



# *A Flavorful* BEGINNING

ANNUAL REPORT 2022



# Mission

To relentlessly fulfill ever-changing demands. At the same time to tantalise the taste buds of our customers and placing a lasting smiles on their faces.

# Vision

To be Asia's leading food and beverage group with the most diversified portfolio of brands and concepts.

## CONTENTS

01

Corporate  
Profile

02

Corporate  
Information

03

Operating  
Presence

04

Our  
Growth Story

06

Chairman's  
Statement

09

Operation  
Review

10

Financial  
Review

12

Financial  
Highlights

14

Board of  
Directors

16

Senior  
Management

18

Group  
Structure

This Annual Report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd., ("Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). This Annual Report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Mr Lay Shi Wei - Registered Professional, 36 Robinson Road, #10-06, City House Singapore 068877, [sponsor@rhtgoc.com](mailto:sponsor@rhtgoc.com).





**PastaGo**  
Fresh Made Pasta



**吃茶**  
TAIWAN  
EST.1998



**Victoria Bakery** 利維多



## CORPORATE PROFILE

Yew Kee is an established homegrown brand with a track record of more than 30 years in the business of food and beverage (“F&B”) operations. Our Group’s origins can be traced to the 1950s when the father of our Group’s founder, Executive Chairman and Executive Director, commenced operations of a pushcart selling braised duck in Nee Soon. Today, our Group owns and/or operates a diverse portfolio of eight (8) non-Halal and Halal brands, and operates them through **81 retail outlets** across the country. Our Group is also the **exclusive franchisee of the CHICHA San Chen brand of tea shops** in Singapore.

Our Group’s principal business activities are (i) F&B operations, (ii) food court management and (iii) franchising and sub-franchising.

**Fine Food**  
**My Kampung™**



**My Kampung™**  
CHICKEN RICE

友記

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Seah Boon Lock**

*(Executive Chairman and Executive Director)*

**Seah Qin Quan**

*(Chief Executive Officer and Executive Director)*

**Wong Fook Sung**

*(Lead Independent Director)*

**Ng Hong Whee**

*(Independent Director)*

**Koh Kew Siong**

*(Independent Director)*

## AUDIT AND RISK MANAGEMENT COMMITTEE

**Wong Fook Sung** *(Chairman)*

**Ng Hong Whee**

**Koh Kew Siong**

## NOMINATING COMMITTEE

**Ng Hong Whee** *(Chairman)*

**Wong Fook Sung**

**Koh Kew Siong**

## REMUNERATION COMMITTEE

**Koh Kew Siong** *(Chairman)*

**Wong Fook Sung**

**Ng Hong Whee**

## COMPANY SECRETARY

**Ms. Shirley Tan Sey Liy**

*(MSc Mgmt (Hons) (UCD), FCS, FCG)*

## REGISTERED OFFICE

30 Cecil Street

#19-08 Prudential Tower

Singapore 049712

## SHARE REGISTRAR

**IN.CORP CORPORATE SERVICES PTE. LTD.**

30 Cecil Street

#19-08 Prudential Tower

Singapore 049712

## CONTINUING SPONSOR

**RHT CAPITAL PTE. LTD.**

36 Robinson Road

#10-06 City House

Singapore 068877

## INDEPENDENT AUDITOR AND REPORTING ACCOUNTANT

**CLA GLOBAL TS PUBLIC ACCOUNTING CORPORATION**

*(formerly known as Nexia TS Public Accounting Corporation)*

80 Robinson Road

#25-00

Singapore 068898

Director-in-charge: Ms. Meriana Ang Mei Ling

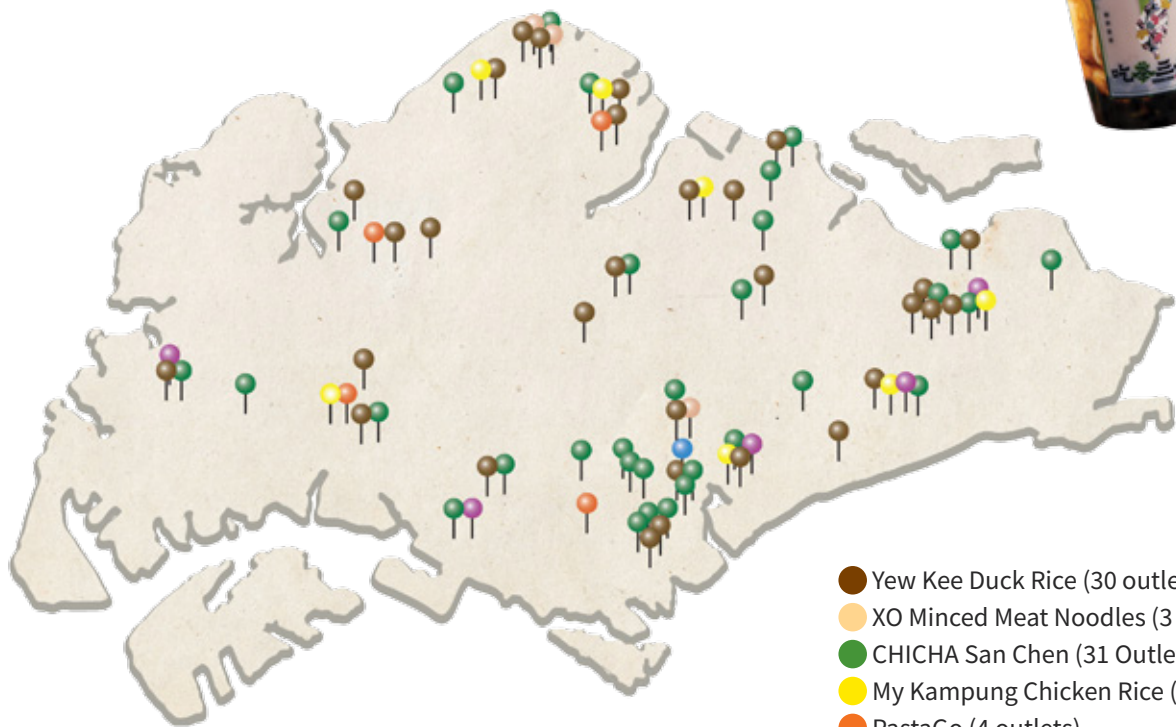
Appointed since financial year ended 31 December 2022

## OPERATING PRESENCE

The procurement, processing and preparation of key ingredients and products for

**Yew Kee Duck Rice** and **XO Minced Meat Noodles** food outlets,

as well as **CHICHA San Chen** tea shops, are carried out by our central kitchen.



- Yew Kee Duck Rice (30 outlets)
- XO Minced Meat Noodles (3 outlets)
- CHICHA San Chen (31 Outlets)
- My Kampung Chicken Rice (7 outlets)
- PastaGo (4 outlets)
- Victoria Bakery (1 outlet)
- Food Courts (5 locations)

45 FOOD OUTLETS

31 CHICHA San Chen Tea Shops

5 FOOD COURTS

1 CENTRAL KITCHEN





# OUR GROWTH STORY

1987

- Opening of our first Yew Kee Duck Rice Food Outlet at Yishun



2002

- Incorporation of our subsidiary, Yew Kee Duck and Noodle House
- Establishment of our headquarters and central kitchen at Woodlands

2003

- Opening of our first Yew Kee Duck Rice standalone food shop at Liang Seah Street

2006

- Relocation of our headquarters and central kitchen to 32 Woodlands Terrace Singapore 738452
- Opening of our first XO Minced Meat Noodles Food Outlet at Newton Circus

2016

- Our subsidiary Yew Kee Duck and Noodle House was first awarded the Tasty Singapore Brand Ambassador award by International Enterprise Singapore, Singapore Food Manufacturers' Association, Singapore Manufacturing Federation and Restaurant Association of Singapore
- Our Yew Kee Duck Rice brand was awarded the Food Masters award for Top 10 outstanding Singapore food masters in the central zone by SPH Newspapers



2013

- Our subsidiaries, Yew Kee Duck and Noodle House and Yew Kee Management were awarded the 2013/2014 Singapore Brands Awards by the Brands Entrepreneurs' Alliance (Singapore)



## 2017

- Opening of our first My Kampung food court at the Singapore Institute of Management
- Opening of our first My Kampung halal food concept at Junction Nine
- Our Yew Kee Duck Rice brand was awarded the Top 10 braised duck rice award by Shin Min Daily News
- Our Yew Kee Duck Rice brand was awarded the Heritage Brands award in recognition of our outstanding achievement in branding by the Association of Small and Medium Enterprises



## 2019

- Signing of our Master Franchise Agreement with Fang Yuan F&B International Co., Ltd.
- Opening of our first CHICHA San Chen flagship store at 313@somerset
- Opening of our first Fine Food food court at the National University of Singapore



## 2023

- Successfully listed on the Catalist Board of the SGX-ST



## 2022

- Rebranding of our Group to “Yew Kee” to more accurately align of our brand identity with our history and heritage
- Our CHICHA San Chen tea shops were ranked number one (1) by The Straits Times for best customer service in the catering, restaurants and leisure industry
- Our Yew Kee Duck Rice brand was awarded the Hawker Heritage Award by the Federation of Merchants’ Association of Singapore
- Opening of our first PastaGo Food Outlet at Jcube Shopping Mall
- Opening of our first Victoria Bakery Food Outlet at Marina Square





# *A Diverse* PORTFOLIO

“We at YKGI look forward to the future with much anticipation. The nature of the food and beverage industry in Singapore is highly dynamic and competitive with numerous challenges with the most recent being rising costs of raw material, labour, and utilities, which place pressure on F&B companies to maintain profitability.”

*Mr. Seah Boon Lock*

Chairman



Challenges aside, we are confident that the fundamentals of the F&B industry in Singapore remain robust and sound especially with the projected increase in the country's population. To better position ourselves for the opportunities ahead, the Group is actively exploring opportunities to expand its operations, including opening new outlets in strategic locations and broadening our customer base through targeted marketing efforts.

Dear Shareholders,

It is my pleasure to present YKGI Limited's (the "**Company**" or "**YKGI**" and together with its subsidiaries, the "**Group**") inaugural Annual Report for the financial year ended 31 December 2022 ("**FY2022**").

#### OUR NEXT GROWTH CHAPTER

We have come a long way from our origins as a pushcart selling braised duck in Nee Soon in the 1950s to a listed entity with a diverse portfolio of eight non-Halal and Halal brands, operating through 81 retail outlets across Singapore. Our business today is arranged into three segments, namely (i) F&B Operations, (ii) Food Court and (iii) Franchise.

Under F&B Operations, we manage brands that have long endeared themselves to local palates such as Yew Kee Duck Rice, XO Minced Meat Noodles, My Kampung Chicken Rice, PastaGo and Victoria Bakery. Meanwhile, our Food Court business oversees the My Kampung brand of food courts in commercial complexes and commercial malls, and the Fine Food brand of food courts in educational institutions. Thirdly, our Franchise segment involves the management of the CHICHA San Chen brand of tea shops in Singapore of which we are the exclusive franchisee with 31 tea shops island-wide.

As such, the listing exercise is our next leap forward to realise our long-term and large-scale plans including expansion of existing business, growing into new markets, and strengthening supply chain capabilities.

#### DIVIDENDS

To thank our shareholders for their support in a successful IPO, the Board of Directors has recommended to implement the dividend commitment of 50% of net profit attributable to equity holders of the Company for FY2022, amounted to S\$4.3 million. This is also our commitment for FY2023 and FY2024. This final tax-exempt dividend of 0.51 cents per share is subject to shareholder approval at the upcoming annual general meeting.

#### FY2022 PERFORMANCE

Alongside our gearing up for the listing exercise, operations for the financial year continued at a steady pace. The Group's revenue remained largely stable at S\$56.2 million as compared to S\$56.1 million in FY2021. Revenue contribution from our Franchise business dipped by S\$5.2 million as further easing of Community Safe Management Measures led to a larger proportion of the population returning to work in the central business district and travelling overseas, which translated into a decrease in online sales and store sales for stores located in the heartlands.

The F&B Operations and Food Courts segments fared better with the former increasing its revenue contribution by S\$3.6 million due to more stores being in operation in FY2022 as per our expansion strategy, while the latter grew by S\$1.7 million.

# CHAIRMAN'S STATEMENT



## CORPORATE DEVELOPMENTS

Our plan to ramp up capabilities on all fronts is already underway, and we will continue to look for merger or acquisition opportunities in the F&B industry.

