests in subsidiaries	(158,819)	–	(158,819)
Proceeds from issuance of ordinary shares	9,960	–	9,960
Proceeds from issuance of non-redeemable convertible preference shares, net of share issue expenses	6,708,253	–	6,708,253
Subscription money received in advance	486,800	–	486,800
Net cash generated from financing activities	4,766,683	(1,420,000)	3,346,683
Net increase in cash and cash equivalents	5,849,647	(1,626,780)	4,222,867
Cash and cash equivalents at beginning of the financial year	1,558,609	–	1,558,609
Effects of currency translation on cash and cash equivalents	20,559	–	20,559
Cash and cash equivalents at end of the financial year	7,428,815	(1,626,780)	5,802,035

For the purpose of presenting the unaudited pro forma combined statement of cash flows, the combined cash and cash equivalents comprise the following:

Cash and cash equivalents	7,652,772	(1,626,780)	6,025,992
Less: Bank overdrafts	(223,957)	–	(223,957)
Cash and cash equivalents per unaudited pro forma combined statement of cash flows	7,428,815	(1,626,780)	5,802,035

Notes to the pro forma adjustments:

The pro forma adjustments relate to:

(i) Remove the financial results contributed by the Group-owned store prior to the disposal in the financial year ended 30 June 2018.

(ii) Dividends declared and paid by the Group subsequent to financial year ended 30 June 2018.

The accompanying notes form an integral part of this unaudited pro forma combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF CASH FLOWS
Six months from 1 July 2018 to 31 December 2018

	Unaudited combined statement of cash flows	Unaudited pro forma adjustments	Unaudited pro forma combined statement of cash flows
	AUD	AUD	AUD
Cash flows from operating activities			
Total profit before tax	3,894,838	–	3,894,838
Adjustments for:			
Depreciation	1,059,614	–	1,059,614
Amortisation	126,094	–	126,094
Interest income	(30,302)	–	(30,302)
Interest expenses	72,660	–	72,660
Property, plant and equipment written off	192,819	–	192,819
Fair value gain on re-measurement of pre-existing equity interest in a subsidiary	(73,266)	–	(73,266)
Unrealised exchange gain	(20,977)	–	(20,977)
Operating cash flow before working capital changes	5,221,480	–	5,221,480
Inventories	(395,259)	–	(395,259)
Receivables and contract assets	(162,209)	–	(162,209)
Payables and contract liabilities	889,086	–	889,086
Currency translation adjustments	(23,064)	–	(23,064)
Cash flows generated from operations	5,530,034	–	5,530,034
Income tax paid	(758,851)	–	(758,851)
Net cash generated from operating activities	4,771,183	–	4,771,183
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash acquired	(199,470)	–	(199,470)
Purchases of property, plant and equipment	(3,647,965)	–	(3,647,965)
Purchases of intangible assets	(886,010)	–	(886,010)
Advances to related parties	(8,312)	–	(8,312)
Interest received	30,302	–	30,302
Net cash used in investing activities	(4,711,455)	–	(4,711,455)

The accompanying notes form an integral part of this unaudited pro forma combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF CASH FLOWS
Six months from 1 July 2018 to 31 December 2018 (cont'd)

	Unaudited combined statement of cash flows	Unaudited pro forma adjustments	Unaudited pro forma combined statement of cash flows
	AUD	AUD	AUD
Cash flows from financing activities			
Proceeds from borrowings	730,926	–	730,926
Repayment of borrowings	(473,254)	–	(473,254)
Repayment to shareholders/related parties	(1,347,908)	–	(1,347,908)
Dividends paid to shareholders	(238,000)	(780,000)[(i)]	(1,018,000)
Dividends paid to non-controlling interests	(360,000)	(50,000)[(i)]	(410,000)
Interest paid	(72,660)	–	(72,660)
Increase in fixed deposits pledged	(680,105)	–	(680,105)
Net cash used in financing activities	(2,441,001)	(830,000)	(3,271,001)
Net decrease in cash and cash equivalents	(2,381,273)	(830,000)	(3,211,273)
Cash and cash equivalents at beginning of the financial period	7,428,815	–	7,428,815
Effects of currency translation on cash and cash equivalents	9,077	–	9,077
Cash and cash equivalents at end of the financial period	5,056,619	(830,000)	4,226,619

For the purpose of presenting the unaudited pro forma combined statement of cash flows, the combined cash and cash equivalents comprise the following:

Cash and cash equivalents	5,298,358	(830,000)	4,468,358
Less: Bank overdrafts	(241,739)	–	(241,739)
Cash and cash equivalents per unaudited pro forma combined statement of cash flows	5,056,619	(830,000)	4,266,619

Notes to the pro forma adjustments:

The pro forma adjustments relate to:

(i) Dividends declared and paid by the Group subsequent to financial year ended 31 December 2018.

The accompanying notes form an integral part of this unaudited pro forma combined financial statements.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION
For the financial year ended 30 June 2018 and six-month period ended 31 December 2018

Explanatory Notes

1. General information

ST Group Food Industries Holdings Pte. Ltd. (the "Company") (Co. Reg. No. 201801590R) was incorporated in Singapore on 11 January 2018 as a private limited company. The financial information is expressed in Australian dollar ("AUD").

The registered office and principal place of business of the Company is at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 13 to the audited combined financial statements for the financial years ended 30 June 2016, 2017 and 2018 as set out in Appendix A of the Offer Document.

On 10 June 2019, the Company was converted into a public company limited by shares and changed its name to ST Group Food Industries Holdings Limited.

2. Significant events

Save for the following significant events discussed below (the "Significant Events"), the directors, as at the date of this report, are not aware of any other significant acquisitions, disposal of assets and subsidiaries or significant changes made to the capital structure of the Group subsequent to 31 December 2018:

(a) Disposal of Group-owned outlet

PPR Co Outlet Pty Ltd, a subsidiary of the Group disposed an outlet to a third party for a cash consideration of AUD1,000,000 during the financial year ended 30 June 2018. Prior to the disposal, the outlet contributed revenues of AUD1,130,040 and net profit of AUD82,370 to the Group for the period from 1 July 2017 to 6 May 2018. Net carrying value of property, plant and equipment disposed of amounted to AUD294,905.

(b) Declaration of dividends

During the six months from 1 July 2018 to 31 December 2018, Papparich Australia Pty Ltd, Oldtown QV (Aust) Pty Ltd and Delicious Foodcraft Pty Ltd, subsidiaries of the Group declared interim dividends of AUD590,000. These dividends have been paid to the shareholders during the reporting period.

Subsequent to 31 December 2018, STG Food Industries Pty Ltd, Papparich Australia Pty Ltd, STG Food Industries 3 Pty Ltd and STG Entertainment Pty Ltd, subsidiaries of the Group declared interim dividends of AUD830,000. These dividends have been paid to the shareholders subsequent to the six-month period ended 31 December 2018.

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION
For the financial year ended 30 June 2018 and six-month period ended 31 December 2018

Explanatory Notes

3. Basis of preparation of the unaudited pro forma combined financial information

The Group in this unaudited pro forma combined financial information relates to the companies referred to in the entities within ST Group Food Industries Holdings Limited and its subsidiaries (the "Group") subsequent to the Restructuring Exercise as referred to the Offer Document.

The unaudited pro forma combined financial information have been compiled based on the following:

– audited combined financial statements of the Group for the financial year ended 30 June 2018, which were prepared by management in accordance with the Financial Reporting Standards in Singapore ("FRSs") and audited by Baker Tilly TFW LLP, in accordance with Singapore Standards on Auditing ("SSAs"). The auditor's report on these combined financial statements was not modified; and

– interim condensed unaudited combined financial statements of the Group for the six-month period ended 31 December 2018, which were prepared by management in accordance with the Singapore Financial Reporting Standards (International) 1-34 Interim Financial Reporting ("SFRS(I) 1-34") and reviewed by Baker Tilly TFW LLP, in accordance with Singapore Standards on Review Engagement 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. The auditor's review report on these combined financial statements was not modified.

The unaudited pro forma combined financial information for the financial year ended 30 June 2018 and the six-month period ended 31 December 2018 have been prepared using the same accounting policies and methods of computation in the preparation of the audited combined financial statements for the financial years ended 30 June 2016, 2017 and 2018 and the interim condensed unaudited combined financial statements for the six-month period ended 31 December 2018 respectively.

The unaudited pro forma combined financial information for the financial year ended 30 June 2018 and the six-month period ended 31 December 2018 are prepared for illustrative purposes only. These are prepared based on certain assumptions and after making certain adjustments to show what:

– the unaudited pro forma combined statements of comprehensive income and unaudited pro forma combined statements of cash flows of the Group for the financial year ended 30 June 2018 and the six-month period ended 31 December 2018 would have been if the Significant Events discussed in Explanatory Notes 2 had occurred on 1 July 2017; and

ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION
For the financial year ended 30 June 2018 and six-month period ended 31 December 2018

Explanatory Notes

3. Basis of preparation of the unaudited pro forma combined financial information (cont'd)

– the unaudited pro forma combined statements of financial position of the Group as at 30 June 2018 and 31 December 2018 would have been if the Significant Events discussed in Explanatory Notes 2 had occurred on 30 June 2018 and 31 December 2018 respectively.

The unaudited pro forma combined financial information of the Group, because of its nature, is not necessarily indicative of the results of the operations, cash flows and financial position that would have been attained had the significant events disclosed in Explanatory Notes 2 actually occurred earlier.

4. Authorisation of unaudited pro forma combined financial information

The unaudited pro forma combined financial information for the year ended 30 June 2018 and six-month period ended 31 December 2018 was authorised for issue in accordance with a resolution of the directors on 26 June 2019.

The discussion below provides information about certain provisions of our Constitution and the laws of Singapore. This description is only a summary and is qualified by reference to Singapore law and our Constitution. Where portions of our Constitution are reproduced below, defined terms bear the meanings ascribed to them in our Constitution. Our Constitution is a document available for inspection.

The following summarises certain provisions of our Constitution relating to:

(a) the power of a Director to vote on a proposal, arrangement or contract in which he is interested:

Regulation 105(2)

Every Director and any relevant officer of the Company (to whom Section 156 of the Act applies) shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests in transactions or proposed transactions with the Company or of any office or property held by him which might create duties or interests in conflict with his duties or interests as a Director or such officer (as the case may be). Notwithstanding such disclosure, a Director shall not vote in regard to any transaction or arrangement or any other proposal whatsoever in which he has directly or indirectly a personal material interest. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(b) the remuneration of our Directors:

Regulation 102

(1) The fees of the Directors shall be determined from time to time by an Ordinary Resolution of *the Company and such fees shall (unless such resolution otherwise provides) not be increased except pursuant to an Ordinary Resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the meeting. Such fees shall (unless such resolution otherwise provides) be divided among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for the proportion of fee related to the period during which he has held office.*

(2) Any Director who holds any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside the scope of his ordinary duties as a Director, may, subject to the Act, be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this regulation. Such extra remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by a lump sum or by way of salary.

(3) The fees (including any remuneration under regulation 102 (2) above) in the case of a non-executive Director shall comprise: (i) fees which shall be a fixed sum and/or (ii) such fixed number of shares in the capital of the Company, and shall not at any time be by commission on, or percentage of, the profits or turnover. Salaries payable to Executive Directors may not include a commission on, or percentage of turnover.

To the extent that Regulation 105(2) of our Constitution is applicable, the interested Director may not vote on his remuneration or be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(c) the borrowing powers exercisable by our Directors:

Regulation 121

Subject to the Statutes and the provisions of this Constitution, the Directors may at their discretion exercise all powers of the Company to borrow or otherwise raise money, to mortgage, charge or hypothecate all or any of the property or business of the Company including any uncalled or called but unpaid capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(d) the retirement or non-retirement of a Director under an age limit requirement:

There are no specific provisions in our Constitution relating to the retirement or nonretirement of a Director under an age limit requirement.

(e) the shareholding qualification of a Director:

Regulation 101

A Director need not be a Member and shall not be required to hold any shares of the Company by way of qualification. A Director who is not a Member shall nevertheless be entitled to receive notice of, attend and speak at all general meetings of the Company.

(f) Share rights and restrictions:

Our Company currently has one class of shares, namely, ordinary shares. Only persons who are registered on our register of members and in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for the ordinary shares, are recognised as our Shareholders.