## OUTLOOK

We at YKGI look forward to the future with much anticipation. The nature of the food and beverage industry in Singapore is highly dynamic and competitive with numerous challenges with the most recent being rising costs of raw material, labour, and utilities, which place pressure on F&B companies to maintain profitability. On a more macro scale, consumer sentiment may be dampened by concerns over the global economic outlook and the industry continues to risk being affected by supply chain disruptions. The Group will closely monitor these headwinds and is

already taking steps to mitigate risks by focusing on customer satisfaction and maintaining a high level of service quality, as well as proactive marketing and promotional measures to expand market share.

Challenges aside, we are confident that the fundamentals of the F&B industry in Singapore remain robust and sound especially with the projected increase in the country's population. To better position ourselves for the opportunities ahead, the Group is actively exploring opportunities to expand its operations, including opening new outlets in strategic locations and broadening our customer base through targeted marketing efforts. Furthermore, the Group is strengthening its competitive position by expanding its brand portfolio through strategic partnerships and new brand development initiatives.

By leveraging on its existing track record and experience, the Group is looking forward to deliver the best value to its customers and shareholders over the long term.

## CLOSING

FY2022 has indeed been a watershed year and we are deeply thankful to all who have contributed to bringing the Group thus far. On behalf of the Board of Directors, I would like to thank our customers for their patronage, our business partners for their support, our management and staff for their dedication and our new shareholders for their faith in the business. We look forward to continuing our journey of growth beyond a flavourful beginning to deliver more exciting tastes and value.

*Mr. Seah Boon Lock*  
Chairman

# OPERATION REVIEW

YKGI Limited (“YKGI” or the “**Company**”, and together with its subsidiaries, the “**Group**”) provides high-quality food and beverage (“**F&B**”) offerings for over 30 years and has earned a well-established reputation in the industry. The company’s diverse portfolio of brands is widely recognized for its exceptional quality and understanding of local consumer preferences. With a focus on diversity and quality, the Group remains competitive and meets the needs of a wide range of consumers. Furthermore, the Group’s commitment to offering both non-Halal and Halal options has enabled it to widen its reach and cater to a broader customer base.

## OUR STRENGTHS

The Group has a vertically integrated supply chain that includes strong procurement capabilities, a central kitchen, and self-operated franchise stalls. Standardised operating procedures ensure consistency in the taste, quality, and service provided across all food outlets. The centralisation of the procurement, processing, and preparation of key ingredients and products at the central kitchen also allows for cost savings through economies of scale and facilitates the introduction of new products and the replication of the business in other markets.

The Group’s resilient business model and steady income streams through competitively priced F&B staple food products had enabled it to adapt effectively and remain profitable throughout the COVID-19 pandemic.

The vertical integration of the production process had also allowed the company to control the value chain, reap operational and cost efficiencies, and adapt effectively during the pandemic.

The Group’s strategic location of food outlets and tea shops near transport hubs and residential areas benefits from substantial and regular foot traffic. The variety of F&B offerings also appeals to a large customer base. These various and synergistic strengths are well leveraged on by an experienced and competent management team. The management is in turn supported by dedicated staff committed to fostering strong relationships with customers and suppliers, positions the Group for continued success in the F&B industry.

## OUR PROSPECTS

Moving forward, YKGI is well-positioned to capitalise on the prospects for growth in Singapore. The projected increase in Singapore’s population is expected to drive higher demand for F&B products and services and YKGI aims to capitalise on this opportunity by increasing business development activities, establishing new food outlets within its diverse brand portfolio, attracting new customers, and expanding its brand portfolio through securing new franchise rights and developing new brands.

The macro environment is also favourable for the expansion of The Group’s CHICHA San Chen franchise business, as consumers in Singapore spend a significant amount on

bubble tea, making it an attractive market for premium brands. The mass-market segment accounts for about 75% of Singapore’s F&B market,<sup>(1)</sup> and this segment has experienced a growth rate outperforming the full-service restaurant segment.

## OUR STRATEGY

YKGI has outlined business strategies and future plans to expand its operations and strengthen its presence both locally and overseas. We plan to open new outlets in strategic locations with a focus on our Food Outlets, CHICHA San Chen tea shops, and food courts. To generate greater brand awareness, we will utilise social media, in-store promotions, and advertising in shopping malls where our outlets are located. We also plan to expand into more market segments by introducing complementary products and pursuing a multi-brand and multi-concept strategy. Additionally, we aim to strengthen our supply chain capabilities by upgrading our central kitchen and warehouse, automating food production and packaging processes, and expanding supplier sources. YKGI plans to expand our franchising and sub-franchising operations and explore strategic acquisition and joint-venture opportunities with parties in complementary businesses.

## Notes:

- (1) This information is extracted from the report entitled “Population Trends 2021” dated September 2021, accessible at <https://www.singstat.gov.sg/-/media/files/publications/population/population2021.ashx#:~:text=Population%20Size%20and%20Growth,-Singapore's%20total%20population&text=Our%20resident%20population%20fell%20to,per%20cent%20to%200.49%20million>, last accessed on 12 May 2023.



# FINANCIAL REVIEW

**S\$56.2m**  
Group Revenue



## STATEMENT OF PROFIT OR LOSS

The Group's revenue for the financial year ended 31 December 2022 ("FY2022") was 0.2% higher at S\$56.2 million as compared to the S\$56.1 million reported for financial year ended 31 December 2021 ("FY2021"). During FY2022, revenue from the F&B Operations segment increased by S\$3.6 million as there were a higher number of stores in operation. The Food Court segment also improved, adding S\$1.7 million more as compared to the year before. These gains were offset by a decrease in contribution from our Franchise segment which revenue declined by S\$5.2 million due to a slowdown in both online sales and sales in stores located in the heartlands. This was attributed to the further easing of Community Safe Management Measures which lead to a larger proportion of the population returning to work in

the central business district and travelling overseas.

Other income was 68.4% lower at S\$1.6 million for FY2022 as compared to the S\$5.0 million in FY2021 as the government scaled back its COVID-19 related grants.

Purchases and related costs were 12.4% or S\$2.0 million lower at S\$14.5 million as compared to S\$16.5 million in FY2021. This is in line with the lower sales of Franchise segment, there was a reduced need for raw materials and ancillary products needed to produce these products.

Changes in inventories amounted to S\$0.2 million due to lower inventories as at 31 December 2022 compared to 31 December 2021. The minor fluctuation in the balance of our inventories was due to timing of purchases and consumption of inventories.

Employee benefits increased by 7.9% or S\$1.0 million from S\$12.8 million in FY2021 to S\$13.8 million in FY2022. The labour market continues to be volatile and YKGI has put into place retention strategies including higher compensation packages in FY2022 to retain and attract workers.

Other expenses of the Group were 11.7% or S\$1.6 million higher at S\$15.3 million due to an increase in rental expenses, repair and maintenance costs, utilities and others. Finance costs were also higher at S\$0.7 million due to the utilization of the bank facility during the financial year.

The Group's profit before income tax amounted to S\$4.7 million for FY2022 as a result of the abovementioned.



**S\$4.7m**  
Group Profit Before Tax

## STATEMENT OF FINANCIAL POSITION

The Group's non-current assets which are comprised of property, plant and equipment and intangible assets amounted to approximately S\$17.6 million and made up 59.9% of the Group's total assets. Of this amount, 99.1% is comprised of property, plant and equipment, which mainly refers to our cold room and equipment, computers, furniture and fittings, leasehold property, motor vehicles, office equipment, renovation and drinks and food stalls. Property, plant and equipment increased by about S\$4.3 million compared to FY2021, mainly because the Group recognised additional right-of-use assets for renewal of leases in FY2022, amounted to approximately S\$11.8 million, partially offset by the depreciation expenses of S\$8.5 million.

Current assets which mainly consists of cash and bank balances, trade and other receivables and inventories, and accounted for approximately 40.1% of total assets. As at 31 December 2022, cash and bank balances decreased by approximately S\$8.9 million to S\$4.7 million due to payment of dividend of S\$ 15.7 million to the equity holders of the Company. Trade and other receivables which is mainly made up of refundable deposits related to the deposits placed with landlords for the rental of outlets by the Group increased due to higher refundable security deposits placed for the Group's leases of S\$0.7 million and increase in prepayments for purchases of raw materials and rental as well as deferred IPO expenses amounted to approximately S\$1.6 million.

The Group's non-current liabilities was S\$8.9 million and consisted of

lease liabilities and provisions. Total non-current and current portion of lease liabilities increased by approximately S\$4.7 million, mainly due to recognition of additional lease liabilities from renewal of more leases in FY2022 of S\$11.8 million, partially off-set by the principal repayment of lease liabilities of S\$6.7 million.

The Group's current liabilities which consist of trade and other payables, bank borrowings, lease liabilities and current income tax liabilities stood at S\$15.6 million as at 31 December 2022.

## STATEMENT OF CASH FLOWS

Net cash provided by operating activities was S\$11.6 million and was the result of operating profit before reinvestment in working capital of S\$13.5 million, adjusted for working capital outflows of S\$1.6 million and income tax paid of S\$0.3 million. The net cash used in working capital of S\$1.6 million was mainly due to an increase in trade and other receivables of S\$2.4 million, a decrease in trade and other payables of S\$0.5 million; and offset by a decrease in inventories of S\$0.2 million.

Net cash used in investing activities amounted to S\$1.0 million was attributable to additions of property, plant and equipment of S\$1.7 million and offset by proceeds from disposal of property, plant and equipment of S\$0.7 million.

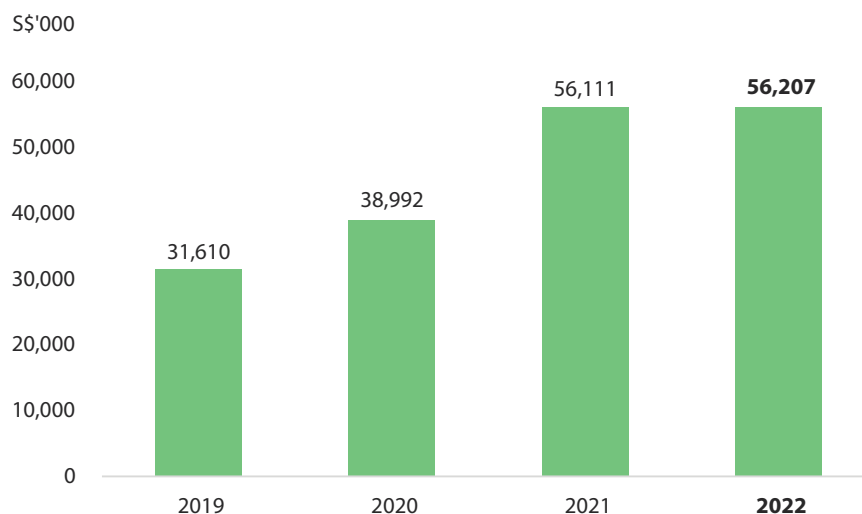
Net cash flow used in financing activities amounted to S\$19.5 million, which was mainly attributable to repayment of lease liabilities and borrowings, dividends and interest and offset by proceeds from issuance of shares and borrowings.

Cash and bank balances of the Group amounted to S\$4.7 million as at 31 December 2022.