(1) Dividends and distribution

Regulation 157

The Directors may, upon the recommendation of the Directors and with the sanction of an Ordinary Resolution at a general meeting, from time to time declare dividends, but no such dividend shall (except as by the Statutes expressly authorised) be payable otherwise than out of the profits of the Company. No higher dividend shall be paid than is recommended by the Directors and a declaration by the Directors as to the amount of the profits at any time available for dividends shall be conclusive. The Directors may, if they think fit, and if in their opinion the profits of the Company justifies such payment, without any such sanction as aforesaid, from time to time declare and pay fixed dividends (either in cash or in specie) on any class of shares carrying a fixed dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and may also from time to time pay to the holders of any class of shares interim dividends of such amounts and on such dates and in respect of such periods as they may think fit.

(2) Voting rights

Regulation 89

(i) Each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

(ii) Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to regulation 9, every Member who is present in person or by proxy, attorney or corporate representative (as applicable) shall have one (1) vote for every share which he holds or represents, Provided always that:

(a) where a Member is represented by one (1) or more proxies and the voting is conducted by way of a poll, the provisions of regulation 93 shall apply; and

(b) where a Member who is not a relevant intermediary is represented by two (2) proxies, only one (1) of the two (2) proxies as determined by that Member, or failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and

(c) where a Member who is a relevant intermediary is represented by two (2) or more proxies, each proxy shall be entitled to vote on a show of hands.

(iii) For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any general meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at seventy-two (72) hours (or any such time permitted under the Statutes) before the time of the relevant general meeting as certified by the Depository to the Company.

(g) any change in capital:

Regulation 8

Subject to the Statutes and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in general meeting but subject thereto and to regulation 68, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit. Any such shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit. Preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors Provided always that:

(i) (subject to any direction to the contrary that may be given by the Company in general meeting) any issue of shares for cash to Members holding shares of any class shall be

offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of regulation 68(1) with such adaptations as are necessary shall apply; and

(ii) any other issue of shares, the aggregate of which would exceed the limits referred to in regulation 68(2), shall be subject to the approval of the Company in general meeting.

(h) any change in the respective rights of the various classes of shares including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law:

Regulation 11

If at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Companies Act shall with such adaptations as are necessary apply. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply.

Provided always that:

(i) the necessary quorum shall be two (2) persons at least holding or representing by proxy or by attorney one third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll, but where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from the holders of three fourths of the issued shares of the class concerned within two (2) months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting; and

(ii) where all the issued shares of the class are held by one (1) person, the necessary quorum shall be one (1) person and such holder of shares of the class present in person or by proxy or by attorney may demand a poll.

(i) any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement then operates:

Regulation 166

The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six (6) years from the date they are first payable may be forfeited and if so forfeited, shall revert to the Company. However, the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend or moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or

claim in respect of such dividend or moneys against the Company if a period of six (6) years has elapsed from the date such dividend or other moneys are first payable. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends, howsoever and whatsoever.

(j) limitations on foreign or non-resident Shareholders

There are no limitations imposed by Singapore Law or by our Constitution on the rights of our Shareholders, including those who are regarded as non-residents of Singapore, to hold or exercise voting rights attached to our Shares.

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APPENDIX E – DESCRIPTION OF OUR SHARES

The following statements are brief summaries of the more important rights and privileges of Shareholders conferred by the laws of Singapore and our Constitution. These statements summarise the material provisions of our Constitution, but are qualified in its entirety by reference to our Constitution and the laws of Singapore.

The statements below provide, among other things, a description of Shareholders' voting rights, restrictions on the transferability of shareholdings and Shareholders' rights to share in any surplus in the event of liquidation, and provides information about our share capital.

ORDINARY SHARES

As of the Latest Practicable Date, the total issued and paid-up share capital of our Company is the aggregate of approximately S$0.4 million and approximately A$7.3 million comprising 10,856,991 Shares and 7,237,717 Preference Shares, all of which are fully paid up. As of the date of this Offer Document, the total issued and paid-up share capital of our Company is the aggregate of approximately S$0.4 million and approximately A$47.2 million (equivalent to approximately S$45.4 million based on the exchange rate as at the Latest Practicable Date) comprising 209,000,000 Shares, all of which are fully paid up and there are no preference shares in issue. We may, subject to the provisions of the Companies Act and the Catalist Rules, purchase our own Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our own ordinary shares.

We may only issue Shares with prior approval of our Shareholders at a general meeting.

Our Shareholders may by ordinary resolution give our Directors authority to allot and issue shares and/or convertible securities in our Company. Thereafter, Shares and/or convertible securities which may be issued at any time and from time to time to such persons and on such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit. The maximum number of Shares to be issued upon conversion is determinable at the time of the issue of such convertible securities (whether by way of rights, bonus or otherwise). The aggregate number of Shares to be issued (including Shares to be issued pursuant to such convertible securities) must not exceed 100.0% of the issued share capital of our Company, of which the aggregate number of Shares (including Shares to be issued pursuant to such convertible securities) other than on a *pro rata* basis to existing Shareholders shall not exceed 50.0% of the issued share capital of our Company (the percentage of issued share capital being based on the issued share capital at the time of passing of the resolution after adjusting for new Shares arising from the conversion of any convertible securities or employee share options in issue at the time such authority is given and for any subsequent consolidation or subdivision of Shares). Unless revoked or varied by our Shareholders at a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of our Company or the expiration of the period within which the next annual general meeting of our Company is required by law to be held, whichever is the earlier.

SHAREHOLDERS

Only persons who are registered in our register of Shareholders and, in cases in which the person so registered is CDP, the persons named as the depositors (as defined in the Securities and Futures Act) in the depository register maintained by CDP for our ordinary shares, are recognised as shareholders.

We will not recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder or the person whose name is entered in the depository register for that Share, except as otherwise required by law. We may close the register of Shareholders for any time or times if we provide the SGX-ST with at least five (5) clear Market Days' notice. However, the register may not be closed for more than 30 days in aggregate in any calendar year. We would typically close the register to determine Shareholders' entitlement to receive dividends and other distributions.

GENERAL MEETINGS OF SHAREHOLDERS

We are required to hold an annual general meeting every year. Our Board of Directors may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than 10.0% of the total voting rights of all Shareholders request in writing that such a meeting be held. In addition, two or more Shareholders holding not less than 10.0% of our issued share capital may call a meeting.

Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring the affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors.

A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, such as the voluntary winding up of our Company, amendments to our Constitution, a change of our corporate name and a reduction in our share capital.

Ordinary resolutions generally require at least 14 clear days' notice in writing. Our Constitution defines "clear days" as calendar days exclusive of the day on which the notice is served (or deemed to be served) and of the day for which the notice is given. For so long as our Shares are listed on Catalist, at least 14 clear days' notice of any general meeting shall be given in writing to the SGX-ST and by advertisement in the daily press. We must give at least 21 clear days' notice in writing for every general meeting convened for the purpose of passing a special resolution. The notice must be given to every Shareholder holding shares conferring the right to attend and vote at the meeting and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business. All general meetings must be held in Singapore.

VOTING RIGHTS

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. A proxy need not be a Shareholder. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the depository register maintained by CDP 72 hours before the general meeting. For the purpose of determining the number of votes which a Shareholder may cast at any general meeting on a poll, a Shareholder who is an account-holder directly with CDP or a depository agent, or his proxy, is deemed to hold or represent that number of shares entered against his name in the register maintained with CDP 72 hours before the time of the relevant general meetings, as certified by CDP to us.

Except as otherwise provided in our Constitution, two or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution:

- on a show of hands, every Shareholder present in person or by proxy shall have one vote (provided that in the case of a Shareholder who is represented by two proxies, only one of the two proxies as determined by that Shareholder or, failing such determination, by the chairman of the meeting (or by a person authorised by the chairman) shall be entitled to vote, and each proxy appointed by a Shareholder who is a relevant intermediary (as defined in Section 181(6) of the Companies Act shall have one vote); and

- on a poll, every Shareholder present in person or by proxy shall have one vote for each Share which he holds or represents.

A Shareholder who is not a relevant intermediary may appoint not more than two proxies to attend and vote at the same general meeting. A Shareholder who is a relevant intermediary may appoint more than two proxies to attend and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder.

Under our Constitution, if we are listed on a stock exchange and if required by the listing rules of the stock exchange, all resolutions at general meetings must be voted on by poll (unless such requirement is waived by the stock exchange). In the event voting by poll is not required by the listing rules of a stock exchange, a poll may nevertheless be demanded in certain circumstances, including:

- by the chairman of the meeting;

- by at least two Shareholders present in person or by proxy and entitled to vote; or

- by any Shareholder present in person or by proxy and representing not less than 5.0% of the total voting rights of all Shareholders having the right to attend and vote at the meeting.

Under the Catalist Rules, all resolutions at general meetings shall be voted by poll. In the case of a tied vote, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

TRANSFER OF ORDINARY SHARES

Our Board of Directors may decline to register any transfer of ordinary shares which are not fully paid shares or ordinary shares on which we have a lien. Our Board of Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. Ordinary shares may be transferred by a duly signed instrument of transfer in any form approved by the Directors and the SGX-ST. There is no restriction on the transfer of fully paid shares except where required by law or the Catalist Rules or by-laws of the SGX-ST. A Shareholder may transfer any ordinary shares held through the SGX-ST book entry settlement system by way of a book-entry transfer without the need for any instrument of transfer.

We will replace lost or destroyed certificates for Shares if we are properly notified and if the applicant pays a fee (not exceeding S$2.00) and furnishes any evidence and indemnity that our Board of Directors may require.

MINORITY RIGHTS

The rights of minority shareholders of Singapore incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order as they think fit, upon application by any Shareholder of the Company, to remedy any of the following situations:

- our affairs are being conducted or the powers of our Board of Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of our Shareholders, including the applicant; or

- we take an action, or threaten to take an action, or the Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our Shareholders, including the applicant.

Singapore courts have wide discretion as to the relief they may grant and that relief is in no way limited to the relief listed in the Companies Act. Without prejudice to the foregoing, Singapore courts may among other things:

- direct or prohibit any act or cancel or vary any transaction or resolution;

- regulate the conduct of our affairs in the future;

- authorise civil proceedings to be brought in our name, or on our behalf, by a person or persons and on such terms as the court may direct;

- provide for the purchase of a minority Shareholder's shares by our other Shareholders or by the Company and, in the case of a purchase of Shares by us, a corresponding reduction of our share capital; or

- provide that the Company be wound up.

LIMITATIONS ON RIGHTS TO HOLD OR VOTE SHARES

Singapore law and our Constitution do not impose any limitations on the right of non-resident or foreign Shareholders to hold or exercise voting rights attached to our Shares.

DIVIDENDS

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board of Directors. Our Board of Directors may also declare an interim dividend without the approval of our Shareholders.

We must pay all dividends out of our profits. All dividends we pay are *pro rata* in amount to our Shareholders in proportion to the amount paid-up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provide otherwise.

Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address appearing in our register of members or (as the case may be) the depository register. However, our payment to CDP of any dividend payable to a Shareholder whose name is entered in the depository register shall, to the extent of the payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

BONUS AND RIGHTS ISSUE

Our Board of Directors may, with the approval from our Shareholders at a general meeting, capitalise any sums standing to the credit of any of our reserve funds, accounts or other undistributable reserve or any sum standing to the credit of profit and loss account and distribute the same as bonus Shares credited as paid-up to the Shareholders in proportion to their shareholdings.

Our Board of Directors may also issue bonus Shares to participants of any share incentive or option scheme or plan implemented by our Company and approved by our Shareholders in such manner and on such terms as our Board of Directors shall think fit.

Our Board of Directors may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any securities exchange upon which our Shares are listed.

LIQUIDATION OR OTHER RETURN OF CAPITAL

If the Company liquidates or in the event of any other return of capital, holders of the Shares will be entitled to participate in any surplus assets in proportion to their shareholdings.

SUBSTANTIAL SHAREHOLDERS

Under the Securities and Futures Act, a person has a substantial shareholding in our Company if he has an interest (or interests) in one or more voting shares (excluding treasury shares) in our Company and the total votes attached to that share or those shares, is not less than 5.0% of the aggregate of the total votes attached to all voting shares (excluding treasury shares) in our Company.

The Securities and Futures Act requires our Substantial Shareholders, or if they cease to be our Substantial Shareholders, to give notice in writing to us of particulars of the voting shares in our Company in which they have or had an interest (or interests) and the nature and extent of that interest or those interests, and of any change in the percentage level of their interest.