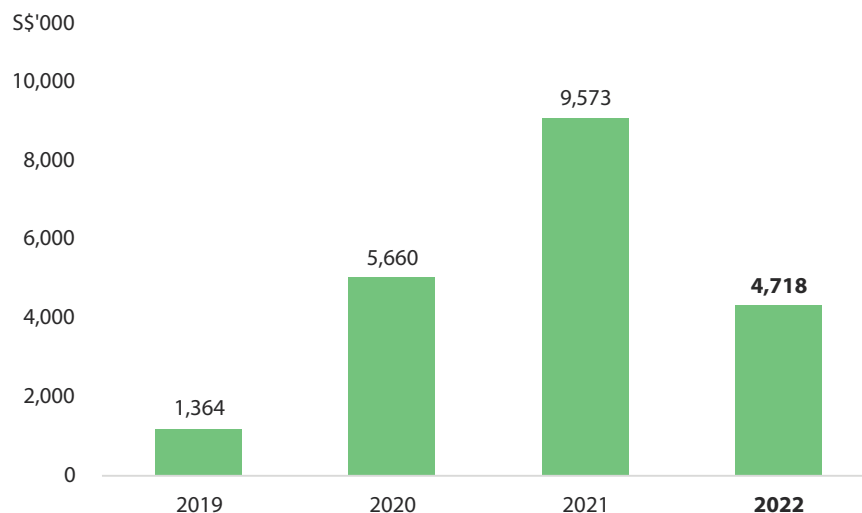
# FINANCIAL HIGHLIGHTS

## FINANCIAL PERFORMANCE

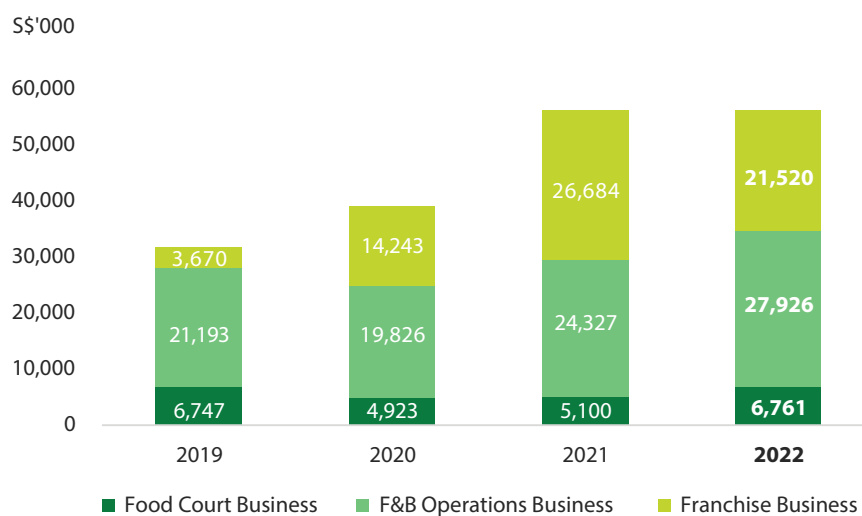
### GROUP REVENUE



### GROUP PROFIT BEFORE TAX



### REVENUE BY BUSINESS SEGMENT





## FINANCIAL POSITION

	2019	2020	2021	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Total assets	24,249	29,927	31,825	<b>29,378</b>
Total liabilities	19,221	21,701	15,435	<b>24,439</b>
Equity attributable to owners of the company	4,661	7,887	15,853	<b>4,698</b>
Cash & cash equivalents	6,655	9,804	13,601	<b>4,659</b>

### Cash flows

Net cash provided by operating activities	5,865	10,535	15,634	<b>11,627</b>
Net cash used in investing activities	(2,291)	(1,586)	(1,709)	<b>(1,057)</b>
Net cash used in financing activities	(2,232)	(5,800)	(10,128)	<b>(19,512)</b>

### Per share information

Earnings per share (cents)	0.29	1.39	2.51	<b>1.21</b>
Net asset value per share (cents)	1.31	2.22	4.47	<b>1.32</b>

## BOARD OF DIRECTORS



*Mr. Seah Boon Lock*

*Founder, Executive Chairman  
and Executive Director*

Mr. Seah Boon Lock has more than 30 years of entrepreneurial experience in the F&B industry. He is responsible for the overall strategic direction and expansion plans for the growth and development of our Group.

In around 1987, Mr. Seah Boon Lock ventured out on his own to operate a duck rice stall at a coffee shop in Yishun, under the name of “Yu Kee Duck Rice”. On 13 December 1995, together with our Chief Administrative Officer Ms. Wee Lay Teng, Mr. Seah Boon Lock registered a partnership under the name Yew Kee Duck and Noodle House and, on 22 July 2002, incorporated our subsidiary, Yew Kee Duck and Noodle House, then known as Yu Kee Duck and Noodle House. Since the inception of our Group, Mr. Seah Boon Lock, together with our Chief Administrative Officer, Ms. Wee Lay Teng, has overseen the growth and development of our Group to reach our current operational scale of 45 Food Outlets, five (5) food courts, and 31 CHICHA San Chen tea shops in Singapore.



*Mr. Seah Qin Quan*

*CEO and Executive Director*

Mr. Seah Qin Quan serves as Group CEO for our organization, overseeing the operations of each department. He joined our Group as an executive director in 2015 and has brought extensive experience in the food and beverage industry.

Mr. Seah Qin Quan is a graduate of Republic Polytechnic, where he earned a diploma in civil aviation in 2013. He then went on to pursue a career in the food industry, where he built a strong reputation as a visionary entrepreneur.

Mr. Seah Qin Quan has a strong vision for the future of Singaporean cuisine. His ultimate goal is to make braised duck rice a signature dish that represents the rich culinary heritage of Singapore. Mr. Seah Qin Quan has been able to make significant progress toward achieving his vision. He has launched several successful ventures that have helped to promote and preserve traditional Singaporean cuisine.

My Kampung is a distinctive food court model that was created in 2017 to meet the rising demand for halal food options in Singapore.

Mr. Seah Qin Quan recognized the opportunity to provide a space that would serve the best of Singaporean cuisine that is halal-certified.

PastaGo, on the other hand, was founded to target a younger audience with its fresh pasta offerings. The brand has been successful in attracting a new generation of customers who appreciate quality, authenticity, and innovation.

In addition to his business ventures, Mr. Seah Qin Quan is also actively involved in preserving Singapore’s hawker heritage culture. He has participated in various hawker programs and initiatives, working towards keeping the traditional hawker food culture alive. In recognition of his contributions, Yew Kew Duck Rice was awarded the Hawker Heritage Award.

Mr. Seah Qin Quan’s leadership and vision have been instrumental in driving our Group’s success. With his expertise, we have been able to expand our business and reach new heights of excellence in the food and beverage industry.



*Mr. James Wong*

*Lead Independent Director*

Mr. James Wong was the group financial controller of Bonvest Holdings from June 1980 to October 1989, overseeing financial and corporate matters. Mr. James Wong was then executive director of his own general trading business, Santisco Pte. Ltd., from March 1991 to July 2000. He joined F&B firm Super Group Ltd. at first as general manager of corporate finance from October 1997 and was appointed as an executive director of Super Group Ltd. in August 1999, a position which he held until September 2020, where he oversaw finance and corporate matters.

Mr. James Wong is currently a financial consultant at Fundamental Foods Pte Ltd, a role he has held since November 2020. He obtained a bachelor of commerce in accountancy from Nanyang University in 1979.



*Mr. Ng Hong Whee*

*Independent Director*

Mr. Ng Hong Whee was the Chief Executive Officer and executive chairman of Sincap Group Limited, a company listed on Catalist from July 2011 to July 2015, and redesignated as the president of China operations of the Sincap Group Limited until November 2015.

Mr. Ng Hong Whee was an independent director of Spackman Entertainment Group from June 2014 to July 2022. He was the business development and financial director of Southern Angels Pte. Ltd., a manufacturer of surimi in Indonesia from 2004 to July 2011.

Mr. Ng Hong Whee is currently an Independent Director of LS 2 Holdings Limited, a company listed on SGX-Catalist. He was served as Non-Executive and Non-Independent Director of Imperium Crown Limited (formerly known as Communication Design International Limited) from May 2014 to October 2015, a company listed on the Catalist Board of the SGX-ST.

Mr. Ng Hong Whee joined Tan Kian Tin & Co. (a Certified Public Accounting firm) as an audit supervisor in October 1999, and was gradually promoted to an audit manager in 2001, a position he held until February 2012 and continued as a consultant until April 2012. Prior to this, he worked as an audit trainee and was gradually promoted to an audit senior in Ng Lee & Associates (a Certified Public Accounting firm).



*Mr. Douglas Koh*

*Independent Director*

Mr. Douglas Koh is a practising lawyer specialising in equity capital markets and corporate governance. Since September 2017, Mr. Douglas Koh has been a consultant at Virtus Law LLP where he was a partner from September 2014 to August 2017. Prior that, Mr. Douglas Koh was a partner at CNPLaw LLP (formerly known as Colin Ng & Partners LLP) from December 2012 to September 2014, Harry Elias Partnership LLP from February 2011 to November 2012, Drew & Napier LLC (associate director) from May 2008 to January 2011, Tan & Au LLP (formerly known as Tan & Au Partnership) from September 2002 to May 2008.

Prior to returning to Singapore to be a lawyer, Mr. Douglas Koh was working with a internet services company and a manufacturing company in the People's Republic of China from April 1993 to September 2002.

Mr. Douglas Koh graduated from the National University of Singapore in 1992 with a bachelor of laws and is admitted as an advocate and solicitor of the Supreme Court of Singapore. Mr. Douglas Koh was also an independent director of Mainboard-listed LCT Holdings Limited from December 2019 until its delisting in December 2020 and Mainboard-listed New Silkroutes Group Limited (formerly known as Digiland International Limited) from November 2013 to March 2015.



## SENIOR MANAGEMENT



*Ms. Wee Lay Teng*

*Chief Administrative Officer*

Ms. Wee Lay Teng has more than 30 years of entrepreneurial experience in the F&B industry. She is responsible for the overall administration of our Group, including human resources, operations and marketing matters.

On 13 December 1995, together with our founder, Executive Chairman and Executive Director, Mr. Seah Boon Lock, Ms. Wee Lay Teng registered a partnership under the name Yew Kee Duck and Noodle House and, on 22 July 2002, incorporated our subsidiary, Yew Kee Duck and Noodle House, then known as Yu Kee Duck and Noodle House. Since inception of our Group, Ms. Wee Lay Teng, together with our founder, Executive Chairman and Executive Director, Mr. Seah Boon Lock, has overseen the growth and development of our Group to reach our current operational scale of 45 Food Outlets, five (5) food courts, and 31 CHICHA San Chen tea shops in Singapore.

Ms. Wee Lay Teng obtained her GCE O Level certificate from Upper Thomson Secondary School in 1983 and a diploma in typewriting, bookkeeping and office practice from the Singapore Institute of Commerce in July 1984. Prior to joining our Group, Ms. Wee Lay Teng was a general administrative personnel at import and export company United Agency Pte. Ltd. from 1986 to 1993 where she was responsible for general administrative duties.



*Mr. Eric Seow*

*Chief Operating Officer*

Mr. Eric Seow is responsible for the operations and development of our Group, and has more than 20 years of experience in the F&B industry. Mr. Eric Seow joined our Group in November 2018 as head of operations.

Prior to joining our Group, Mr. Eric Seow was an operations manager of its food court division at Koufu Pte. Ltd from August 2011 to October 2018, overseeing its food court operations both locally and overseas in Macau and leading a team of three (3) area managers responsible for 21 food courts.

Mr. Eric Seow graduated from Ngee Ann Polytechnic in 1994 with a diploma in electrical engineering and began his career with in December 1997 with Provision Management & Supplies as a sales supervisor, leading a team of salesmen and running 90 provision shops. From January 2001 to July 2011, Mr. Eric Seow ran his own business under the business name Hong Leong Restaurant under which he operated two (2) coffeeshops.



*Mr. Benjamin Zhu*

*Group Financial Controller*

Mr. Benjamin Zhu is responsible for the overall financial management and reporting and internal control matters of our Group and has more than 20 years of audit and finance experience.

Prior to joining our Group in April 2022, Mr. Benjamin Zhu was a finance manager at CSFG (Singapore) Pte Ltd from January 2020 to March 2022, a firm dealing in investments in bonds and structured financial products, where he was responsible for the overall financial management and reporting and internal control matters of the firm. From April 2018 to January 2020, Mr. Benjamin Zhu was a finance manager at commodities trading firm Shandong Hi-Speed (Singapore) Pte Ltd, where he oversaw the overall financial management and reporting and internal control matters of the firm.

Mr. Benjamin Zhu began his career as a financial analyst with Shanghai Fuhua Glass Co., Ltd in July 1998, overseeing costing and quotation

of products. In December 2002, Mr. Benjamin Zhu joined accounting and advisory firm RSM Chio Lim LLP as a audit assistant, and was gradually promoted to an audit senior manager in 2010, a role which he held until June 2013. Between August 2013 and April 2018, he was a finance and risk control manager for Singapore Long Sing International Pte Ltd, a commodities trading firm where he was responsible for the overall financial management and reporting and internal control matters of the firm.

Mr. Benjamin Zhu graduated from Fudan University in 1998 with a bachelor of economics in accounting and was admitted as a fellow of the Association of Chartered Certified Accountants (United Kingdom) in 2011 and qualified as a chartered accountant of Singapore with the Institute of Singapore Chartered Accountants in 2013.



*Ms. Seah Kun Miao*

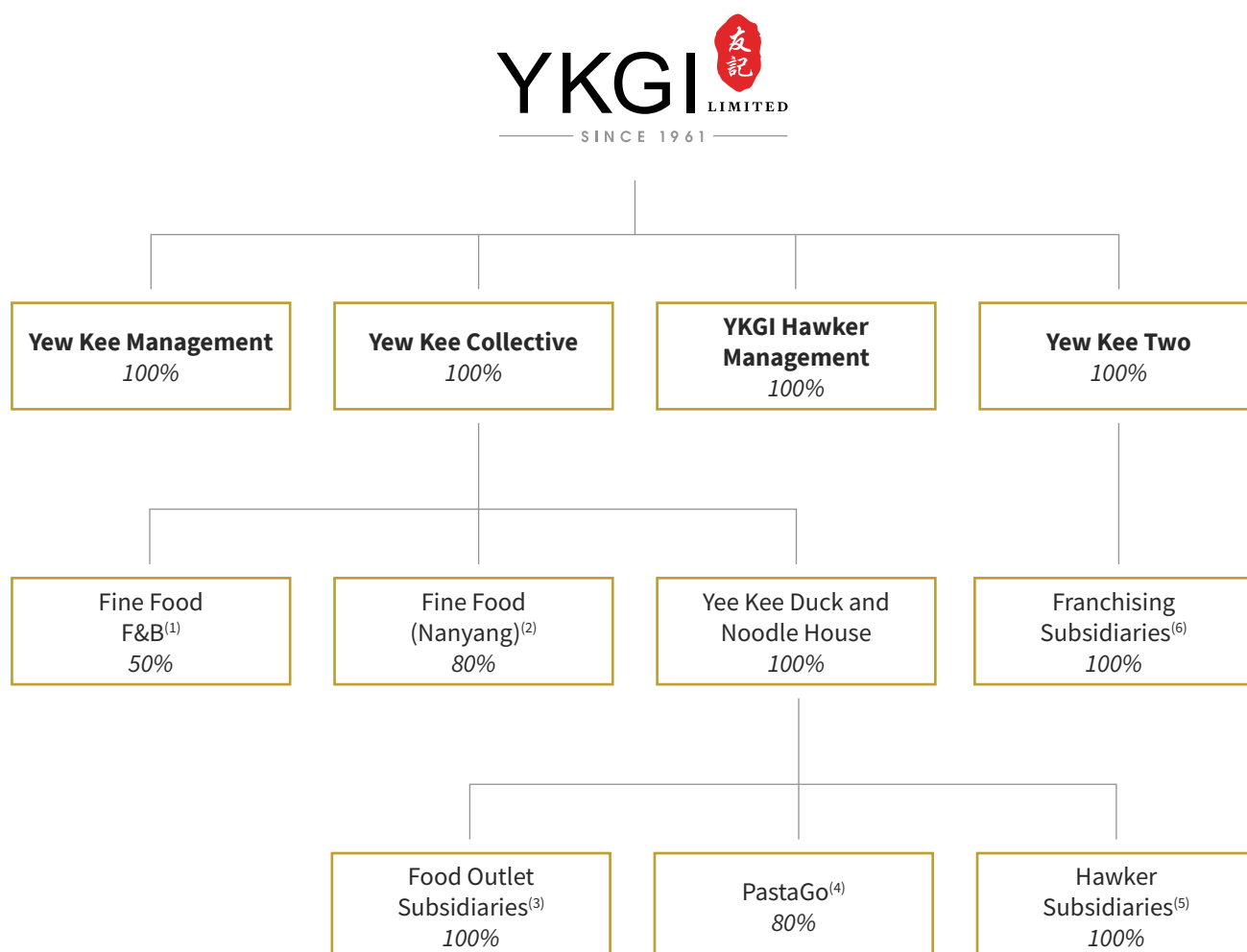
*Chief Marketing officer*

Ms. Seah Kun Miao oversees brand management, integrated marketing campaigns, new product launches and business growth channels, among others, for our Group. Ms. Seah Kun Miao spearheaded the initiative to secure the Master Franchise Agreement with Fang Yuan, to operate our CHICHA San Chen tea shops, on behalf of our Group.

Prior to joining our Group as a marketing manager in January 2018, Ms. Seah Kun Miao was an ad strategist with Kobe Global Technologies Pte Ltd, an influencer marketing agency, where she developed creative strategies, liaised with influencers and clients and conducted research and copywriting, among others.

Ms. Seah Kun Miao graduated from Nanyang Polytechnic with a diploma in marketing in 2014 and was awarded a higher diploma in hotel and hospitality management by the Business and Hotel Management School in Lucerne, Switzerland ("BHMS") in 2015. Ms. Seah Kun Miao also holds a bachelor of arts in hotel and hospitality management from BHMS in conjunction with Robert Gordon University, which she obtained in 2016.

# GROUP STRUCTURE



## Notes:

- (1) The remaining 50.0% of Fine Food F&B is held by Mr. Tan Hwee Meng, an unrelated third party. Notwithstanding this, our Group considers Fine Food F&B a subsidiary of our Group as our Group has assessed that it has control over Fine Food F&B based on its current ability to direct the relevant activities of Fine Food F&B which are managed by the director nominated to the board of Fine Food F&B by our Group. As such, our Group is exposed, or has rights, to variable returns from its involvement with and also has the ability to use its power to affect its returns from its involvement with Fine Food F&B. Accordingly, our Group has consolidated Fine Food F&B as a subsidiary in accordance with the requirements of SFRS(I) 10 Consolidated Financial Statements.
- (2) The remaining 20.0% of Fine Food (Nanyang) is held by Mr. Tan Hwee Meng, an unrelated third party.
- (3) The Food Outlet Subsidiaries are: Yew Kee. Three, Ubi 179 Food House, 108 Sembawang, Punggol WP83, 102 CR Food, YK Food (One), YK Food (Two), YK Food (Three), YK Food (Four), YK Food (Five) and Yew Kee Bakery.
- (4) The remaining 20.0% of PastaGo is held by Mr. Lim Ang Kuan, Edwin, an unrelated third party.
- (5) The Hawker Subsidiaries comprise SM30 Simei, 207 (Duck Rice), 10 (XO Noodle), 480 Local Delight, Admiralty Local Delight, 51 Hougang, 2 Bukit Panjang and Ying's Traditional Food
- (6) The Franchising Subsidiaries comprise 313CC, JEMCC, PASCC, AMKCC, CTRCC, WSCC, TPCC, PLQCC, CWPCC, MSQCC, WLPCC, NTUCC, WTCC, HGMCC, STARCC, JEWCC, TAKACC, CACC, SUNCC, NUSCC, JPCC, NOVCC, HILLCC, NEXCC, YISCC, LOTCC, EASTCC, KWMCC, CPOCC and CNPCC.



## FINANCIAL CONTENTS

20

Corporate  
Governance Report

57

Directors'  
Statement

62

Independent  
Auditor's Report

66

Consolidated Statement Of  
Comprehensive Income

67

Statements Of  
Financial Position

68

Consolidated Statement Of  
Changes In Equity

69

Consolidated Statement Of  
Cash Flows

71

Notes To  
The Financial Statements

123

Statistics Of Shareholdings

125

Notice Of  
Annual General Meeting

PROXY  
FORM

# CORPORATE GOVERNANCE REPORT

## INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of YKGI Limited (the “**Company**”) and its subsidiaries (the “**Group**”) is committed in upholding high standards of corporate governance and practices throughout the Group, as a fundamental part of its responsibilities to protect shareholders’ interests, enhance shareholders’ value and the financial performance of the Group.

This report describes the Group’s corporate governance practices and structures that were in place since its listing on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 6 February 2023 (the “**IPO**”) with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) pursuant to Rule 710 of the SGX-ST Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).

The Board is pleased to report that since the Company’s IPO up to the date of this report, the Company has adhered to all principles and provisions set out in the Code pursuant to Rule 710 of the Catalist Rules as set out in this report. Where there are deviations from the Code, appropriate explanations will be provided.

## BOARD MATTERS

The Board as at the date of this Annual Report comprises the following members:

Name of Director	Designation	Board Committee Membership		
		ARMC	NC	RC
Mr. Seah Boon Lock	Executive Chairman and Executive Director	–	–	–
Mr. Seah Qin Quan	Chief Executive Officer (“ <b>CEO</b> ”) and Executive Director	–	–	–
Mr. Wong Fook Sung (“ <b>Mr. James Wong</b> ”)	Lead Independent Director	Chairman	Member	Member
Mr. Ng Hong Whee	Independent Director	Member	Chairman	Member
Mr. Koh Kew Siong (“ <b>Mr. Douglas Koh</b> ”)	Independent Director	Member	Member	Chairman

The profiles of each Director are presented under the “Board of Directors” section of the Annual Report.

### The Board’s Conduct of Affairs

**Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.**

#### Provision 1.1 of the Code: Directors’ duties and responsibilities

The Board is entrusted with the responsibility for the overall management of the Company.

The principal functions of the Board, in addition to carrying out its statutory responsibilities, *inter alia*, are as follows:

- overseeing the Company’s business and its performance and is collectively responsible for the long-term success of the Company.
- overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including the risk management system and internal control to safeguard shareholders’ interests and the Group’s assets and to take into account the interest of key stakeholder groups in its decision making.
- provides their independent judgement, diversified knowledge and experience to bear on issues of strategy, performance, resources and standards of conduct and ethics.

# CORPORATE GOVERNANCE REPORT

- regularly reviews the Group's strategic business plans, the assessment of key risks by Management and the operational and financial performance of the Group to enable the Group to meet its objectives.
- responsible for shaping the Company's strategic direction and has decided to integrate sustainability components into all the Company's business and operations. This integration involves the consideration of Environmental, Social and Governance ("**ESG**") factors in the Company's business and operations. The Board will work alongside the Management to advance sustainability efforts within the Company.

All Directors recognise that they must discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. The Board is a representation of the shareholders in the Company and is accountable to them through effective governance of the business. All Directors are required to avoid situations where their own personal or business interests may conflict or appear to conflict with the interests of the Company.

Where a Director has a conflict of interest in the matter discussed, or it appears that the Director might have a conflict of interest in relation the matter discussed, the Director must immediately declare his personal or business interest at the Board meeting or send a written notice to the Company containing details of his personal or business interest in the matter and the actual or potential conflict of interest.

Any Director facing a conflict of interest in the matter discussed will recuse himself from the discussions and abstain from participating in any Board decisions and voting on resolutions regarding the matter and refrain from exercising any influence over other members of the Board, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussions.

## **Provision 1.2 of the Code: Induction, training and development**

A formal letter is provided to each Director upon their appointment, setting out their relevant duties and obligations, to acquaint them with their responsibilities as Directors of the Company.

The Company conducts an orientation programme for new directors and they are briefed by Management to familiarise themselves with the Group's business and governance policies and practices. The orientation programme aims to provide the new directors with an understanding of the Group's businesses to enable them to assimilate into their new roles and to get acquainted with Management, thereby facilitating Board interaction and independent access to Management.

To keep abreast with developments in relevant sectors and to ensure that the Directors are kept informed of relevant new laws, regulations and changing commercial risks that will affect the Group, the Company encourages its Directors to attend relevant instructional or training courses at the Company's expense. In particular, the Board is regularly kept informed and updated on courses and seminars offered by the Singapore Institute of Directors ("**SID**") which are relevant to the training and professional development of the Directors. The Directors are also briefed on the new requirements of the SGX-ST, Companies Act 1967 and other regulatory requirements from time to time by the Company Secretary, the Auditor and the Sponsor.

As stipulated under Rule 406(3)(a) of the Catalist Rules, Directors who are appointed and who have no prior experience as directors of a listed company in Singapore will have to attend the Listed Entity Director ("**LED**") courses organised by the Singapore Institute of Directors within one (1) year of his appointment. Except for Mr. Ng Hong Whee and Mr. Douglas Koh, who have experience in serving as a director of the company listed on SGX-ST, the remaining directors with no prior experience as a director of a listed company in Singapore have to undergo the training in the roles and responsibilities of a listed company as prescribed by SGX-ST in accordance with Rule 406(3) and they will complete the required LED courses by end of 2023. As at the date of this report, Mr. Ng Hong Whee has completed the LED 9 – Environmental, Social & Governance Essentials organized by Singapore Institute of Directors ("**LED 9 Course**"). The remaining Directors will complete the LED 9 course before the Company release its Sustainability Report for FY2022.



# CORPORATE GOVERNANCE REPORT

## **Provision 1.3 of the Code: Matters requiring Board's approval**

Notwithstanding that the daily operations and management of the Company is delegated to the Executive Directors, the Board has put in place internal guidelines on matters which require Board's approval, including but not limited to the followings:

- the appointment of directors, the company secretary and the sponsor;
- any major transactions such as, inter alia, capital funding, acquisitions and disposals of assets;
- release of the Group's financial results announcements and convening of shareholders' meeting, circulars to shareholders and related announcements through SGXNet;
- alterations to the share capital of the Company;
- approving interested person transactions exceeding a certain threshold;
- any material regulatory matters and litigation cases; and
- compliance matters associated with the Catalist Rules, Securities and Futures Act or other relevant laws and regulations.