In addition, the deadline for a Substantial Shareholder to make disclosure to our Company under the Securities and Futures Act is two (2) business days after he becomes aware:

- that he is or (if he had ceased to be one) had been a Substantial Shareholder;
- of any change in the percentage level in his interest; or
- that he had ceased to be a Substantial Shareholder,

there being a conclusive presumption of a person being "aware" of a fact or occurrence at the time at which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware.

Following the above, we will announce or disseminate the information stated in the notice to the SGX-ST as soon as practicable and, in any case, no later than the end of the Singapore business day following the day on which we received the notice.

"**Percentage level**", in relation to a Substantial Shareholder in our Company, means the percentage figure ascertained by expressing the total votes attached to all the voting shares in our Company in which the Substantial Shareholder has an interest (or interests) immediately before or (as the case may be) immediately after the relevant time as a percentage of the total votes attached to all the voting shares (excluding treasury shares) in our Company, and, if it is not a whole number, rounding that figure down to the next whole number.

The Companies Act and the Securities and Futures Act provide that a person who has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, a voting share is regarded as having an interest in such share, even if such authority is, or is capable of being made, subject to restraint or restriction in respect of particular voting shares.

TAKEOVERS

The Companies Act, the Securities and Futures Act and the Singapore Code on Take-overs and Mergers ("**Singapore Take-over Code**") regulate the acquisition of ordinary shares of public companies and contain certain provisions that may delay, deter or prevent a future takeover or change in control of the Company. Any person acquiring an interest resulting in him, either on his own or together with parties acting in concert with him, holding 30.0% or more of our voting shares, or, such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of our voting shares and acquires (either on his own or together with parties acting in concert with him) more than 1.0% of our voting Shares any six-month period, must extend a takeover offer for the remaining voting shares in accordance with the provisions of the Singapore Take-over Code.

"**Parties acting in concert**" comprise individuals or companies who, pursuant to an arrangement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control that company. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other. They are as follows:

- a company and its related companies, the associated companies of any of the company and its related companies and companies whose associated companies include any of these companies;

- any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the entities set out immediately above for the purchase of voting rights;

- a company and its directors (together with their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);

- a company and its pension funds and employee share schemes;

- a person and 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;

- a financial or other professional adviser including a stockbroker, with its clients in respect of shares held by the adviser and persons controlling, controlled by or under the same control as the adviser;

- directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;

- partners;

- an individual and his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions and companies controlled by the individual, his close relatives, his related trusts or any person who is accustomed to act in accordance with his instructions; and

- any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the persons set out immediately above for the purchase of voting rights.

Subject to certain exceptions, a mandatory offer for consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror within the six (6) months preceding the acquisition of shares that triggered the mandatory offer obligation.

Under the Singapore Take-over Code, where effective control of a public company incorporated in Singapore is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. An offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the takeover offer must be given sufficient information, advice and time to consider and decide on the offer.

INDEMNITY

As permitted by Singapore law, our Constitution provides that, subject to the Companies Act, we will indemnify our Board of Directors and officers against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto.

We may not indemnify directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, wilful default, breach of duty or breach of trust of which they may be guilty in relation to the Company.

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The following is a discussion of certain tax matters arising under the current tax laws in Singapore and Australia and is not intended to be and does not constitute legal or tax advice. The discussion is based on laws, regulations and interpretations now in effect and available as of the date of this Offer Document. These laws and regulations are subject to changes, which may be retrospective to the date of issuance of our Shares. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below.

The discussion is limited to a general description of certain Singapore and Australian income tax, stamp duty, estate duty and GST consequences with respect to the subscription for, ownership and disposal of our Shares, and does not purport to be a comprehensive nor exhaustive description of all tax considerations that may be relevant to a decision to subscribe for, hold or dispose of our Shares.

The statements below are not to be regarded as advice on dealing with our Shares or on any tax implications arising from the acquisition, ownership, sale or other dealings in respect of our Shares. The statements herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of our Shares and do not purport to deal with the tax consequences applicable to all categories of investors some of which (such as dealers in securities) may be subject to special rules.

Prospective investors should consult their own tax advisers concerning the tax consequences of subscribing for and/or purchasing, owning and disposing our Shares. The discussion below is based on the assumption that our Company is an Australian tax resident company and is not a tax resident in Singapore for Singapore income tax purposes. Neither our Company, our Directors nor any other persons involved in this Placement accepts responsibility for any tax effects or liabilities resulting from the subscription for, holding or disposal of our Shares.

SINGAPORE INCOME TAX

Corporate income tax

A corporate taxpayer is regarded as resident in Singapore for Singapore tax purposes if the control and management of its business is exercised in Singapore.

Non-resident corporate taxpayers are subject to income tax on income that is accrued in or derived from Singapore, and on foreign-sourced income received or deemed received in Singapore, subject to certain exceptions.

Corporate taxpayers who are Singapore tax residents are generally subject to income tax on income that is accrued in or derived from Singapore, and on foreign-sourced income received or deemed received in Singapore, unless specific exemptions apply. For example, with reference to section 13(8) of the Singapore Income Tax Act ("**SITA**"), foreign-sourced dividend income received or deemed received in Singapore by a Singapore tax resident company can be exempted from Singapore tax if certain qualifying conditions are met, including the following:

(a) the income is subject to tax of a similar character to income tax (by whatever name called) under the law of the territory from which such income is received; and

(b) at the time the income is received in Singapore by the person resident in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15%.

Where the condition(s) referable to section 13(8) exemption mentioned above cannot be satisfied, under certain circumstances/scenarios and subject to relevant declaration/application form(s) being submitted (within the allowable timeframe) and approved, the taxpayer may be granted tax exemption under section 13(12) of the SITA.

The prevailing corporate income tax rate in Singapore is 17% with the first S$300,000 of chargeable income of a company being partially exempt from tax as follows:

(a) 75% of the first S$10,000 of chargeable income; and

(b) 50% of the next S$290,000 of chargeable income.

From the Year of Assessment ("**YA**") 2020, 75% of the first S$10,000 of a company's chargeable income and 50% of the next S$190,000 of its chargeable income will be exempt from tax. Any chargeable income that exceeds S$200,000 will no longer enjoy the partial tax exemption.

Notwithstanding the above, new companies will also, subject to certain conditions, be eligible for varying levels of tax exemption up to certain limits.

Individual income tax

An individual is regarded as a tax resident in Singapore if in the year preceding the year of assessment, that person resides in Singapore except for such temporary absences therefrom as may be reasonable and not inconsistent with a claim by such person to be resident in Singapore. An individual who is physically present or who exercises an employment (other than as a director of a company) in Singapore for 183 days or more during the year preceding the year of assessment, is also regarded as a tax resident in Singapore.

Individual taxpayers (tax resident in Singapore or otherwise) are subject to income tax on income that is accrued in or derived from Singapore, unless the income is specifically exempt from tax in Singapore. Foreign-sourced income received by an individual is taxable only if it is received in Singapore by a resident individual through a partnership in Singapore.

Currently, Singapore tax resident individuals are subject to tax at the progressive resident rates, ranging from 0% to 22%. Non-resident individuals are currently generally subject to tax at a flat rate of 22%.

Dividend Distributions

Where the Company is not tax resident in Singapore

Dividends paid by our Company in respect of our Shares would be considered as foreign-sourced income (unless the Shares are held as part of a trade or business carried out in Singapore in which case, the holders of such Shares may taxed on the dividends as they are derived).

To the extent that this foreign-sourced dividend income is received or deemed received in Singapore by an individual, it will generally be exempt from Singapore tax (except where such income is received by a Singapore tax resident individual through a partnership in Singapore).

For foreign-sourced dividend income on the Shares received or deemed received in Singapore by a corporate investor who is a Singapore tax resident, income tax may apply on such dividend. However, if the conditions for the exemption of the foreign-sourced income are met (e.g. with reference to section 13(12) of the SITA), such dividend could be exempt from income tax.

For foreign-sourced dividend income on the Shares received or deemed received in Singapore by a non-resident corporate investor, this should generally not be subject to income tax if such investor does not have a permanent establishment or taxable presence in Singapore.

Where the Company is tax resident in Singapore

If our Company is treated as a tax resident of Singapore, dividends paid in respect of our Shares shall be tax exempt in Singapore.

Gains relating to disposal/holding of Shares

Singapore does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains. Gains from disposal of shares may be construed to be of an income nature (rather than capital gains) and consequently subject to income tax especially if they arise from activities regarded as the carrying on of a trade or business in Singapore.

Any gains from the disposal of our Shares, if regarded as capital gains, are not taxable in Singapore unless the seller is regarded as having derived gains of an income nature in Singapore, in which case the disposal gains would be taxable unless specific exemptions apply (e.g. with reference to section 13Z of the SITA which provides for tax exemption for certain taxpayers subject to various conditions such as a minimum holding period, etc being fulfilled).

Shareholders who have adopted or are required to adopt Singapore Financial Reporting Standard 39 - Financial Instruments: Recognition and Measurement ("**FRS 39**"), or Singapore Financial Reporting Standard 109 – Financial Instruments ("**FRS 109**") or Singapore Financial Reporting Standard (International) 9 – Financial Instruments ("**SFRS(I) 9**") (as the case may be), may for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on our Shares, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Accordingly, such gains or losses (irrespective of disposal) could also have tax impact and Shareholders are advised to consult their tax advisers on the Singapore tax consequences on their subscription, purchase, holding and disposal of our Shares.

Stamp Duty

There is no stamp duty payable on the subscription, allotment or holding of our Shares.

Stamp duty is payable on the instrument of transfer of our Shares at 0.2% on the consideration for, or market value of our Shares, whichever is higher. The purchaser is liable for stamp duty, unless there is an agreement to the contrary.

Where an instrument of transfer is executed outside Singapore or no instrument of transfer is executed, no stamp duty is payable on the acquisition of our Shares. However, stamp duty may be payable if the instrument of transfer is executed outside Singapore and is received in Singapore.

Stamp duty is not applicable to electronic transfers of our Shares through the scripless trading system operated by CDP.

Goods and Services Tax ("GST")

The sale of our Shares by a GST-registered investor belonging in Singapore for GST purposes to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST incurred by the GST-registered investor in making such an exempt supply is generally not recoverable from the Singapore Comptroller of GST.

Where our Shares are sold by a GST-registered investor to a person belonging outside Singapore, the sale should be a taxable supply subject to GST which is zero-rated (GST charged at 0%) if certain conditions are met. Any GST incurred by a GST-registered investor in the making of this supply in the course of or furtherance of a business may be recoverable from the Comptroller of GST.

Services such as brokerage, handling and clearing charges rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of our Shares will be subject to GST at the standard rate (currently at 7%). Similar services rendered to an investor belonging outside Singapore may be subject to GST which are zero-rated (GST charged at 0%) if certain conditions are met.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with purchase and sale of our Shares.

Estate Duty

Singapore estate duty was abolished with effect from 15 February 2008.

AUSTRALIAN TAXATION

Introduction

The below sets out a general summary of Australian tax issues for Australian tax resident Shareholders and hold their Shares on capital account for Australian income tax purposes.

The categories of Shareholders considered in this general summary are limited to individuals, companies (other than life insurance companies), trusts, partnerships and complying superannuation funds.

The statements below do not apply to Shareholders that hold their Shares on revenue account or as trading stock, or to non-Australian tax resident Shareholders. They also do not apply to Shareholders that are banks, insurance companies or taxpayers that carry on a business of trading in Shares. These Shareholders should seek their own professional advice.

The statements below also do not consider the consequences for Shareholders who are subject to Division 230 of the Income Tax Assessment Act 1997 (the Taxation of Financial Arrangements or "**TOFA**" regime). Shareholders who are subject to the TOFA should obtain their own tax advice as to the implications under the TOFA (if any).

Income tax treatment of dividends received by Australian tax resident Shareholders

Australian tax resident individuals and complying superannuation entities

Dividends distributed by the Company on a Share will constitute assessable income of an Australian tax resident Shareholder. Australian tax resident Shareholders who are individuals or complying superannuation entities should include in their assessable income the dividend actually received, together with any franking credit attached to that dividend (some superannuation funds may be exempt in relation to Shares held to support current pension liabilities).

Shareholders will generally be entitled to tax offsets against tax payable for the franking credit included in assessable income.

Where a Shareholder is an individual or a complying superannuation entity, the Shareholder will generally be entitled to a refund to the extent that the franking credits attached to that Shareholder's dividends exceed that Shareholder's income tax liability for the income year.

To the extent that the dividend is unfranked, the Shareholder will generally be taxed at his or her prevailing marginal rate on the dividend received with no tax offset.

Australian tax resident corporate Shareholders

Australian tax resident corporate Shareholders are also required to include both the dividend and associated franking credit in their assessable income.

Franked dividends received by a Shareholder that is a company will generally give rise to a franking credit in the Shareholder's franking account to the extent of the franking credit on the dividend received. These Shareholders may then pass on the benefit of the franking credits to its own shareholder(s) on the payment of dividends.

Excess franking credits received cannot give rise to a refund for a company but will be converted into tax losses that may be able to be carry forward.

Australian tax resident trusts and partnerships

Shareholders who are Australian tax resident trusts and trustees (other than trustees of complying superannuation entities) or partnerships should also include the franking credit in determining the net income of the trust or partnership. The relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the net income of the trust or partnership.

Shares held 'at risk'

To be eligible for the franking credit and tax offset, a Shareholder must satisfy the 'holding period' rule and 'related payments' rule. This requires that a Shareholder hold the Shares "at risk" for a continuous period of not less than 45 days (excluding the days of acquisition and disposal) and that the benefit of the dividend is not passed on within 45 days. Shareholders should seek professional advice to determine if these requirements, as they apply to them, have been satisfied. The holding period rules will not apply to a Shareholder who is an individual whose tax offset entitlement (for all franked distributions received in the income year) does not exceed $5,000.

The Australian Government has introduced specific integrity rules that may apply to deny franking tax offsets to certain "dividend washing" arrangements. Broadly, dividend washing (or 'distribution washing') is a type of scheme by which a taxpayer may seek to obtain multiple franking credits in respect of a single economic interest by selling an interest after an entitlement to a franked distribution has accrued and then immediately purchasing an equivalent interest with a further entitlement to a corresponding franked distribution. Shareholders should have regard to these rules in considering the tax implications of their personal circumstances.

Tax treatment of dividends received by Shareholders who are not Australian tax resident

Where dividends paid from the Company are franked (i.e. paid out of Australian taxed profits) or are distributed as conduit foreign income (i.e. paid out of foreign sourced dividends which have yet to be subject to Australian tax), Australian dividend withholding tax should not apply to Shareholder recipients of the dividend.

Where dividends paid to Shareholders not resident in Australia are unfranked or not paid as conduit foreign income, the dividend amount will generally be subject to Australian dividend withholding tax at a rate of 30%. The rate of Australian dividend withholding tax may be reduced where a taxpayer is a resident of a country that has a double taxation treaty with Australia. For example, the Australia-Singapore tax treaty reduces the dividend withholding tax rate to 15% to the extent that dividends paid from the Company to Shareholders that are tax resident in Singapore.

In certain circumstances, Shareholders not resident in Australia may be assessable for tax on any such dividends rather than being subject to the withholding tax rules e.g., if the dividends are paid to a non-resident who is carrying on business in Australia through a permanent establishment to which the dividends are attributable.

Shareholders not resident in Australia should also consider the impact of dividends under the tax rules in their home country.

Disposal of Shares for Australian tax resident Shareholders

The disposal of a Share by a Shareholder will be a capital gains tax ("**CGT**") event where the Shareholder holds their Share on capital account.

A capital gain will arise where the capital proceeds received on disposal of the Share exceeds the cost base of the Share. A capital loss will be realised where the reduced cost base of the Share exceeds the capital proceeds from disposal of that Share. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years. Broadly, the cost base and reduced cost base of a Share would usually be equal to the amount paid to acquire the Share (including certain other costs, such as incidental costs of acquisition and disposal). The cost base and reduced cost base of the Share may be different if a CGT roll-over applied to the acquisition of the Share.

Generally, all capital gains and losses made by a Shareholder for an income year, plus any net capital losses carried forward from an earlier income year, will need to be aggregated to determine whether the Shareholder has made a net capital gain or net capital loss for the year.

A net capital gain is included in the Shareholder's assessable income, whereas a net capital loss is carried forward and may be available to be offset against capital gains of later years.

If a Shareholder is an individual, complying superannuation entity or trust, and has held the Share for at least 12 months or more before disposal of the Share, the Shareholder may be entitled to a "**CGT discount**" for any net capital gain made on the disposal of the Share. A company is not entitled to a CGT discount.

Where the CGT discount applies, any net capital gain arising may be reduced by 50% in the case of individuals and trusts, and by one-third in the case of complying superannuation entities. Shareholders that are companies are not entitled to a CGT discount.

Where the Shareholder is a trustee of a trust that has held the Share for at least 12 months or more before disposal, the CGT discount may flow through to the beneficiaries of that trust if those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

Disposal of a Share for Shareholders who are not Australian tax resident

As the Company does not have significant interests in real property relative to overall asset values, Shareholders not resident in Australia who hold their Shares on capital account will not generally be subject to tax on any capital gain arising on the disposal of their shares in the Company.

Tax file numbers

A Shareholder is not required to quote their tax file number ("**TFN**") to the Company. However, if a TFN or exemption details are not provided, Australian tax may be required to be deducted by the Company from certain distributions (other than fully franked dividends) at the maximum marginal tax rate plus the Medicare levy. A Shareholder that holds Shares as part of an enterprise may quote its Australian Business Number instead of its TFN. Non-residents are exempt from this requirement.

Goods and services tax

Shareholders should not be liable for goods and services tax in respect of their acquisition or disposal of Shares. No GST should be payable by Shareholders on receiving dividends distributed by the Company.

An Australian resident Shareholder that is registered for GST may not be entitled to claim full input tax credits in respect of GST on expenses they incur that relate to the acquisition, redemption or disposal of the Shares (e.g. lawyers' and accountants' fees).

Investors should seek their own advice on the impact of GST in their own particular circumstances.

Stamp duty

No Australian stamp duty should be payable by Shareholders in respect of their acquisition or disposal of their Shares. Individual Shareholders should obtain their own independent advice depending on their individual circumstances.

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1. Name of the Plan

The Plan shall be called the "ST Group Performance Share Plan".

2. Definitions

In this Plan, except where the context otherwise requires, the following words and expressions shall have the following meanings:

"Act"	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"Adoption Date"	:	The date on which the Plan is adopted by the Company in general meeting
"Associate"	:	Shall have the meaning assigned to it in the Catalist Rules, and "**Associates**" shall be construed accordingly
"Auditors"	:	The auditors of the Company for the time being
"Award"	:	A contingent award of Shares granted under Rule 5
"Award Date"	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5
"Award Letter"	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee
"Board"	:	The board of directors of the Company for the time being
"Catalist Rules"	:	Section B of the Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
"CDP"	:	The Central Depository (Pte) Limited
"Committee"	:	The Remuneration Committee of the Company, duly authorised and appointed by the Board to administer the Plan
"Company"	:	ST Group Food Industries Holdings Limited
"Control"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company

"Controlling Shareholder"	:	Shall have the meaning assigned to it in the Catalist Rules, and "**Controlling Shareholders**" shall be construed accordingly
"Constitution"	:	The constitution of the Company, as amended from time to time
"Group"	:	The Company and its subsidiaries
"Group Employee"	:	An employee of the Group (including any Group Executive Director who meets the relevant criteria and who shall be regarded as a Group Employee for the purposes of the Plan) selected by the Committee to participate in the Plan in accordance with Rule 4
"Group Executive Director"	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
"Participant"	:	A Group Employee and/or Group Executive Director who has been granted an Award
"Performance Condition"	:	In relation to an Award, the condition specified on the Award Date in relation to that Award
"Performance Period"	:	The period, as may be determined by the Committee at its discretion, during which the Performance Condition is satisfied
"Plan"	:	The ST Group Performance Share Plan, as the same may be modified or altered from time to time
"Record Date"	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares
"Release"	:	In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and "**Released**" shall be construed accordingly
"Release Schedule"	:	In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period

"Released Award"	:	An Award which has been Released in full or in part in accordance with Rule 7
"Retention Period"	:	Such retention period as may be determined by the Committee and notified to the Participant at the grant of the relevant Award to that Participant
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	The registered holders for the time being of the Shares
"Shares"	:	Ordinary shares each in the capital of the Company
"Trading Day"	:	A day on which the Shares are traded on the SGX-ST
"Vesting"	:	In relation to the Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and "**Vest**" and "**Vested**" shall be construed accordingly
"Vesting Date"	:	In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7
"Year"	:	Calendar year, unless otherwise stated
"%"	:	Per centum or percentage

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, Chapter 289 of Singapore.

Words importing the singular number shall include the plural number where the context so admits and *vice versa*. Words importing the masculine gender shall include the feminine and neuter genders where the context so admits.

Any reference to a time of day shall be a reference to Singapore time.

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

3. Objectives of the Plan

3.1 The Plan is a share incentive scheme. The Plan is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees and executive directors who have contributed to the growth of the Group. The Plan will give Participants an opportunity to have a personal equity interest in the Company and will help achieve the following positive objectives:

(a) to motivate the Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;

(b) to retain key employees and executive directors of the Group whose contributions are essential to the long-term growth and profitability of the Group;

(c) to instil loyalty to, and a stronger identification by Participants with the long-term goals of, the Company;

(d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and

(e) to align the interests of Participants with the interests of the Shareholders.

4. Eligibility of Participants

4.1 The following persons shall be eligible to participate in the Plan at the absolute discretion of the Committee:

(a) Group Employees who, as of the Award Date, have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time taking into consideration, among other things, role, seniority, length of service, performance history and potential contribution to the Group, and who have, as of the Award Date, been in full time employment of the Group for a period of at least 12 months (or in the case of any Group Executive Director, such shorter period as the Committee may determine), provided that none shall be an undischarged bankrupt as at the Award Date;

(b) subject to Rule 4.2, persons who qualify under Rule 4.1(a) above and who are also Controlling Shareholders or Associates of Controlling Shareholders.

4.2 Controlling Shareholders and their Associates who satisfy the criteria set out in Rule 4.1 above shall be eligible to participate in the Plan provided that:

(a) their participation; and

(b) the actual or maximum number of Shares and terms of any Awards to be granted to them,

have been approved by independent shareholders of the Company at a general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the actual or maximum number of Shares and terms of any Awards to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent shareholders of the Company for the participation in the Plan of a Controlling Shareholder of his Associate who is, at the relevant time, already a Participant.

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

5. Grant of Awards

5.1 Subject as provided in Rule 8, the Committee may grant Awards to eligible Group Employees, Controlling Shareholders (who are eligible to participate under Rule 4.1) and/or Associates of Controlling Shareholders (who are eligible to participate under Rule 4.1), and in each case, as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.

5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan and the relevant Performance Condition to be imposed shall be determined at the absolute discretion of the Committee, which shall take into account criteria as it considers fit, including (but not limited to) his rank, scope of responsibilities, job performance, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort and difficulty with which the Performance Condition(s) may be achieved within the Performance Period.

5.3 The Committee shall decide in relation to an Award:

(a) the Participant;

(b) the Award Date;

(c) the Performance Period;

(d) the number of Shares which are the subject of the Award;

(e) the Performance Condition;

(f) the Vesting Date;

(g) the Release Schedule; and

(h) any other condition which the Committee may determine in relation to that Award.

5.4 The Committee may amend or waive the Performance Period, the Performance Condition(s) and/or the Release Schedule and/or any condition applicable to any Award:

(a) in the event of a take-over offer being made for the Shares or if under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or

(b) in the event that the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie); or

(c) if anything happens which causes the Committee to conclude that:

(i) a changed Performance Condition and/or Release Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or

(ii) the Performance Condition and/or Release Schedule should be waived,

and shall notify the Participants of such change or waiver.

5.5 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award (as applicable):

(a) the Award Date;

(b) the Performance Period;

(c) the number of Shares which are the subject of the Award;

(d) the Performance Condition;

(e) the Vesting Date;

(f) the Release Schedule; and

(g) any other condition which the Committee may determine in relation to that Award.