Clear directions have been disseminated to the Management that reserved matters must be approved by the Board.

## **Provision 1.4 of the Code: Board Committees**

The Board objectively discharges its duties and responsibilities at all times and makes decisions in the interests of the Group. The Board has delegated specific responsibilities to the various committees established by the Board, namely the Audit and Risk Management Committee ("**ARMC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively known as the "**Board Committees**"). Each Board Committee has the authority to examine issues relevant to their terms of references and to make fair, proper and appropriate recommendations to the Board when required. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

## **Provision 1.5 of the Code: Board and Board Committees Meeting**

The Board meets regularly on a biannual basis and ad-hoc Board Committee and/or Board meetings are convened as and when required. In between Board meetings, any important matter will be tabled for the Board's approval by way of circulating resolutions in writing.

The Constitution of the Company allows Directors to participate in Board meetings via electronic means. The Directors are free to discuss any information or view as presented by any member of the Board and Management.

When necessary or appropriate, members of the Board exchange views outside the formal environment of Board meetings. Each Board member is expected to objectively discharge his duties and responsibilities at all times as fiduciaries in the best interests of the Company.

# CORPORATE GOVERNANCE REPORT

The attendance record of each Director at meetings of the Board and Board Committees held since the Company's IPO in February 2023 up to the date of this report is disclosed below:-

Name of Director	Board Meeting		ARMC Meeting		NC Meeting		RC Meeting	
	No. of Held	No. of Attended	No. of Held	No. of Attended	No. of Held	No. of Attended	No. of Held	No. of Attended
Seah Boon Lock	1	1	1	1*	1	1*	1	1*
Seah Qin Quan	1	1	1	1*	1	1*	1	1*
James Wong	1	1	1	1	1	1	1	1
Ng Hong Whee	1	1	1	1	1	1	1	1
Douglas Koh	1	1	1	1	1	1	1	1

\* By way of invitation.

## Provision 1.6 of the Code: Access to information

The Company recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. The Management provides the Board with key information that is complete, adequate and in advance to enable the Directors to make timely decisions, effectively discharge their duties and make a balanced and informed assessment of the performance, position and prospects of the Company.

The Management provides members of the Board with quarterly management accounts, as well as relevant background and explanatory information relating to the matters that would be discussed in the Board meetings, prior to the scheduled meetings. All Directors are also furnished with timely updates on the financial position and any material development of the Group as and when necessary. Any additional materials or information requested by the Directors are promptly furnished. If necessary, management staff who are able to explain and provide insights to the matters to be discussed are invited to present to the Board and answer any queries that the Directors may have.

## Provision 1.7 of the Code: Access to Management and Company Secretary

The Directors are updated regularly on corporate governance requirements, changes in listing rules and regulations, and the performance of the Group. The Directors have separate and independent access to Management, including the CEO, the Group Financial Controller ("GFC") and other key management personnel ("KMP") as well as the Group's internal and external auditors, and Company Secretary at all times.

The Company Secretary and/or her representative attends all Board and Board Committees meetings and ensures the Board procedures and the performance of the Group's compliance obligations pursuant to the relevant statutes and regulations are followed. Under the direction of the Executive Chairman ("Chairman") and CEO, the Company Secretary ensures good information flows within the Board and Board Committees and between senior management and Non-Executive Directors, as well as facilitating orientation and assisting with professional development if required. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

The Directors, either individually or as a whole, have direct access to the Group's independent professional advisors, if necessary, to enable each Director to discharge his responsibility effectively. Any cost of obtaining professional advice will be borne by the Company.

# CORPORATE GOVERNANCE REPORT

## Board Composition and Guidance

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.**

### Provision 2.1 of the Code: Director's independence

As at the date of this Annual Report, the Board consists of five (5) directors, of whom one (1) is Chairman cum Executive Director, one (1) CEO cum Executive Director and three (3) Independent Directors ("ID"). With more than half of the Board made up of Independent Directors, including independence from the substantial shareholders of the Company, the Board is capable of exercising independent and objective judgement on corporate affairs of the Group. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into consideration the long-term interests of the Group and its stakeholders. No individual or small group of individuals dominates the Board's decision making.

The independence of each director is assessed and reviewed annually by the NC. In the review and deliberation of the independence of the three (3) IDs, the NC has considered the guidelines for independence set out in Provision 2.1 of the Code as well as the Catalist Rules, including whether a director has business relationships with the Group, its substantial shareholders or its officer and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independence business judgement in the interests of the Group.

Each Independent Director is required to complete an annual declaration to confirm his/her independence based on the applicable Catalist Rules and the guidelines as set out in the Code. The Directors must also confirm whether they consider themselves independent despite not having any relationship identified under the applicable Catalist Rules and the Code.

For the year, the NC has assessed and is satisfied that all the three (3) Independent Directors are independent.

The Board recognises that Independent Directors may over time develop significant insights in the Group's business and operations and can continue to provide noteworthy and valuable contribution objectively to the Board as a whole. The independence of the Independent Directors must be based on the substance of their professionalism, integrity, and objectivity, and not merely based on form; such as the number of years which they have served on the Board. Nevertheless, when there are directors who have served beyond nine years from the date of their first appointment, the Board will rigorously review their continuing contributions and independence and decide if they should continue with the appointment.

As at the date of this Annual Report, none of the IDs has served on the Board beyond nine (9) years from their respective date of appointment.

**Provision 2.2 of the Code: Independent Directors make up a majority of the Board where the Chairman is not independent. Provision 2.3 of the Code: Non-Executive Directors make up a majority of the Board**

The Company has complied with the relevant provisions as majority of the Board are IDs.

### Provision 2.4 of the Code: Board size and diversity

The profiles of the Directors and key information are set out on pages 14 to 15 of this Annual Report.

The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group's businesses, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, considers that a board size of five (5) members is appropriate.

The Board believes that its current board size and the existing composition of the Board Committees effectively serve the Group. It provides diversity and allows for informed and constructive discussion and effective decision making at the Board meetings. The Board will, however, continue to review opportunities to refresh the Board with a view to expanding the skills, experience and diversity of the Board as a whole.



# CORPORATE GOVERNANCE REPORT

In reviewing Board composition and succession planning, the NC considers the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.

The Group's Board Diversity Policy endorses the principle that its Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business so as to mitigate against groupthink and to ensure that the Group has the opportunity to benefit from all available talents. If required, the NC may consider appointing new director(s) in the future to enhance the core competencies and governance review of the Board. In reviewing Board composition and succession planning, the NC considers the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.

The current Board composition reflects the Company's commitment to Board diversity. The NC conducts its annual review of the composition of the Board, which comprises members from different backgrounds whose core competencies, qualifications, skills and experiences, meet with the requirements of the Group at the point in time. Each Director has been appointed on the strength of his calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group's strategy and the performance of its business.

The NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. It will also continue its identification and evaluation of suitable candidates to ensure that there is diversity to the Board.

## **Provision 2.5 of the Code: Meeting of Non-Executive Directors without Management**

The Independent Directors, led by the Lead Independent Director ("LID"), meet amongst themselves at least once a year without the presence of the Management to discuss and evaluate the performance of the Management as well as the remuneration of the executive directors. The feedback and views expressed by the Independent Directors were communicated by the LID to the Board and/or the Chairman, as appropriate.

Since the Company's IPO, the IDs met once in the absence of Management.

## **Chairman and Chief Executive Officer**

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

## **Provision 3.1 of the Code: Separation of the roles of the Chairman and the Chief Executive Officer**

The roles of the Chairman of the Board and the CEO are separate to ensure clear distinction of responsibilities, appropriate balance of power and increased accountability. Mr. Seah Boon Lock serves as the Chairman of the Group, whereas Mr. Seah Qin Quan is the Group's CEO. Mr. Seah Qin Quan reports to the Board led by the Chairman.

All major proposals and decisions made by the Chairman and CEO are discussed and reviewed by the ARMC. Their performance and appointment are reviewed periodically by the NC and the packages are reviewed periodically by the RC. As the ARMC, NC and RC consist of all Independent Directors, the Board believes that there are sufficient strong and independent elements and adequate safeguards in place.

## **Provision 3.2 of the Code: Division of responsibilities between the Chairman and CEO**

The Group's Chairman, Mr. Seah Boon Lock, plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision. He leads the Board in its review of the Group's strategies for sustainable growth, ensures the diversity of the Board, and provides guidance in the Group's post-pandemic recovery and transformation efforts.

# CORPORATE GOVERNANCE REPORT

In addition to setting of business strategies for the Group and the monitoring of the translation of the Board's decisions and directions into executive action, he is to ensure that each member of the Board and the Management works well together with integrity and competency. As the Chairman, he with the assistance of the Company Secretary, schedules Board meetings as and when required and prepares the agenda for Board meetings and ensure sufficient allocation of time for thorough discussion of each agenda item, in particular strategic issues. He promotes an open environment for debate and ensures that Independent Directors are able to speak freely and contribute effectively.

In addition, he sets guidelines and exercises control over the quality, quantity, accurateness and timeliness of information flow between the Board and the Management. He plays a pivotal role in fostering constructive dialogue among stakeholders and provides close oversight, guidance and advice to the CEO and the Management. He also takes a leading role in ensuring the Group's drive to achieve and maintain a high standard of corporate governance and sustainability practices with the full support of the Board, the Company Secretary and the Management.

As the Group's CEO, Mr. Seah Qin Quan manages the members of the Management team and is responsible for implementing and reviewing the business directions and strategies for the Group as endorsed by the Board, and for operational performance and organisational excellence.

## **Provision 3.3 of the Code: Lead Independent Director**

Taking cognisance that the Chairman of the Board is an Executive Director and thus not independent, the Board has designated a LID who serves as a sounding board for the Chairman and as an intermediary between the non-executive Independent Directors and the Chairman. The current LID is Mr. James Wong who was appointed on 25 January 2023. The role of the LID is to co-ordinate and to lead the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. All Independent Directors, led by the LID, meet at least once annually without the presence of Executive Directors and Management to discuss matters of significance which are thereon reported to the Chairman accordingly.

He is available to shareholders and stakeholders should they have concerns which cannot be resolved or are inappropriate or inadequate to raise through the normal communication channels with the Chairman or the Management.

There was no query or any matters which requires the LID's attention received in FY2022.

## **Board Membership**

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

## **Provision 4.1 of the Code: Role of the NC Provision 4.2 of the Code: Composition of NC**

The NC comprises the following three (3) members, all of whom including the Chairman, are IDs and the LID is one of the members of the NC:-

- Mr. Ng Hong Whee (Chairman)
- Mr. James Wong (Member)
- Mr. Douglas Koh (Member)

The written terms of reference of the NC have been approved and adopted, and including but not limited to the followings:-

- having oversight on the controls and safeguards to prevent a recurrence of the non-compliances with the regulatory requirements;
- determining annually, and as and when circumstances require, whether or not a Director is independent, in accordance with the code;

# CORPORATE GOVERNANCE REPORT

- reviewing the composition of the Board to ensure the committee comprises an appropriate mix of skills, experience, core competencies and knowledge of our Group that the Board requires to function competently and efficiently. All Directors should be required to submit themselves for re-nomination and re-election at regular intervals and at least every three (3) years;
- deciding how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval by the Board, which address how the Board has enhanced long term shareholders' value. The Board will also implement a process to be proposed by the Nominating Committee for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director to the effectiveness of the Board (if applicable);
- reviewing succession plans for the Directors; and
- reviewing and approving the employment of persons related to the Directors or Substantial Shareholders and the proposed terms of their employment.

The NC is responsible for identifying and nominating candidates for the Board, determining annually, whether a Director is independent in accordance with the guidelines set out in the Code, filling board vacancies as well as to put in place plans for succession.

## **Provision 4.3 of the Code: Director appointment and re-nomination**

### ***Process for Selection and Appointment of New Directors***

The NC is responsible for identifying candidates and reviewing all nominations for the appointments of new directors in the following order: (i) determining the desirable competencies for the appointment, and after consultation with the Management, (ii) assessing the suitability of the candidates and conducting an open dialogue to ensure that each candidate is aware of his/her role and obligations and (iii) submitting a final shortlist for recommendation to the Board.