5.6 Participants are not required to pay for the grant of Awards.

5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Release Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

6. Events Prior to the Vesting Date

6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:

(a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;

(b) subject to Rule 6.2(b), upon the Participant ceasing to be in the employment of the Group for any reason whatsoever; or

(c) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 6.1(b), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

6.2 In any of the following events, namely:

(a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;

(b) where the Participant ceases to be in the employment of the Group by reason of:

(i) ill health, injury, death or disability (in each case, evidence to the satisfaction of the Committee);

(ii) redundancy;

(iii) retirement at or after the legal retirement age;

(iv) retirement before the legal retirement age with the consent of the Committee;

(v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be;

(vi) (where applicable) his transfer of employment between companies within the Group;

(vii) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or

(viii) any other event approved by the Committee;

(c) the death of a Participant; or

(d) any other event approved by the Committee,

the Committee may, in its absolute discretion, determine whether an Award then held by such Participant, to the extent not yet Released, shall lapse or that all or any part of such Award shall be preserved. If the Committee determines that an Award shall lapse, then such Award shall lapse without any claim whatsoever against the Company. If the Committee determines that all or any part of an Award shall be preserved, the Committee shall decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition(s) has (have) been satisfied.

6.3 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:

(a) a take-over offer for the Shares becomes or is declared unconditional;

(b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by Shareholders of the Company and/or sanctioned by the court under the Act; or

(c) an order being made or a resolution being passed for the winding-up of the Company (other than as provided in Rule 6.1(c) or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has elapsed and the extent to which the Performance Condition(s) has been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7.

7. Review of Performance Condition(s), Vesting of Awards and Release of Awards

7.1 Review of Performance Condition(s)

(a) As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Condition(s) specified in respect of each Award and determine at its discretion:

(i) whether it has been satisfied and, if so, the extent to which it has been satisfied;

(ii) whether any other condition applicable to the Award has been satisfied; and

(iii) the number of Shares (if any) comprised in such Award to be Released to the relevant Participant,

and (subject to Rules 6 and 7.1(b)) ***provided that*** the relevant Participant has continued to be an eligible person under Rule 4 from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

(b) If the Committee in its sole discretion determines that the Performance Condition has not been satisfied or (subject to Rule 6) if the relevant Participant has not continued to be a Group Employee from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rule 7.2 to 7.4 shall be of no effect.

The Committee shall have the full discretion to determine whether any Performance Condition(s) has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

(c) Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Trading Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1(a) and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.

(d) Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares.

7.2 Release of Award

Shares which are allotted (as an issue of new Shares) or transferred (as a transfer of Shares then held by the Company in treasury) on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.

Subject to the Act and the Catalist Rules, the Company shall have the flexibility to deliver Shares to Participants upon the Release of their Awards by way of (a) the allotment and issuance to each Participant of the number of new Shares, deemed to be fully paid or credited upon their allotment and issuance, and/or (b) the transfer of existing Shares to the Participant, including (subject to applicable laws) any Shares acquired by the Company pursuant to a share purchase mandate and/or held by the Company as treasury shares.

In determining whether to allot and issue new Shares or to purchase existing Shares for delivery to the Participants upon the Release of their Awards, the Committee will take into account factors such as, but not limited to, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to our Company of issuing new Shares or delivering existing Shares.

7.3 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of any Award shall:

(a) be subject to all the provisions of the Constitution of the Company; and

(b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the later of (i) the relevant Vesting Date; and (ii) the date of issue of the Shares, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

7.4 Moratorium

Shares which are allotted and issued or transferred to a Participant pursuant to the Release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

8. Limitation on the Size of the Plan

8.1 The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan on any date, when aggregated with:

(a) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury shares) delivered and/or to be delivered pursuant to Awards already granted under the Plan; and

(b) the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company,

shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the day preceding that date.

8.2 The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan to Participants who are Controlling Shareholders and/or Associates of Controlling Shareholders shall not exceed 25.0% of the total number of Shares available under the Plan.

8.3 The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan to each Participant who is a Controlling Shareholder or his Associate shall not exceed 10.0% of the Shares available under the Plan.

8.4 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

9. Adjustment Events

9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place or (without prejudice to the provisions of Rule 5.4) if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then the Committee may, in its sole discretion, determine whether:

(a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or

(b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted to give such Participant the same proportion of the equity capital of the Company as that to which he was previously entitled, in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.

9.2 Unless the Committee considers an adjustment to be appropriate, (a) the issue of securities as consideration for an acquisition or a private placement of securities; (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders of the Company (including any renewal of such mandate) is in force; (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the Plan; or (d) any issue of Shares arising from the exercise of options or the subscription rights of any warrants or the conversion of any loan stock or any securities convertible into Shares by the Company, shall not normally be regarded as a circumstance requiring adjustment.

9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares which are the subject of the adjusted Award. Any adjustment shall take effect upon such written notification being given or on such date as may be specified in such written notification.

10. Administration of the Plan

10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board of the Company, provided that no member of the Committee shall participate in any deliberation or decision in respect of the Awards to be granted to him or held by him. The Committee shall comprise directors of the Company (including directors who may be Participants of the Plan).

10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.

10.3 Neither the Plan nor the Awards granted under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with: (a) the lapsing of any Awards pursuant to any provision of the Plan; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or (c) any decision or determination of the Committee made pursuant to any provision of the Plan.

10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

10.5 The Committee shall ensure that the rules of the Plan are in compliance with the Act and the applicable laws and regulations in Singapore, including but not limited to, the Catalist Rules.

11. Notices and Communications

11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.

11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number provided by the Participant to the Company.

11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

12. Modifications to the Plan

12.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:

(a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except when the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Conditions for their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;

(b) any modification or alteration which would be to the advantage of Participants under the Plan shall be subject to the prior approval of the Shareholders in general meeting; and

(c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a) and (b), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award or which would be to the advantage of Participants (as the case may be) shall be final, binding and conclusive.

For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any provision of the Plan to amend or adjust any Award and without due compliance with the Catalist Rules and such other laws and regulations as may be applicable.

12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. Terms of Employment Unaffected

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

14. Duration of the Plan

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

14.2 The Plan may be terminated at any time by the Committee or at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.

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

15. Taxes

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

16. Costs and expenses of the Plan

16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent.

16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

17. Disclaimer of liability

Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and however arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 7.1(c).

18. Disclosures in Annual Reports

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

(a) the names of the members of the Committee administering the Plan;

(b) the information required in the table below for the following Participants of the Plan:

(i) directors of the Company;

(ii) Controlling Shareholders and their Associates; and

(iii) Participants (other than those in (i) and (ii) above) who have received Shares pursuant to the Release of Awards granted under the Plan which, in aggregate, represent 5.0% or more of the aggregate of the total number of Shares available under the Plan, the following information:

Name of Participant	Aggregate number of Shares comprised in Awards granted during financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since the commencement of the ST Group Performance Share Plan to end of financial year under review	Aggregate number of Shares comprised in Awards Vested which have been issued and/or transferred since commencement of the ST Group Performance Share Plan to end of financial year under review	Aggregate number of Shares comprised in Awards which have not been Released as at end of financial year under review

(c) the names and numbers of Awards granted to each director and employee of the parent company and its subsidiaries who receives 5.0% or more of the total number of Awards available to all directors and employees of the Group under the Plan, during the financial year under review;

(d) the aggregate number of Awards granted to the directors and employees of the Group for the financial year under review, and since the commencement of the Plan to the end of the financial year under review; and

(e) such other information as may be required by the Catalist Rules or the Act,

provided that if any of the above requirements are not applicable, an appropriate negative statement shall be included therein.

19. Disputes

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

20. Abstention from voting

Shareholders who are eligible to participate in the Plan must abstain from voting on any resolution relating to the Plan and shall not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast for each of the resolutions contemplated. In particular, all Shareholders who are eligible to participate in the Plan shall abstain from voting on the following resolutions, where application (a) implementation of the Plan, and (b) participation by and grant of Awards to Controlling Shareholders and their Associates.

21. Governing Law

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

22. Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore.

Acquisition of Outlet Companies

Pursuant to the Lower Tier Restructuring, our Purchasing Subsidiaries acquired the shareholding interests in certain Outlet Companies as set out below. The number of consideration shares in the relevant Brand Holding Company issued to the respective shareholders of the Outlet Companies is as follows:

S/N	Outlet Company	Shareholder of Outlet Company	Shareholding in Outlet Company (%)	Purchasing Subsidiary	Brand Holding Company	Number of consideration shares in Brand Holding Company issued
"PappaRich" brand						
1.	Oldtown QV (Aust) Pty Ltd	(1) Saw Tatt Ghee	27.00%	Papparich Outlets Pty Ltd	STG Food Industries Pty Ltd	1,143
		(2) Saw Tatt Jin	15.00%			635
		(3) Saw Lee Ping	15.00%			635
		(4) Tan Tee Ooi	15.00%			635
		(5) Ng Yee Siang	10.00%			424
		(6) Alpine Investments Pty Ltd	8.00%			339
		(7) Pang Kher Chink	5.00%			212
		(8) Leong Weng Yu	5.00%			212
		Total	**100.00%**			**4,235**
2.	Delicious Foodcraft Pty Ltd	(1) Saw Tatt Jin	21.00%	Papparich Outlets Pty Ltd	STG Food Industries Pty Ltd	544
		(2) Saw Lee Ping	6.00%			156
		(3) Alpine Investments Pty Ltd	5.00%			130
		(4) Kong Len Wei	5.00%			130
		(5) Chee Chow Wei	10.00%			259
		(6) Chew Hing Ling and Xiao Fang Wu in their capacity as trustee for the Ling Family Trust	33.00%			855
		Total	**80.00%**			**2,074**

S/N	Outlet Company	Shareholder of Outlet Company	Shareholding in Outlet Company (%)	Purchasing Subsidiary	Brand Holding Company	Number of consideration shares in Brand Holding Company issued
3.	PPR Ryde (NSW) Pty Ltd	(1) Fortune Infinity Pty Ltd	37.00%	Papparich Outlets Pty Ltd	STG Food Industries Pty Ltd	640
		(2) Yohanes Prayitno	3.00%			52
		(3) KNA Nominees Pty Ltd	18.00%			312
		(4) Cliff Khoo Kai Yi	5.00%			87
		Total	**63.00%**			**1,091**
"Hokkaido Baked Cheese Tart" brand						
4.	HBCT (Aust) Pty Ltd	(1) Creative Fox Pty Ltd	8.00%	STG Confectionery Pty Ltd	STG Confectionery Pty Ltd	7,707
		(2) STG Investments Pty Ltd	2.00%			1,927
		Total	**10.00%**			**9,634**
5.	JCT (Chadstone) Pty Ltd	(1) Benjamin Cheong Ming Hon	5.00%	HBCT Co Outlets Pty Ltd	STG Confectionery Pty Ltd	160
		(2) Jason Leong Jia Wai	5.00%			160
		(3) Daphne Chin Ying Mun	5.00%			160
		(4) Perdana Australia Pty Ltd	38.00%			1,211
		(5) Jessica Lau Wai Kwan	15.00%			478
		Total	**68.00%**			**2,169**
6.	HBCT (NSW) Pty Ltd	(1) Fortune Infinity Pty Ltd	49.00%	HBCT Co Outlets Pty Ltd	STG Confectionery Pty Ltd	2,863
		Total	**49.00%**			**2,863**
7.	HBCT (WA) Pty Ltd	(1) JL88 Pty Ltd	40.00%	HBCT Co Outlets Pty Ltd	STG Confectionery Pty Ltd	1,063
		Total	**40.00%**			**1,063**

S/N	Outlet Company	Shareholder of Outlet Company	Shareholding in Outlet Company (%)	Purchasing Subsidiary	Brand Holding Company	Number of consideration shares in Brand Holding Company issued
8.	JCT (Doncaster) Pty Ltd	(1) Tan & Saw Investments Pty Ltd	30.00%	HBCT Co Outlets Pty Ltd	STG Confectionery Pty Ltd	160
		(2) KCPLP Investments Pty Ltd	6.00%			32
		(3) Alpine Investments Pty Ltd	5.00%			27
		(4) Saw Tatt Jin	8.00%			43
		Total	**49.00%**			**262**
9.	JCT Queensland Pty Ltd	(1) Jason Leong Jia Wai	5.00%	HBCT Co Outlets Pty Ltd	STG Confectionery Pty Ltd	38
		(2) Terence Foh Onn Jee	25.00%			186
		Total	**30.00%**			**224**
"NeNe Chicken" brand (Australia)						
10.	Nene Chicken (Australia) Pty Ltd	(1) Chen Xin	11.00%	STG Food Industries 3 Pty Ltd	STG Food Industries 3 Pty Ltd	332
		(2) Richard Peter Godwin	7.00%			212
		(3) Ricgo Pty Ltd	8.00%			242
		(4) STG Investments Pty Ltd	4.00%			121
		Total	**30.00%**			**907**
11.	NN MC Pty Ltd	(1) Chu Poh Weng	10.00%	Nene Chicken (Australia) Pty Ltd	STG Food Industries 3 Pty Ltd	33
		(2) STG Investments Pty Ltd	4.00%			14
		(3) Ricgo Pty Ltd	1.00%			4
		Total	**15.00%**			**51**

S/N	Outlet Company	Shareholder of Outlet Company	Shareholding in Outlet Company (%)	Purchasing Subsidiary	Brand Holding Company	Number of consideration shares in Brand Holding Company issued
12.	NN BH Pty Ltd	(1) Chu Poh Weng	10.00%	Nene Chicken (Australia) Pty Ltd	STG Food Industries 3 Pty Ltd	33
		(2) STG Investments Pty Ltd	4.00%			14
		(3) Ricgo Pty Ltd	1.00%			4
		Total	**15.00%**			
"Gong Cha" brand (New Zealand)						
13.	GCHA (NZ) Pty Ltd	(1) YSN Investments Pty Ltd	25.00%	STG Beverage (NZ) Pty Ltd	STG Beverage (NZ) Pty Ltd	469
		(2) Lee Sook Yee	6.00%			113
		(3) Liaw Shing Jian	10.00%			188
		Total	**41.00%**			
"iDarts" brand						
14.	Idarts Australia Pty Ltd	(1) Ricgo Pty Ltd	9.00%	STG Entertainment Pty Ltd	STG Entertainment Pty Ltd	153
		(2) Chen Xin	11.00%			187
		(3) Richard Peter Godwin	9.00%			153
		(4) STG Investments Pty Ltd	11.00%			187
		Total	**40.00%**			
"PAFU" brand						
15.	Pafu Australia Pty Ltd	(1) Daphne Chin Ying Mun	4.00%	STG Confectionery 2 Pty Ltd	STG Confectionery 2 Pty Ltd	49
		(2) Creative Fox Pty Ltd	8.00%			98
		(3) Asia Ventures Pty Ltd	2.50%			31
		(4) Listeners Pty Ltd	2.50%			31
		Total	**17.00%**			

Acquisition of Brand Holding Companies

The shareholding of the Brand Holding Companies following the Lower Tier Restructuring is set out below. Pursuant to the Top Tier Restructuring, our Company acquired the entire issued and paid-up capital of each Brand Holding Company. The number of consideration Shares issued to the respective shareholders of the Brand Holding Companies are as follows:

No.	Brand Holding Company	Shareholder of Brand Holding Company		Shareholding following the Lower Tier Restructuring (%)	Number of Consideration Shares issued
"PappaRich" brand					
1.	STG Food Industries Pty Ltd	(1)	Saw Tatt Jin	12.24%	2,781,529
		(2)	Ng Yee Siang	7.43%	1,687,930
		(3)	Leong Weng Yu	6.71%	1,524,084
		(4)	Pang Kher Chink	6.71%	1,524,084
		(5)	Saw Lee Ping	7.93%	1,801,541
		(6)	Tan Tee Ooi	7.40%	1,680,974
		(7)	STG Investments Pty Ltd	38.16%	8,671,507
		(8)	Saw Tatt Ghee	3.89%	883,381
		(9)	Alpine Investments Pty Ltd	1.59%	362,474
		(10)	Kong Len Wei	0.44%	100,473
		(11)	Chee Chow Wei	0.88%	200,172
		(12)	Chew Hing Ling and Xiao Fang Wu in their capacity as trustee for the Ling Family Trust	2.91%	660,797
		(13)	Fortune Infinity Pty Ltd	2.18%	494,632
		(14)	Yohanes Prayitno	0.18%	40,189
		(15)	KNA Nominees Pty Ltd	1.06%	241,133
		(16)	Cliff Khoo Kai Yi	0.30%	67,239
		Total		**100%**	**22,722,139**

No.	Brand Holding Company	Shareholder of Brand Holding Company		Shareholding following the Lower Tier Restructuring (%)	Number of Consideration Shares issued
"Hokkaido Baked Cheese Tart" brand					
2.	STG Confectionery Pty Ltd	(1)	STG Investments Pty Ltd	35.26%	3,483,565
		(2)	Tan & Saw Investments Pty Ltd	13.47%	1,330,711
		(3)	Saw Tatt Jin	5.03%	497,271
		(4)	KCPLP Investments Pty Ltd	5.85%	578,284
		(5)	Lemy Pty Ltd	5.82%	574,999
		(6)	Ricgo Pty Ltd	3.33%	328,571
		(7)	Alpine Investments Pty Ltd	5.02%	495,628
		(8)	YSN Investments Pty Ltd	3.33%	328,571
		(9)	JL Lee Investments Pty Ltd	8.31%	821,426
		(10)	Creative Fox Pty Ltd	8.01%	791,342
		(11)	Benjamin Cheong Ming Hon	0.17%	16,429
		(12)	Jason Leong Jia Wai	0.21%	20,331
		(13)	Daphne Chin Ying Mun	0.17%	16,429
		(14)	Perdana Australia Pty Ltd	1.26%	124,344
		(15)	Jessica Lau Wai Kwan	0.50%	49,081
		(16)	Fortune Infinity Pty Ltd	2.98%	293,968
		(17)	JL88 Pty Ltd	1.10%	109,147
		(18)	Terence Foh Onn Jee as trustee of the Jee Investment Family Trust	0.19%	19,099
		Total		**100%**	**9,879,196**

No.	Brand Holding Company	Shareholder of Brand Holding Company		Shareholding following the Lower Tier Restructuring (%)	Number of Consideration Shares issued
"NeNe Chicken" brand (Australia)					
3.	STG Food Industries 3 Pty Ltd	(1)	Saw Tatt Jin	5.98%	122,333
		(2)	STG Investments Pty Ltd	26.89%	549,817
		(3)	Chen Wui Keat	4.65%	95,148
		(4)	Saw Lee Ping	1.99%	40,778
		(5)	Tan & Saw Investments Pty Ltd	9.31%	190,296
		(6)	Lemy Pty Ltd	4.65%	95,148
		(7)	Alpine Investments Pty Ltd	3.99%	81,556
		(8)	KCPLP Investments Pty Ltd	4.65%	95,148
		(9)	Jp In Enterprise Pty Ltd	9.31%	190,296
		(10)	Chen Xin	11.03%	225,636
		(11)	Richard Peter Godwin	7.05%	144,081
		(12)	Ricgo Pty Ltd	8.31%	169,907
		(13)	Chu Weng Poh	2.19%	44,856
		Total		**100%**	**2,045,000**
"Gong Cha" brand (New Zealand)					
4.	STG Beverage (NZ) Pty Ltd	(1)	Saw Tatt Jin	5.08%	125,583
		(2)	Saw Lee Ping	6.78%	167,444
		(3)	Tan Tee Ooi	3.95%	97,676
		(4)	STG Investments Pty Ltd	25.99%	641,869
		(5)	Ricgo Pty Ltd	2.82%	69,769
		(6)	Lemy Pty Ltd	3.95%	97,676
		(7)	Alpine Investments Pty Ltd	3.95%	97,676
		(8)	KCPLP Investments Pty Ltd	3.95%	97,676
		(9)	YSN Investments Pty Ltd	26.50%	654,427
		(10)	Lee Sook Yee	6.38%	157,677
		(11)	Liaw Shing Jian	10.62%	262,329
		Total		**100%**	**2,469,802**

No.	Brand Holding Company	Shareholder of Brand Holding Company		Shareholding following the Lower Tier Restructuring (%)	Number of Consideration Shares issued
"iDarts" brand					
5.	STG Entertainment Pty Ltd	(1)	Saw Tatt Jin	6.55%	37,518
		(2)	Chen Wui Keat	8.33%	47,750
		(3)	STG Investments Pty Ltd	36.13%	207,028
		(4)	Tan & Saw Investments Pty Ltd	9.52%	54,571
		(5)	Alpine Investments Pty Ltd	2.98%	17,054
		(6)	Benjamin Cheong Ming Hon	7.14%	40,929
		(7)	Ricgo Pty Ltd	9.11%	52,184
		(8)	Chen Xin	11.13%	63,780
		(9)	Richard Peter Godwin	9.11%	52,184
		Total		**100%**	**572,998**
"PAFU" brand					
6.	STG Confectionery 2 Pty Ltd	(1)	STG Investments Pty Ltd	34.74%	274,559
		(2)	Ricgo Pty Ltd	4.14%	32,686
		(3)	Lemy Pty Ltd	5.79%	45,760
		(4)	Tan & Saw Investments Pty Ltd	13.23%	104,594
		(5)	Alpine Investments Pty Ltd	4.14%	32,686
		(6)	KCPLP Investments Pty Ltd	5.79%	45,760
		(7)	YSN Investments Pty Ltd	3.31%	26,149
		(8)	Saw Tatt Jin	5.79%	45,760
		(9)	JL Lee Investments Pty Ltd	5.79%	45,760
		(10)	Daphne Chin Ying Mun	4.05%	32,032
		(11)	Creative Fox Pty Ltd	8.11%	64,064
		(12)	Asia Ventures Pty Ltd	2.56%	20,265
		(13)	Listeners Pty Ltd	2.56%	20,265
		Total		**100%**	**790,340**

No.	Brand Holding Company	Shareholder of Brand Holding Company		Shareholding following the Lower Tier Restructuring (%)	Number of Consideration Shares issued
"IPPUDO" brand					
7.	STG Food Industries 5 Pty Ltd	(1)	JL Lee Investments Pty Ltd	6.00%	41,493
		(2)	STG Investments Pty Ltd	37.00%	255,871
		(3)	YSN Investments Pty Ltd	5.00%	34,578
		(4)	Saw Tatt Jin	8.00%	55,324
		(5)	Tan & Saw Investments Pty Ltd	18.00%	124,478
		(6)	Lemy Pty Ltd	6.00%	41,493
		(7)	Benjamin Cheong Ming Hon	2.00%	13,831
		(8)	Alpine Investments Pty Ltd	3.00%	20,747
		(9)	Ricgo Pty Ltd	3.00%	20,747
		(10)	KCPLP Investments Pty Ltd	12.00%	82,986
		Total		**100%**	**691,548**
"NeNe Chicken" brand (Malaysia)					
8.	STG Food Industries Malaysia Sdn Bhd	(1)	STG Investments Pty Ltd	26.00%	89,901
		(2)	Lemy Pty Ltd	5.00%	17,289
		(3)	Tan & Saw Investments Pty Ltd	10.00%	34,578
		(4)	Alpine Investments Pty Ltd	4.00%	13,831
		(5)	KCPLP Investments Pty Ltd	5.00%	17,289
		(6)	Saw Tatt Jin	6.00%	20,747
		(7)	Jp In Enterprise Pty Ltd	10.00%	34,578
		(8)	Saw Tatt Ghee	1.00%	3,458
		(9)	Creative Fox Pty Ltd	5.00%	17,289
		(10)	Richard Peter Godwin	26.00%	89,901
		(11)	Saw Lee Ping	2.00%	6.916
		Total		**100%**	**345,777**