The search and nomination process for new directors, led by the NC, is as follows:

- The NC evaluates the balance, skills, knowledge and experience of the existing Board and the requirements of the Group. In light of such evaluation, the NC determines the role and key attributes that an incoming director should have.
- After endorsement by the Board of the key attributes required, the NC taps on the networking resources of the existing Directors and seeks recommendations from them in relation to the potential candidates, and goes through a shortlisting process. If candidates identified from this process are not suitable, executive recruitment agencies are appointed to aid in the search process.
- The NC meets with the shortlisted candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required.
- The NC recommends the most suitable candidate to the Board for appointment as Director.

### ***Process for Re-Appointment of Directors***

The role of the NC also includes the responsibility of reviewing the re-nomination of directors who retire by rotation, taking into consideration the director's integrity, independent mindedness, contribution and performance (such as attendance, participation, preparedness and candour) and any other factors as may be determined by the NC.

Pursuant to Article 98 of the Constitution of the Company, one-third of the Board are to retire from office by rotation and be subject to re-appointment at the Company's Annual General Meeting ("AGM"). In addition, Article 97 of the Constitution of the Company stipulates that a director newly appointed by the Board during the financial year must retire and submit himself/herself for re-appointment at the next AGM following his/her appointment. Thereafter, the director is subject to be re-appointed at least once every three (3) years at the Company's AGM.



# CORPORATE GOVERNANCE REPORT

Retiring Director is eligible to offer themselves for re-election. Each member of the NC abstains from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his/her own performance or re-nomination as Director.

At the forthcoming AGM of the Company, the following director will be retiring pursuant to Regulation 103 of the Company's Constitution:-

## **Regulation 103**

1. Mr. Seah Boon Lock
2. Mr. Seah Qin Quan
3. Mr. James Wong
4. Mr. Ng Hong Whee
5. Mr. Douglas Koh

Accordingly, the NC had recommended the aforesaid re-election of five (5) Directors and the Board had accepted the NC's recommendation. In recommending the re-election of these five (5) Directors, the NC has considered the Directors' overall contributions and performance. The details of the Directors seeking for re-election as required under Appendix 7F of the Catalist Rules are set out on page 46 to page 56 of this Annual Report.

## **Provision 4.4 of the Code: Circumstances affecting director's independence**

As described under Provision 2.1 above, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each Independent Director is required annually to confirm his/her independence. Further, the NC determines annually, and as and when circumstances require, whether a Director is independent, taking into consideration the disclosures by the Directors of any relationships with the Company, its related corporations, its substantial shareholders or its officers and the checklist completed by each Independent Director. Having made its review, the NC is of the view that all Independent Directors have satisfied the criteria for independence.

During FY2022, there was no alternate director on the Board.

## **Provision 4.5 of the Code: Multiple directorships**

The NC ensures that new directors are aware of their duties and obligations. For re-nomination and re-appointment of directors, the NC takes into consideration the competing time commitments faced by directors and their ability to devote appropriate time and attention to the Group.

Each Director is required to confirm annually to the NC as to whether he or she has any issue with competing time commitments which may impact his/her ability to provide sufficient time and attention to his/her duties as a Director of the Company. Based on the Directors' annual confirmation and the Directors' commitments and contributions to the Company, which are also evident in their level of attendance and participation at Board and Committee meetings, the NC and the Board are satisfied that all the Directors were able to and have been adequately carrying out their duties as Directors of the Company in FY2022. The NC concluded that there is no need to impose a limit on the number of board representations at this stage.

## **Board Performance**

**Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

**Provision 5.1 of the Code: Performance criteria and process for evaluation of the effectiveness of the Board**

**Provision 5.2 of the Code: Disclosure of assessment of the Board, Board Committees and each Director**

# CORPORATE GOVERNANCE REPORT

## **Board Evaluation Process**

The Board, through the NC, has used its best effort to ensure that directors appointed to the Board and the Board Committees, whether individually or collectively, possess the background, experience and the relevant skills set which are critical to the Group's business. It has also ensured that each director, with his/her special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

Based on the recommendations by the NC, the Board has established processes and objective performance criteria for evaluating the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the Chairman and individual Directors to the effectiveness of the Board.

Each Director is required to complete assessment forms to evaluate the Board, Board Committees and individual Directors, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors. The evaluation of individual Directors aims to assess whether each Director continues to contribute effectively and demonstrate commitment to the role, including commitment of time for Board and Board Committee meetings, and any other duties.

The results of the Board's and Directors' evaluations would be collated by the Company Secretary and provide the summary observations to the Chairman of the NC and the Board Chairman for their review and consideration. The Board Chairman will act on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or in the case of resignation, new directors may be sought.

Notwithstanding the above evaluation process in place, with regard to FY2022, as the Company was newly listed on 6 February 2023, there has been little interaction between the Directors and it would not be practical to conduct the performance evaluation for FY2022 and accordingly, the NC had waived the exercise for FY2022. The NC will consider the performance of each individual Director, the Board Committees and the Board for every financial year going forward. For avoidance of doubt, each member of the NC will abstain from voting on any resolution in respect of the assessment of his/her performance or renomination as Director. The NC is responsible for assessing the effectiveness of the Board, the Board Committees and each individual Director. All NC members have abstained from voting or review process of any matters in connection with the assessment of his/her own performance.

There was no external consultant involved in the evaluation process for each individual Director, Board and Board Committees for FY2022. Where relevant and when the need arises, the NC will consider such engagement.

## **Board Evaluation Criteria**

Part of the evaluation process is through the review of the appraisal and evaluation forms, which considered an assessment of the following key performance criteria:

- Board size and composition of the Board
- Board independence
- Board processes
- Board information and accountability
- Board performance in discharging principal functions
- Board Committee performance
- Board time commitment
- Board diversity
- Overall contribution

# CORPORATE GOVERNANCE REPORT

The primary objective of the board evaluation exercise is to create a platform for the Board and its Board Committees' members to provide constructive feedback on the board procedures and processes and the changes which should be made to enhance the effectiveness of the Board and its Board Committees.

## REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

**Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

### Provision 6.2 of the Code: Composition of RC

#### *RC Composition and Role*

The RC comprises the following three (3) members, all of whom including the Chairman, are IDs.

- Mr. Douglas Koh (Chairman)
- Mr. James Wong (Member)
- Mr. Ng Hong Whee (Member)

The RC is responsible for ensuring a formal and transparent procedure for developing policies on director and executive remuneration, and for determining the remuneration packages of individual Directors and KMP.

The written terms of reference of the RC have been approved and adopted, including but not limited to, the followings:-

- reviewing and approving the new employment of related employees and the proposed terms of their employment, and reviewing and recommending to the Board, for endorsement, the specific remuneration packages for each of the Directors and Executive Officers;
- proposing, for adoption by the Board, measurable, appropriate and meaningful performance targets for assessing the performance of the key management personnel, individual Directors and of the Board as a whole;
- ensuring that the remuneration policies and systems of our Group, as approved by the Board, support our Group's objectives and strategies, and are consistently being administered and being adhered to within our Group;
- reviewing our Group's obligations arising in the event of termination of service contracts entered into between our Group and its Directors or Executive Officers, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly generous;
- if necessary, seeking expert advice within and/or outside our Group on remuneration matters, to ensure that existing relationships, if any, between our Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;
- providing effective supervision and administration of our Group's share option scheme, and/or other equity-based plans and benefits-in-kind;
- reporting to the Board on its proceedings after each meeting on all matters within its duties and responsibilities; and
- holding a meeting of the Remuneration Committee at least once a year to coincide with key dates within the financial reporting and audit cycle.

# CORPORATE GOVERNANCE REPORT

## **Provision 6.1 of the Code: Role of the RC**

### **Provision 6.3 of the Code: RC to consider and ensure all aspect of remuneration are fair**

The RC reviews the reasonableness of the contracts of service of Executive Directors and KMP to ensure that their compensations commensurate with the responsibilities and risks involved in being a Director and that their remuneration packages are comparable within the industry and include a performance-related element with appropriate and meaningful measures of assessing performance.

The Independent Directors entitle to Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent and their responsibilities. The Directors' fees are recommended by the RC and endorsed by the Board, and subject to shareholders' approval at the annual general meeting. Except as disclosed in this Annual Report, the Independent Directors did not entitle any other remunerations from the Company.

The Executive Directors have each entered into a service agreement with the Company ("**Service Agreements**"), under which the terms of their employment are stipulated, including a monthly base salary, annual performance bonus and benefits commensurate with the position. The Executive Directors are not entitled to Directors' fees and there are no post-retirement and severance benefits except the common practice of giving notice or salary in lieu of notice in the event of termination. The Service Agreements is valid for five (5) years and subject to a renewal upon its validity lapsed.

All recommendations made by the RC on remuneration of directors and key executives will be submitted for endorsement by the Board. None of the RC is involved in setting his remuneration package. Each RC member shall abstain from reviewing, deliberating and voting on any resolution in respect of his remuneration package or that of any employees who are related to him.

### **Provision 6.4 of the Code: Expert advice on remuneration**

The RC has explicit authority within its terms of reference to seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters where necessary. There being no specific necessity, the RC did not seek the service of an external remuneration consultant to advise on remuneration matters in FY2022.

## **Level and Mix of Remuneration**

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.**

**Provision 7.1 and 7.3 of the Code: Remuneration of Executive Directors and key management personnel are appropriately structured to link rewards to performance.**

The annual reviews of the compensation are carried out by the RC to ensure that the remuneration of the Executive Directors and KMP commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The performance of the CEO (together with other KMP) is reviewed periodically by the RC and the Board. In structuring the compensation framework, the RC also takes into consideration the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

Executive Directors do not receive directors' fees but are remunerated as members of Management. The remuneration packages of the Executive Directors and the KMP is linked to the performance of the Group as a whole, as well as the individual performance. This is to align the remuneration with the interests of shareholders and link rewards to corporate and individual performance to promote the long-term sustainability of the Group.

Service contracts for Executive Directors, are for a fixed appointment period and do not contain onerous removal clauses.



# CORPORATE GOVERNANCE REPORT

The Company advocates a performance-based remuneration system that is flexible and responsive to the market, and the performance of the Group's business units and individual employees. In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is transparent, competitive, relevant and appropriate in finding a balance between the current and longer-term objectives of the Company so as to be able to attract, retain and motivate talents without being excessive, and thereby maximise value for shareholders.

The Company has in place Performance Incentive Schemes ("**Schemes**") such as the Yew Kee Employee Share Option Scheme ("**ESOS**") and Yew Kee Performance Share Plan ("**PSP**"). These Schemes serves to motivate eligible participants towards better performance through the award of shares to align themselves with the performance of the Company.

## **Provision 7.2 of the Code: Remuneration of Non-Executive Directors**

Non-Executive Directors have no service agreements (except for the letter of appointment) with the Company and their terms in office are specified in the Constitution. When reviewing the structure and level of directors' fee for the Non-Executive Directors, the RC takes into consideration the Directors' respective roles and responsibilities in the Board and its Board Committees and the frequency of Board and Board Committee meetings.

Each of the Non-Executive Directors receives a base director's fee.

The structure of the fees payable to the Non-Executive Directors of the Company for FY2022 is disclosed under Principle 8 below.

The RC is mindful that the remuneration for Non-Executive Directors should not be excessive so as not to compromise or reasonably be perceived to compromise their independence. No director is involved in deciding his/her own remuneration.

The Company was recently listed on 6 February 2023, there was no proposed directors' fees for the year ended 31 December 2022. The Directors' fees are proposed by the RC and it is appropriate and not excessive, taking into consideration the level of contributions by the directors and factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the directors. Directors' fees are recommended by the Board for approval by the shareholders at the AGM of the Company.

## **Disclosure on Remuneration**

**Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

## **Provision 8.1 and 8.3 of the Code: Remuneration disclosures of Directors and key management personnel**

## **Provision 8.2 of the Code: Remuneration of employee who are substantial shareholders, immediate family members of Executive Director or substantial shareholder**

The compensation packages for employees including the Executive Directors and the KMP comprised a fixed component (in the form of a basic salary) and a variable component (normally consists of cash-based annual bonus) and benefits-in-kind, where applicable, considering amongst other factors, the individual's performance, the performance of the Group and industry practices.

When determining the fixed and variable components, the individual performance is taken into consideration and remuneration recommendations are reviewed by the RC in the light of any annual guidance from the National Wages Council, competitive market practices and information gathered from market surveys. This is further reviewed along with the Group's performance, taking into consideration specific key performance indicators (involving financial and non-financial indicators) tracked over time as compared to the targets to be achieved by the Group based on its short-term and long-term objectives. The Board exercises its discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of shareholders and promote the long-term success of the Group. The overall level of remuneration is not considered to be at a level which is likely to promote behaviour contrary to the Group's risk profile.