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APPENDIX J – LIST OF PRESENT AND PAST DIRECTORSHIPS

DIRECTORS

Name	Present directorships	Past directorships
Mr. Saw Tatt Ghee	*Group Companies*	*Group Companies*
	Pafu IP Holdings Pte. Ltd.	BPC Australia Pty Ltd
	GC (England) Pte. Ltd.	NN BH Pty Ltd
	Gong Cha England Limited	NN MC Pty Ltd
	Gong Cha England Outlets Limited	Oldtown QV (Aust) Pty Ltd
	STG Food Industries Malaysia Sdn Bhd	PPR Ryde (NSW) Pty Ltd
	TGR Food Industries Sdn Bhd	Dartslive Australia Pty Ltd
	NNC Food Industries Malaysia Sdn Bhd	HBCT Co Outlets Pty Ltd
	Gong Cha Limited	JCT (Chadstone) Pty Ltd
	JCT Auckland Limited	JCT (Doncaster) Pty Ltd
	GCHA (NZ) Pty Ltd	JCT Queensland Pty Ltd
	Idarts Australia Pty Ltd	Pafu Co Outlets Pty Ltd
	IPR (WA) Pty Ltd	HBCT Marketing Pty Ltd
	IPR NZ Limited	
	JCT ACT Pty Ltd	
	Pafu Australia Pty Ltd	
	Papparich Australia Pty Ltd	
	Papprich Central (Melbourne) Pty Ltd	
	PPR Co Outlets Pty Ltd	
	STG Beverage (NZ) Pty Ltd	
	STG Confectionery Pty Ltd	
	STG Confectionery 2 Pty Ltd	
	STG Entertainment Pty Ltd	
	STG Food Industries Pty Ltd	
	STG Food Industries 5 Pty Ltd	
	HBCT (NSW) Co Pty Ltd	
	STG Food Industries 3 Pty Ltd	
	Nene Chicken (Australia) Pty Ltd	
	HBCT (Aust) Pty Ltd	
	Other Companies	*Other Companies*
	Breadtop Limited	NV Drinks International
	Nene Chicken Limited	Pty Ltd (Deregistered)
	Papparich Limited	Pd Ksquare Pty Ltd
	Food Industry Holdings Pty Ltd	(Deregistered)
	Alpine Investments Pty Ltd	PPR QLD Pty Ltd
	Oldtown Kopitiam Pty Ltd	Roast Express Pty Ltd
	QVDarts Pty Ltd	(Deregistered)
	Saw Holdings Pty Ltd	SGN Aust Pty Ltd
	SCL Property Australia Pty Ltd	(Deregistered)
	ST Group Pty Ltd	Idarts QV Pty Ltd
	ST PPR (NZ) Pty Ltd	Gateharvest Pty Ltd
	STG Pafu Pty Ltd	MQ Liverpool Pty Ltd
	Asian Delicious Cuisine Pty Ltd	Golden Hope Corporation
	Glomac Properties Pty Ltd	Pty Ltd (Deregistered)
	JPG Enterprise Pty Ltd	MQ (NSW) Pty Ltd
	Papparich (NZ) Pty Ltd	Papparich Indonesia
	STG Investments Pty Ltd	Pte. Ltd.
	KT & SC & TG Investments Pty Ltd	Papparich UK Pte. Ltd.
	Centurion Equity Pty Limited	
	STG 4T (Aust) Pty Ltd	

Name	Present directorships	Past directorships
Ms. Saw Lee Ping	*Group Companies*	*Group Companies*
	Gong Cha England Limited Gong Cha England Outlets Limited HBCT (NSW) Co Pty Ltd Papparich Australia Pty Ltd Papparich Central (Melbourne) Pty Ltd STG Beverage (NZ) Pty Ltd STG Food Industries Pty Ltd STG Food Industries 3 Pty Ltd JCT (Doncaster) Pty Ltd JCT ACT Pty Ltd JCT Queensland Pty Ltd Pafu Australia Pty Ltd Pafu Co Outlets Pty Ltd STG Confectionery Pty Ltd STG Confectionery 2 Pty Ltd	IPR (WA) Pty Ltd Oldtown QV (Aust) Pty Ltd Gong Cha Limited
	Other Companies	*Other Companies*
	Oldtown Kopitiam Pty Ltd Tan & Saw Investments Pty Ltd JPG Enterprise Pty Ltd Food Industry Holdings Pty Ltd Alpine Investments Pty Ltd ST PPR (NZ) Pty Ltd STG Pafu Pty Ltd	STG Food Industries 2 Pty Ltd (Deregistered) PPR QLD Pty Ltd Saw Holdings Pty Ltd
Mr. Chan Wee Kiang	*Group Companies*	*Group Companies*
	Nil	Nil
	Other Companies	*Other Companies*
	PCCS Garments (Suzhou) Limited PCCS (Hong Kong) Limited Thirty Three (Hong Kong) Limited Thirty Three (Shanghai) Limited Harvest Trading (Shanghai) Limited Harvest Investment (Hong Kong) Limited Perfect Seamless Garments (Cambodia) Limited Thirty Three (Australia) Pty Ltd Infinity Avenues Sdn Bhd Metro Living Sdn Bhd CCS Development Australia Pty Ltd WW Capital (Australia) Pty Ltd WW Capital (Labuan) Sdn Bhd Kings Park Ltd Xwing (M) Sdn Bhd CCS Capital Sdn Bhd	Nil

Name	Present directorships	Past directorships
Mr. Peter Sim Swee Yam	*Group Companies* Nil *Other Companies* Gravitas Alliance International Pte Ltd Lum Chang Holdings Limited Sim Law Practice LLC (formerly known as Sim & Wong LLC) SKB & Associates Pte Ltd Mun Siong Engineering Limited Haw Par Corporation Limited Singapore Reinsurance Corporation Limited	*Group Companies* Nil *Other Companies* Infinity Capital Partners (S) Pte Ltd YMCA of Singapore Astra Serangkai Singapore Pte Ltd (Struck-off) Marco Polo Marine Ltd
Mr. Yap Zhi Chau	*Group Companies* Nil *Other Companies* YYC Global Pte Ltd YYC Holdings Sdn Bhd YYC GST Consultants Sdn Bhd YYC Tax Consultants Sdn Bhd YYC Advisors Sdn Bhd K K Chow Training Sdn Bhd YYC (Ampang) Sdn Bhd YYC (Bandar Botanic) Sdn Bhd YYC (Kota Damansara) Sdn Bhd YYC (Puchong) Sdn Bhd YYC (Pudu) Sdn Bhd YYC (USJ Taipan) Sdn Bhd YYC Academy Sdn Bhd YYC Advisors (Ipoh) Sdn Bhd YYC Business Solutions Sdn Bhd YYC Corporate Advisory Sdn Bhd YYC Digital Sdn Bhd YYC Ideal Sdn Bhd YYC JG Sdn Bhd YYC KK Chow Tax Sdn Bhd YYC Management Consultants Sdn Bhd YYC Management Sdn Bhd YYC Outsourcing Sdn Bhd YYC Ventures Sdn Bhd YYC Wechat Sdn Bhd YYC Winning CEO Sdn Bhd YYC Harveston Wealth Advisory Sdn Bhd Agensi Pekerjaan Hirelo Consultancy Sdn Bhd Agere Accounting & Advisory Pte. Ltd.	*Group Companies* Nil *Other Companies* YYC (Serdang) Sdn Bhd Elegant Management Sdn Bhd Postcode 1MK Sdn Bhd Postcode Bakery Sdn Bhd (Struck-off) Postcode Holdings Sdn Bhd (Struck-off) Postcode Orient Sdn Bhd GC Elite Management Sdn Bhd Freelance Management Services Sdn Bhd

Name	Present directorships	Past directorships
	Badminton League Malaysia Sdn Bhd Chin Meng Sdn Bhd Chun Chang Corporation Sdn Bhd Dynasty Creations Sdn Bhd F&B Culture Sdn Bhd Fabulous 4 PE Sdn Bhd GNH Uptown Sdn Bhd Go Food Supply Sdn Bhd Go Partners Sdn Bhd H.K Phuah Tax Services Sdn Bhd Intanair Jaya Sdn Bhd K.J. Tan Sdn Bhd Liktak Management Sdn Bhd Newswav Sdn Bhd United Overseas Elite Sdn Bhd YSF Properties Sdn Bhd Pryel Corp Pte Ltd C & T Tax and Corporate Services Sdn Bhd M E Kong & Associates Sdn Bhd YYC (Klang) Sdn Bhd YYC (Uptown) Sdn Bhd YYC Management Services Sdn Bhd	

EXECUTIVE OFFICERS

Name	Present directorships	Past directorships
Chin Poh Yeen	*Group Companies* Nil	*Group Companies* Nil
	Other Companies Nil	*Other Companies* Nil
Leong Weng Yu	*Group Companies* STG Beverage (NZ) Pty Ltd Oldtown QV (Aust) Pty Ltd Papparich Central (Melbourne) Pty Ltd HBCT Co Outlets Pty Ltd	*Group Companies* Nil
	Other Companies Lemy Pty Ltd Oldtown Kopitiam Pty Ltd MQ Liverpool Pty Ltd	*Other Companies* NV Drinks International Pty Ltd (Deregistered)

Name	Present directorships	Past directorships
Ng Yee Siang	*Group Companies*	*Group Companies*
	Gong Cha England Limited Gong Cha England Outlets Limited Gong Cha Limited JCT Auckland Limited GCHA (NZ) Pty Ltd Oldtown QV (Aust) Pty Ltd	STG Beverage (NZ) Pty Ltd
	Other Companies	*Other Companies*
	Brand Trading Pty Ltd Flexfood Pty Ltd Oldtown Kopitiam Pty Ltd Ho Dim Sum QLD Pty Ltd YSN Investments Pty Ltd Yuki Beauty Pty Ltd	Ho Dim Sum Pty Ltd HC88 Pty Ltd SGN Aust Pty Ltd (Deregistered)
Pang Kher Chink	*Group Companies*	*Group Companies*
	Oldtown QV (Aust) Pty Ltd STG Beverage (NZ) Pty Ltd	Nil
	Other Companies	*Other Companies*
	KCPLP Investments Pty Ltd Oldtown Kopitiam Pty Ltd	Nil
Tan Tee Ooi	*Group Companies*	*Group Companies*
	Oldtown QV (Aust) Pty Ltd STG Beverage (NZ) Pty Ltd JCT (Doncaster) Pty Ltd	Nil
	Other Companies	*Other Companies*
	Oldtown Kopitiam Pty Ltd Tan & Saw Investments Pty Ltd	Val Trading Sdn Bhd (in the process of being deregistered)

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APPENDIX K – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

You are invited to apply and subscribe for the Placement Shares at the Issue Price for each Placement Share, subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 100 PLACEMENT SHARES OR INTEGRAL MULTIPLES THEREOF, SUBJECT TO A MINIMUM OF 1,000 PLACEMENT SHARES. YOUR APPLICATION FOR ANY OTHER NUMBER OF PLACEMENT SHARES WILL BE REJECTED.**

2. Your application for the Placement Shares may only be made by way of the Application Form or other such forms of application as the Sponsor and Issue Manager and Placement Agent may deem appropriate.

   YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE PLACEMENT SHARES.

3. You (not being an approved nominee company) are allowed to submit only one application in your own name for the Placement Shares. Any separate application by you for the Placement Shares shall be deemed to be multiple applications and may be rejected at the discretion of our Company and the Sponsor and Issue Manager and Placement Agent, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary.

   If you, not being an approved nominee company, have submitted an application for the Placement Shares in your own name, you should not submit any other application for the Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company and the Sponsor and Issue Manager and Placement Agent.

   Joint and multiple applications for the Placement Shares may be rejected at the discretion of our Company and the Sponsor and Issue Manager and Placement Agent. If you submit or procure submissions of multiple share applications for the Placement Shares, you may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary, may be rejected at the discretion of our Company and the Sponsor and Issue Manager and Placement Agent.

   By submitting an application for the Placement Shares, you declare that you do not possess more than one individual direct Securities Account with CDP.

4. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole proprietorships, partnerships or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Form) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of application.

5. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 6 below.

6. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies and licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.

7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected. If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in the Application Form, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number provided in your Application Form differ from those particulars in your Securities Account as maintained with CDP. If you have more than one individual direct Securities Account with CDP, your application shall be rejected.

8. If your address as stated in the Application Form is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondences from CDP will be sent to your address last registered with CDP.

9. Our Company, in consultation with the Sponsor and Issue Manager and Placement Agent, reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or which does not comply with the terms and conditions of this Offer Document or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance or a remittance which is not honoured upon the first presentation.

   Our Company and the Sponsor and Issue Manager and Placement Agent further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Form or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

   Without prejudice to the rights of our Company, the Sponsor and Issue Manager and Placement Agent, as agents of our Company, have been authorised to accept, for and on behalf of our Company such other forms of application as the Sponsor and Issue Manager and Placement Agent deem appropriate.

10. Our Company, in consultation with the Sponsor and Issue Manager and Placement Agent, reserves the right to reject or accept, in whole or in part, or to scale down any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company, will be entertained. In deciding the basis of allotment, which shall be at our discretion, in consultation with the Sponsor and Issue Manager and Placement Agent, due consideration will be given to the desirability of allotting the Placement Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

11. Share certificates will be registered in the name of CDP or its nominee and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of Placement Shares allotted to you if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company and the Sponsor and Issue Manager and Placement Agent. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renouncee, any instrument of transfer and/or other documents required for the issue or transfer of the Placement Shares allotted to you.