# CORPORATE GOVERNANCE REPORT

During the financial year, there was no termination, retirement or post-employment benefits granted to any Director or KMP.

## Disclosure of Remuneration

### (i) Remuneration of Directors

The breakdown of the total remuneration (in percentage terms) of the Directors of the Company for the year ended 31 December 2022 is set out below:

Name of Directors	Remuneration Band	Fees	Salary	Bonus	Commission	Total Remuneration
Mr. Seah Boon Lock	Band 2	–	85.77%	14.23%	–	100%
Mr. Seah Qin Quan	Band 2	–	89.62%	10.38%	–	100%
Mr. James Wong	Band 1	–*	–	–	–	–
Mr. Ng Hong Whee	Band 1	–*	–	–	–	–
Mr. Douglas Koh	Band 1	–*	–	–	–	–

- The salary and bonus amounts shown are inclusive of Employee Provident Fund contributions.
- The directors' fees are subject to shareholders' approval at the Annual General Meeting.
- Remuneration bands:
  - "Band 1" refers to compensation of between S\$0 and S\$250,000 per annum.
  - "Band 2" refers to compensation of between S\$250,001 and S\$500,000 per annum.
  - "Band 3" refers to compensation of between S\$500,001 and S\$750,000 per annum.

\* No directors' fees payable for FY2022 as the Independent Directors were appointed on 25 January 2023.

### (ii) Remuneration of KMP

The Group has four (4) KMP who is not a Director or the CEO during FY2022. The details of the remuneration (in percentage terms) for the year ended 31 December 2022 are set out below:

Name of KMP	Remuneration Band	Salary	Bonus	Commission	Total
Ms. Wee Lay Teng	Band 1	88.02%	11.98%	–	100%
Mr. Eric Seow	Band 1	90.46%	9.54%	–	100%
Mr. Benjamin Zhu	Band 1	89.01%	10.99%	–	100%
Ms. Seah Kun Miao	Band 1	87.71%	12.29%	–	100%

- Ms. Wee Lay Teng is the wife of the Chairman, Mr. Seah Boon Lock and the mother of the CEO, Mr. Seah Qin Quan.
- Ms. Seah Kun Miao is the daughter of the Chairman, Mr. Seah Boon Lock and the sister of the CEO, Mr. Seah Qin Quan.
- The salary and bonus amounts shown are inclusive of Employee Provident Fund contributions.
- Remuneration band:
  - "Band 1" refers to compensation of between S\$0 and S\$250,000 per annum.

# CORPORATE GOVERNANCE REPORT

## (iii) Remuneration of employees who are substantial shareholders and immediate family members of Executive Director/ Chairman

Name of Substantial Shareholders	Remuneration Band	Salary	Bonus	Commission	Total
Mr. Seah Boon Keng	Band 1	93.53%	6.47%	–	100%
Mr. Lim Fah Choy	Band 1	94.20%	5.80%	–	100%

- Mr. Seah Boon Keng is the brother of Chairman, Mr. Seah Boon Lock, and uncle of CEO, Mr. Seah Qin Quan. Mr. Seah Boon Keng is a hygiene officer of our Group.
- Mr. Lim Fah Choy is the brother-in-law of Chairman, Mr. Seah Boon Lock, and uncle of CEO, Mr. Seah Qin Quan. Mr. Lim Fah Choy is an area manager of our Group.
- The salary and bonus amounts shown are inclusive of Employee Provident Fund contributions.
- Remuneration band:
  - “Band 1” refers to compensation of between S\$0 and S\$250,000 per annum.

After careful consideration and taking into account the highly competitive business environment, commercially sensitive and confidential nature of the remuneration policies of the Company, the Board is of the view that notwithstanding the deviation from Provision 8.1 of the Code, the Company is transparent on its remuneration policies, which has been disclosed not only as part of compliance with Principle 8 but also in respect of Principle 7 of the Code. In particular, the Company has elaborated on the remuneration policy governing the remuneration of the Executive Directors and the factors taken into account for the remuneration of the Independent Directors. The Company has also disclosed the remuneration paid to each Director and KMP using remuneration bands, as well as the breakdown of the components of their remuneration, for transparency. Accordingly, the Board is of the view that the non-disclosure of the exact quantum of the remuneration of each Director and KMP will not be prejudicial to the interest of shareholders and complies with the intent of Provision 8.1 of the Code.

The Company has in place Performance Incentive Schemes (“**Schemes**”) such as the Yew Kee Employee Share Option Scheme (“**ESOS**”) and Yew Kee Performance Share Plan (“**PSP**”). These Schemes serves to motivate eligible participants towards better performance through the award of shares to align themselves with the performance of the Company.

## ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

**Principle 9: The Board is responsible for the governance and risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.**

#### Provision 9.1 of the Code: Board determines the nature and extend of risks

The Board regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as determine the Company’s levels of risk tolerance and risk policies. In addition, the Board also regularly oversees the Management in the design, implementation and monitoring of the risk management and internal control systems to control, manage and mitigate these risks. The Management reviews the risk management and internal control systems and highlights all significant matters to the ARMC and Board from time to time.

# CORPORATE GOVERNANCE REPORT

The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework but recognises no cost-effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against the occurrence of materials errors or poor judgement in decision-making. In addition, it is essential to maintain adequate accounting records, develop and maintain an effective control environment within the Group.

The Group has implemented a system of internal controls designed to provide reasonable but not absolute assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Company's risk management framework and internal control system covers financial, operational, compliance and information technology risks and internal controls. The ARMC oversees the Management in the design, implementation and monitoring of the risk management and internal control systems, and reviews the adequacy and effectiveness of such systems at least annually.

## **Provision 9.2 of the Code: Assurance from the Board and KMP**

The ARMC reviewed and assessed the adequacy and effectiveness of the Group's internal controls that address the Group's financial, operational, compliance and information technology risks, with the assistance of the internal and external auditors and the Management.

For the financial year:

- (i) written assurance was received from the CEO, the COO and the GFC that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (ii) written assurance was received from the CEO, the COO and the GFC that the Group's risk management and internal controls systems in place were adequate and effective to address the financial, operational, compliance and information technology risks within the current scope of the Group's business operations.

The process of reviewing and strengthening the Group's control environment is an evolving process. Management will continue to devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

Through these reports, the Board aims to provide shareholders with a balanced and understandable assessment of the Group's financial performance, position and prospects.

The Management provides all members of the Board with sufficient and timely information on its financial performance and potential issues prior to all scheduled Board and Board Committees meetings.

The Company has complied with Rule 1207(4)(b)(iv) of Catalist Rules in relation to the risk management policies and processes. Based on the Group's framework of management controls in place, the internal control policies and procedures established and maintained by the Group, the reviews performed by the external auditors and internal auditors, as well as the written representation by the Management, the Board, with the concurrence of the ARMC, is of the opinion that the risk management and internal control systems of the Group, addressing the financial, operational, compliance and information technology risks are adequate and effective as at 31 December 2022 to address the risks that the Group considers relevant and material to its operations.



# CORPORATE GOVERNANCE REPORT

## Audit and Risk Committee

### Principle 10: The Board has an Audit and Risk Committee which discharges its duties objectively

#### Provision 10.1 of the Code: Role of ARMC

#### Provision 10.2 of the Code: Composition of ARMC

#### Provision 10.3 of the Code: ARMC does not comprise former partners or directors of the Company's auditing firm

The ARMC comprises the following three (3) members, all whom including the Chairman, are IDs and the LID is one of the members of the ARMC and have recent and relevant accounting or related financial expertise or experience to discharge their responsibilities:

- Mr. James Wong (Chairman)
- Mr. Ng Hong Whee (Member)
- Mr. Douglas Koh (Member)

Mr. James Wong, the Chairman of the ARMC, possesses recent and relevant accounting or related financial management knowledge, whilst the other two (2) ARMC members have regulatory, governance and industrial background. With the current composition, the Board believes that the ARMC members are appropriately qualified to discharge their responsibilities as defined under the terms of reference, which have been approved by the Board. No former partner or director of the Company's existing auditing firm is a member of the ARMC.

The ARMC is authorised by the Board and has explicit authority to investigate any matter within its terms of reference. It has direct and unrestricted access to, and the co-operation of the Management and full discretion to invite any Executive Director or KMP to attend its meetings. The ARMC has adequate resources, including access to external consultants, lawyers or other professionals as it sees fit to provide independent counsel and advice, to assist in the review or investigation on such matters within its terms of reference as it deems appropriate at the Company's expense.

The external auditors were also invited to be present at ARMC meetings, as and when required, held during the year to, inter alia, answer or clarify any matter on accounting and auditing or internal controls. The ARMC is of the opinion that the independence and objectivity of the external auditors have not been affected based on the amount of non-audit fees paid in FY2022.

The ARMC met one (1) time since the Company's IPO in February 2023. The Executive Directors and GFC were invited to attend the meetings.

The written terms of reference of the ARMC have been approved and adopted, and they include the followings:-

- having oversight on the controls and safeguards to prevent a recurrence of the non-compliances with the regulatory requirements;
- assisting the Board in the discharge of its responsibilities on financial and reporting matters;
- reviewing the relevance and consistency of accounting standards, the significant reporting issues, recommendations and judgments made by external auditors so as to ensure the integrity of the financial statements of our Group;
- reviewing the assurance from the CEO, the COO and GFC on the financial records and financial statements of our Group;
- reviewing the adequacy, effectiveness, and independence of the external audit and internal audit function of our Group;

# CORPORATE GOVERNANCE REPORT

- reviewing and reporting to the Board, at least annually, the effectiveness and adequacy of our Group's internal control and procedures (addressing financial, operational, information technology, compliance risks) and risk management systems (such review to be carried out internally or with the assistance of any competent third parties) and discussing issues and concerns, if any, prior to the incorporation of the Directors' comments in our Group's annual report;
- making recommendations to the Directors on establishing an adequate, effective and independent internal audit function (which can be in-house or outsourced to a reputable accounting/auditing firm or corporation), and ensuring that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies;
- where applicable, ensuring that the internal audit function has unfettered access to all our Group's documents, records, properties, and personnel, including the Audit and Risk Committee, and has appropriate standing within our Group;
- reviewing our Group's financial risk areas, with a view to providing an independent oversight of our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, if the findings are material, to be immediately announced via SGXNet;
- reviewing the risk profile of our Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board;
- considering the appointment or re-appointment of the external auditors and internal auditors, the level of their remuneration and matters relating to resignation or dismissal of the external auditors and internal auditors;
- conducting periodic reviews and approval of foreign exchange transactions and hedging policies (if any) undertaken by our Group;
- reviewing and approving transactions falling within the scope of Chapter 9 of the Catalist Rules;
- reviewing and establishing procedures for receipt, retention and treatment of complaints received by our Group, among others, criminal offences involving our Group or our employees, questionable accounting, auditing, business, safety or other matters that impact negatively on our Group, and ensuring that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;
- undertaking such other reviews and projects as may be requested by our Board of Directors and reporting to our Board its findings from time to time on matters arising and requiring the attention of our Audit and Risk Committee; and
- generally undertaking such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

## **Whistleblowing Policy**

The Group has put in place a whistleblowing framework, endorsed by the ARMC, which provides the mechanisms where employees may, in confidence, raise concerns or observations about possible corporate malpractices and improprieties in financial reporting or other matters directly to [ac@ykgi.com.sg](mailto:ac@ykgi.com.sg). Details of the whistleblowing policy, together with the dedicated whistleblowing communication channels (such as email address) have been made available to all employees. It has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up action and provides assurance that employees will be protected from reprisal within the limits of the law or victimisation for whistleblowing in good faith. Anonymous reporting will also be attended to and anonymity honoured.

The whistleblowing policy and procedures are reviewed by the ARMC from time to time to ensure that they remain relevant.

# CORPORATE GOVERNANCE REPORT

The ARMC reports to the Board on such matters at the Board meetings. Should the ARMC receive reports relating to serious offences and/or criminal activities in the Group, the ARMC and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action.

The whistleblowing policy is published on the Company's website at <https://ykgi.com.sg>, and a copy of the whistleblowing policy is also disseminated to all employees of the Group. As at the date of this Annual Report, there was no complaint, concerns of issue and whistleblowing report received through the whistle-blowing channel.

## **Financial Reporting Matters**

The ARMC reviews the financial statements, SGXNet announcements and all related disclosures to shareholders before submission to the Board for approval. In the process, the ARMC reviews the key areas of management judgement applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have an impact on the Group's financial performance to ensure the integrity and fairness of the financial statements.