12. Any reference to "you" or the "applicant" in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Placement Shares through the Placement Agent or its designated sub-placement agent by way of an Application Form or such other forms of application as the Sponsor and Issue Manager and Placement Agent deem appropriate.

13. By completing and delivering an Application Form in accordance with the provisions of this Offer Document, you:

    (a) irrevocably offer, agree and undertake to subscribe for the number of Placement Shares specified in your application (or such smaller number for which the application is accepted) at the Issue Price for each Placement Share and agree that you will accept such Placement Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Offer Document and our Constitution;

    (b) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company, the Sponsor and Issue Manager and Placement Agent in determining whether to accept your application and/or whether to allot any Placement Shares to you;

    (c) agree that the aggregate Issue Price for the Placement Shares applied for is due and payable to our Company upon application; and

    (d) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Sponsor and Issue Manager and Placement Agent will infringe any such laws as a result of the acceptance of your application.

14. Our acceptance of applications will be conditional upon, among others, our Company and the Sponsor and Issue Manager and Placement Agent, being satisfied that:

    (a) permission has been granted by SGX-ST to deal in, and for the listing and quotation of, all our existing Shares, the Placement Shares and the Award Shares on Catalist;

    (b) the Management and Sponsorship Agreement and the Placement Agreement referred to in the section titled "Plan of Distribution – Management and Placement Arrangements" of this Offer Document have become unconditional and have not been terminated; and

    (c) the Authority, SGX-ST acting as agent on behalf of the Authority (to the extent applicable) or any competent authority, has not served a stop order ("**Stop Order**") which directs that no further shares to which this Offer Document relates be allotted or issued.

15. In the event that a Stop Order in respect of the Placement Shares is served by the Authority, SGX-ST acting as agent on behalf of the Authority (to the extent applicable) or any other competent authority and applications to subscribe for the Placement Shares have been made prior to the Stop Order, and:

    (a) in the case where the Placement Shares have not been issued, we will (as required by law), and subject to the SFA, deem all applications withdrawn and cancelled and our Company shall refund (at your own risk) all monies paid on account of your application for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the date of the Stop Order; or

    (b) where the Placement Shares have been issued, the issuance of the Placement Shares shall be deemed to be void and we shall, within 14 days from the date of the Stop Order, pay to you (at your own risk) all monies paid on account of your application for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom), and you shall not have any claim against us or the Sponsor and Issue Manager and Placement Agent.

    This shall not apply where only an interim Stop Order has been served.

    In the event that an interim Stop Order in respect of the Placement Shares is served by the Authority, SGX-ST acting as agent on behalf of the Authority (to the extent applicable) or any other competent authority, no Placement Shares shall be issued during the time when the interim Stop Order is in force. The Authority, SGX-ST acting as agent on behalf of the Authority (to the extent applicable) or any other competent authority is not able to serve a Stop Order in respect of the Placement Shares if the Placement Shares have been issued and listed for quotation on a securities exchange and trading in the Placement Shares has commenced. In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same through a SGXNET announcement to be posted on the internet at SGX-ST's website (http://www.sgx.com) and in a major English language newspaper in Singapore.

    We will not hold any application in reserve.

16. We will not allot Shares on the basis of this Offer Document later than six months after the date of registration of this Offer Document by SGX-ST acting as agent on behalf of the Authority.

17. You hereby consent to the collection, use and disclosure of your name, NRIC/passport number, address, nationality, permanent residency status, CDP Securities Account number, CPF Investment Account number (if applicable), share application amount and other personal data ("**Personal Data**") to the Share Registrar, Securities Clearing and Computer Services (Pte) Ltd ("**SCCS**"), SGX-ST, CDP, our Company, the Sponsor and Issue Manager and Placement Agent (collectively, the "**Relevant Persons**"), for the purpose of facilitating your application for the Placement Shares, (i) consent that the Relevant Persons may disclose or share Personal Data with third parties who provide necessary services to the Relevant Persons, such as service providers working for them and providing services such as hosting and maintenance services, delivery services, handling of payment transaction, and consultants and professional advisers, (ii) consent that the Relevant Persons may transfer your Personal Data to any location outside of Singapore in order for them to provide the requisite support and services in connection with the Placement Shares, (iii) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Persons, such disclosure is in compliance with the applicable laws and you have obtained the consent of the beneficial owners to paragraphs (i) and (ii) and that any disclosure of Personal Data to our Company is in compliance with applicable law, (iv) agree that the Relevant Persons may do anything or disclose any Personal Data or matters without notice to you if our Company or the Sponsor and Issue Manager and Placement Agent considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body, and (v) agree that you will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties (collectively, the "**Personal Data Privacy Terms**"). If any Personal Data is transferred to a country or territory outside of Singapore, the Relevant Persons will ensure that the recipient of the Personal Data provides a standard of protection that is comparable to the protection which Personal Data enjoys under the laws of Singapore, and where these countries or territories do not have personal data protection laws which are comparable to that in Singapore, the Relevant Persons will enter into legally enforceable agreements with the recipients to ensure that they protect the Personal Data to the same standard as required under the laws of Singapore.

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

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

    (a) where the Placement Shares have not been issued, we shall either:

        (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give you notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to withdraw your application, and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;

(ii) within seven days (7) from the date of lodgement of the supplementary or replacement offer document, give you a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to withdraw your application; or

(iii) (A) treat your application as withdrawn and cancelled in which case your application shall be deemed to have been withdrawn and cancelled, and (B) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, refund all monies you have paid on account of your application for the Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at your own risk and you shall not have any right or claim against us or the Sponsor and Issue Manager and Placement Agent; or

(b) where the Placement Shares have been issued, we shall either:

(i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give you notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to return to us the Placement Shares which you do not wish to retain title in, and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;

(ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give you the supplementary or replacement offer document, as the case may be, and provide you with an option to return to us the Placement Shares which you do not wish to retain title in; or

(iii) (A) treat the issue of the Placement Shares as void in which case the issue shall be deemed void and (B) we shall within seven days (7) from the date of lodgement of the supplementary or replacement offer document, refund all monies you have paid on account of your application for the Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at your own risk and you shall not have any right or claim against us or the Sponsor and Issue Manager and Placement Agent.

An applicant who wishes to exercise his option under paragraph 18(a)(i) or (ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this, whereupon we shall, within seven days from the receipt of such notification, pay to him all monies paid by him, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and he will not have any claim against us or the Sponsor and Issue Manager and Placement Agent.

An applicant who wishes to exercise his option under paragraph 18(b)(i) or (ii) to return the Placement Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this and return all documents, if any, purporting to be evidence of title to those Placement Shares to us, whereupon we shall, within seven (7) days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the issue of those Placement Shares shall be deemed to be void, and he will not have any claim against us or the Sponsor and Issue Manager and Placement Agent.

Additional terms and instructions applicable upon the lodgement of the supplementary or replacement offer document, including instructions on how you can exercise the option to withdraw, may be found in such supplementary or replacement offer document.

19. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Placement Shares allotted to you pursuant to your application, to us, the Sponsor and Issue Manager and Placement Agent and any other parties so authorised by the foregoing persons.

20. All payments in respect of any application for the Placement Shares and any refund, shall be made in S$.

21. Additional terms and conditions for applications by way of Application Form are set out in the section titled "Additional Terms and Conditions for Applications using Application Form" below.

22. No person in any jurisdiction outside Singapore receiving this Offer Document or its accompanying documents (including the Application Form) may treat the same as an offer or invitation to subscribe for any Placement Shares unless such offer or invitation could lawfully be made without compliance with any regulatory requirements in those jurisdictions.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORM

You shall make an application by way of an Application Form on and subject to the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out in the "**TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**" section in Appendix K to this Offer Document as well as our Constitution.

1. Your application for the Placement Shares must be made using the Application Form for Placement Shares accompanying and forming part of this Offer Document, or such other forms of application as the Sponsor and Issue Manager and Placement Agent may deem appropriate. **ONLY ONE APPLICATION** should be enclosed in each envelope.

We draw your attention to the detailed instructions contained in the Application Form and this Offer Document for the completion of the Application Form which must be carefully followed. **Our Company, in consultation with the Sponsor and Issue Manager and Placement Agent, reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Form and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn up or improper forms of remittances or remittances which are not honoured upon the first presentation.**

2. Your Application Form must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.

3. All spaces in the Application Form, except those under the heading "**FOR OFFICIAL USE ONLY**", must be completed and the words "**NOT APPLICABLE**" or "**N.A.**" should be written in any space that is not applicable.

4. Individuals, corporations, approved nominee companies and trustees must give their names in full. You must make your application, in the case of individuals, in your full names as they appear in your identity card (if applicants have such identification documents) or in your passport and, in the case of corporations, in your full names as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your common seal (if any) in accordance with your constitution or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your constitution or equivalent constitutive documents must be lodged with the Share Registrar and Share Transfer Office. Our Company and the Sponsor and Issue Manager and Placement Agent reserve the right to require you to produce documentary proof of identification for verification purposes.

5. (a) You must complete Sections A and B and sign on page 1 of the Application Form.

   (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).

   (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.

6. You, whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted, will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporations.

If you are an approved nominee company, you are required to declare whether the beneficial owner of the Placement Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation.

7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of the Placement Shares applied for, in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**ST GROUP SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", with your name, CDP Securities Account Number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. We reserve the right to reject any application which is accompanied by combined Banker's Draft or Cashier's Order for different CDP Securities Accounts. No acknowledgement or receipt will be issued by our Company or the Sponsor and Issue Manager and Placement Agent for applications and application monies received.

8. The completed and signed Application Form and your remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if dispatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND** at your own risk to **ST GROUP FOOD INDUSTRIES HOLDINGS LIMITED C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623**, to arrive by **12.00 noon on 1 July 2019 or such other time as our Company may, in consultation with the Sponsor and Issue Manager and Placement Agent, in their absolute discretion, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.

9. Applications that are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn up or improper forms of remittances or remittances which are not honoured upon the first presentation are liable to be rejected.

10. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account. In the event that the Placement is cancelled by us following the termination of the Management Agreement and/or the Placement Agreement, the application monies received will be refunded (without interest or any share of revenue or any other benefit arising therefrom) to you by ordinary post at your own risk within

five (5) Market Days of the termination of the Placement. In the event that the Placement is cancelled by us following the issuance of the Stop Order by the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days from the date of the Stop Order.

11. Capitalised terms used in the Application Form and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.

12. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of our Company, our Directors, the Sponsor and Issue Manager and Placement Agent and/or any other party involved in the Placement, and if, in any event, our Company and/or the Sponsor and Issue Manager and Placement Agent do not receive your Application Form, you shall have no claim whatsoever against us, the Sponsor and Issue Manager and Placement Agent and/or any party involved in the Placement for the Placement Shares applied for or for any compensation, loss or damage.

13. By completing and delivering the Application Form, you agree that:

    (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at 12.00 noon on 1 July 2019 or such other time or date as our Directors may, in consultation with the Sponsor and Issue Manager and Placement Agent, in their absolute discretion, decide:

        (i) your application is irrevocable; and

        (ii) your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;

    (b) neither our Company, the Sponsor and Issue Manager and Placement Agent nor any other party involved in the Placement will be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;

    (c) all applications, acceptances and contracts resulting therefrom under the Placement shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

    (d) in respect of the Placement Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;

    (e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

(f) in making your application, reliance is placed solely on the information contained in this Offer Document and none of our Company, the Sponsor and Issue Manager and Placement Agent nor any other person involved in the Placement shall have any liability for any information not so contained;

(g) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document; and

(h) you irrevocably agree and undertake to subscribe for the number of the Placement Shares applied for as stated in the Application Form or any smaller number of such Placement Shares that may be allotted to you in respect of your application. In the event that our Company, the Sponsor and Issue Manager and Placement Agent decide to allot a smaller number of the Placement Shares or not to allot any Placement Shares to you, you agree to accept such decision as final.

14. By completing and delivering the Application Form, you declare that you do not possess more than one (1) individual direct Securities Account with CDP.

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Central Kitchen, Melbourne



PappaRich Outlet



NeNe Chicken Outlet



IPPUDO Outlet



Gong Cha Outlet



PAFU Outlet



Hokkaido Baked Cheese Tart Outlet

STGROUP

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