In the review of the financial statements for the financial year ended 31 December 2022, the ARMC has discussed the following significant matters impacting the financial statements with the Management and the external auditors:

Significant matters	How the ARMC reviewed these matters and what decisions were made
Revenue recognition – Sales of food and beverages	<p>ARMC reviewed the management's accounting for the revenue recognition for sales of food and beverages and internal controls over sales and cash cycle implemented by management.</p> <p>As a result of the above procedures, the AC agrees with management that the accounting treatment applied is appropriate.</p>

## **Internal Controls and Regulatory Compliance**

The ARMC assists the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that the Management creates and maintains an effective control environment. The ARMC provides a channel of communication between the Board, the Management, and the internal and external auditors on audit matters.

The ARMC also has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the Management and full discretion to invite any Director to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The ARMC meets with the internal and external auditors, without the presence of the Management, at least once a year.

Any change to accounting standards and issues which has a direct impact on financial statements will be highlighted to the ARMC from time to time by the external auditors. The external auditors will work with the Management to ensure that the Group complies with the new accounting standards, if applicable.

The ARMC reviews the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management systems through discussion with Management and its auditors and report to the Board annually.

The ARMC reviews the assurance from the CEO, the COO and GFC on the financial records and financial statements.

# CORPORATE GOVERNANCE REPORT

## External Audit

The ARMC reviews the scope and results of the audit carried out by the external auditors, Messrs. CLA Global TS Public Accounting Corporation, the cost effectiveness of the audit and the independence and objectivity of the external auditors. It always seeks to balance the maintenance of objectivity of the external auditors and their ability to provide value-for-money professional services.

The ARMC, in determining the independence and objectivity of the external auditors, reviewed all aspects of their relationships with them, including the processes, policies and safeguards adopted by the Group and external auditors relating to audit independence. The ARMC also considered the nature and volume of the provision of the non-audit services in FY2022. Save for the fees paid for audit engagement and reporting auditors in relation to the listing of the Company, the non-audit services provided by the Company's external auditors, Messrs. CLA Global TS Public Accounting Corporation are immaterial and would not affect the independence of the auditors. The ARMC is of the opinion that the external auditors are independent and were adequate and effective in performing its audit.

	S\$
Audit fees	335,000
Reporting auditors in relation to the listing of the Company	380,000
Non audit fees	
- Tax services	44,700
- Certification fees for listing grant application	4,000
Total fees	<u>763,700</u>

The consolidated financial statements of the Company and its subsidiaries are audited by Messrs. CLA Global TS Public Accounting Corporation. The ARMC and the Board are of the view that the audit firms are adequately resourced, of appropriate standing within the international affiliation, have reviewed and are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the Company and that the Company has complied with Rule 712 and Rule 715 of the Catalist Rules of the SGX-ST.

In reviewing the nomination of Messrs. CLA Global TS Public Accounting Corporation for re-appointment for the financial year ending 31 December 2023, the ARMC has considered the adequacy of the resources, experience and competence of Messrs. CLA Global TS Public Accounting Corporation, and has taken into account the Accounting and Corporate Regulatory Authority's ("ACRA") Audit Quality Indicators Disclosure Framework relating to Messrs. CLA Global TS Public Accounting Corporation at the firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit. The ARMC also considered the audit team's ability to work in a co-operative manner with Management whilst maintaining integrity and objectivity and its ability to deliver their services professionally and within agreed timelines.

The ARMC has recommended to the Board that the external auditors, Messrs. CLA Global TS Public Accounting Corporation, be nominated for re- appointment as the external auditors of the Company at the forthcoming AGM of the Company to be held on 29 May 2023.

None of the ARMC members are former partners or directors of the Company's external firm within the last twelve (12) months and none of the ARMC members hold any financial interest in the external audit firm.

## Provision 10.4 of the Code: Internal Audit Function

The primary role of internal audit is to assist the Board to evaluate the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Group, reviewing the internal controls of the Group to ensure prompt and accurate recording of transactions and proper safeguarding of assets and reviewing that the Group to comply with the relevant laws, regulations and policies established.



# CORPORATE GOVERNANCE REPORT

The internal audit function plans its internal audit schedule in consultation with, but independent of the Management. The ARMC examines the internal audit plan, determines the scope of audit examination and approves the internal audit budget. It also oversees the implementation of the improvements required on internal control weaknesses identified and ensures that Management provides the necessary co-operation to enable the internal auditors to perform its function. In addition, the internal auditors may be involved in ad-hoc projects initiated by the Management which require the assistance or/and assurance of the internal auditors in specific areas of concerns.

The Board is overall responsible for the management of risk within the Group. It ensures that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic business objectives.

Messrs. BDO Advisory Pte Ltd, the Company's internal auditors report primarily to the Chairman of the ARMC and have unrestricted access to the documents, records, properties and personnel of the Company and of the Group. The main objective of the internal audit function is to assist the Group in evaluating and assessing the effectiveness of internal controls, and to highlight the areas where control weaknesses exist, if any. The Company continues to work with the internal auditors to identify other scope of work which will help to further enhance the robustness of the Company. Management has adopted a risk management framework and the Enterprise Risk Management ("ERM") manual. BDO will facilitate an enterprise risk assessment with the Management and relevant employees to identify key risks that would impact the achievement of the Group's business objectives in FY2022. The risk assessment exercise shall cover pertinent risks in strategic, operational, financial, regulatory compliance and information technology areas. The effectiveness of the Group's system of internal controls are in place to address the key financial, operational, compliance and information technology risks affecting the operations are reviewed by the ARMC, together with the Board.

The Management is responsible for ensuring that the risks identified are relevant to the business environment and that controls or mitigating factors are in place. The Board reviews and approves policies and procedures for managing the identified risks. The ARMC provides independent oversight to the effectiveness of the risk management process.

In compliance with Rule 1204(10) of the Catalist Rules, the Board, with the concurrence of the ARMC, is of the opinion that the Company has a robust and effective internal control system. The system of internal controls is sufficiently adequate and effective to address the information technology controls and risk management systems, as well as the financial, operational, compliance and information technology risks based on the internal controls established and maintained by the Group and reports from the internal auditors and external auditors.

The Board notes that the system of internal controls provides reasonable but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

The ARMC has reviewed the independence, adequacy and effectiveness of the internal audit function at least annually to ensure that it is adequately resourced and has appropriate standing within the Company. Based on the review, the ARMC was of the view that the internal audit function is independent, effective and adequately resourced.

The ARMC approves the hiring, removal, evaluation and compensation of the internal auditors, who have unfettered access to all the Company's documents, records, properties and personnel, including access to the ARMC.

## ***Code of Conduct and Business Ethics***

The Company has established a Code of Conduct and Business Ethics that sets the principles of the code of conduct and business ethics which applies to all employees of the Group. This code covers areas such as conduct in workplace, business conduct, protection of the Company's assets, confidentiality of information and conflict of interest. Directors, KMP and employees are expected to observe and uphold high standards of integrity which are in compliance with the Company's policies and the law and regulations of the countries in which it operates.

# CORPORATE GOVERNANCE REPORT

## **Provision 10.5 of the Code: ARMC meets the auditor without the presence of Management annually.**

The ARMC shall meet external auditors and internal auditors without the presence of the Management at least once a year so that any matter can be raised directly. For FY2022, the ARMC has met with the external auditors and internal auditors without the presence of the Management. These meetings enable the auditors to raise any issues in the course of their work directly to the ARMC.

## **SHAREHOLDER RIGHTS AND ENGAGEMENT**

### **Shareholder Rights and Conduct of General Meetings**

**Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

### **Provision 11.1 of the Code: Shareholders' Rights Provision 11.2 of the Code: Resolutions**

The Board is committed to being open and transparent in the conduct of the Company's affairs, while preserving the commercial interests of the Company. The Board is mindful of its obligations to provide timely and fair disclosure of material information in accordance with the Corporate Disclosure Policy. Financial Results, annual reports and other material information are released via SGXNet. Announcements released via SGXNet are also uploaded promptly on the Company's corporate website. The Company's website: <https://ykgi.com.sg>, contains regular up to date information and corporate profile of the Group. All shareholders and the public can access for more information of the Company through this website.

All resolutions at general meetings are voted on by poll so as to better reflect shareholders' shareholding interests and ensure greater transparency. Shareholders are briefed by the appointed polling agent on the poll voting procedures at the general meetings. The appointed scrutineer will ensure that the poll process is properly carried out and the counting of the votes is verified by the scrutineer. The poll voting results of all votes cast for, or against, or abstain, each resolution and the respective percentages are announced at the meeting and via SGXNet upon the conclusion of the general meetings.

### **Provision 11.3 of the Code: Attendance at General Meetings**

At general meetings of the Company, shareholders are given the opportunity to communicate their views and are encouraged to ask the Directors and the Management questions regarding matters affecting the Company and the Group.

The Chairman, all the Directors (including the Chairmen of the ARMC, NC and RC) and the external auditors, Messrs. CLA Global TS Public Accounting Corporation, will endeavour to be present at the Company's AGM held on 29 May 2023 to address the shareholders' questions relating to the work of the Board and the Board Committees and the external auditors will assist the Directors in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

### **Provision 11.4 of the Code: Voting procedures**

Shareholders are encouraged to participate at the Company's general meetings. For those who hold their shares through nominee or custodial services, they are allowed, upon prior request through their nominee, to attend the general meetings as observers without being constrained by the two-proxy rule.

All shareholders are encouraged to attend the general meetings to ensure high level of accountability and to stay informed of the Group's strategies and visions. The Constitution allows a shareholder and corporation which provide nominee or custodial services to appoint not more than two (2) proxies to attend and vote at general meetings. The Constitution contains provision for any shareholder to vote in absentia, such as via mail, electronic mail or facsimile. In order to have a valid registration of proxy, the proxy forms must be sent in advance to the place(s) as specified in the notice of the general meetings at least 72 hours before the time set for the general meetings.

# CORPORATE GOVERNANCE REPORT

Voting in absentia such as voting via mail, electronic mail or facsimile at the general meetings may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised.

## **Provision 11.5 of the Code: Minutes of general meeting**

The Company Secretary shall prepare each item of special business in the notices of the shareholders' general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for each distinct issue. Minutes of general meetings, which include substantial comments or queries from shareholders and responses from the Board and Management are available to shareholders upon request.

The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on SGXNet and the Company's website, and the minutes will include the responses to the questions referred to the above.

## **Provision 11.6 of the Code: Dividend policy**

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, operational and capital requirements, cash flow and financial conditions, as well as general business conditions and other factors which the Board may deem appropriate. The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management. The Board will review the dividend payment from time to time and any dividend declaration will be communicated to shareholders via announcement through SGXNet.

The Board has recommended a final dividend (one-tier tax exempt) of S\$0.0051 per ordinary share for FY2022 which is subject to the Shareholders' approval at the forthcoming AGM of the Company.

## **Engagement with Shareholders**

**Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.**

## **Provision 12.1 of the Code: Communication with shareholders**

## **Provision 12.2 and 12.3 of the Code: Investor relations policy**

### ***Disclosure of Information on Timely Basis***

The Group is firmly committed to corporate governance and transparency by disclosing to its stakeholders, including its shareholders, as much relevant information as is possible, in a timely, fair and transparent manner as well as to hearing its shareholders' views and addressing their concerns. By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility.

### ***Investor Relations Practices***

The Company has an Investor Relations ("IR") policy outlining the principles and practices adopted in the course of its investor relations activities, including communication with shareholders and the investment community.

The IR Policy reflects avenues for communication between shareholders and the Company, including shareholders' meetings, the Company's annual report and sustainability report, the information available on the Company's website, results announcements, meetings with analysts and media, and describes how shareholders may contact the Company should they have questions. The policy thus allows for an ongoing exchange of views with shareholders, thereby promoting regular, effective and fair communication.

# CORPORATE GOVERNANCE REPORT

## MANAGING STAKEHOLDERS RELATIONSHIPS

### Engagement with Stakeholders

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of materials stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.**

#### Provision 13.1 and 13.2 of the Code: Relationships with stakeholders

The Group has identified key stakeholders as those who are impacted by the Group's business and operation activities, and have a significant impact on the Group's sustainability. Such stakeholders include employees, shareholders, workers, its consumers, its suppliers and business partners, communities, government and regulators, and its financiers. The Company engages its stakeholders through various channels to ensure that business interests of the Group are balanced against the needs and interests of its stakeholders.

The Group's policies including the Board Diversity Policy, the IR Policy and Whistleblowing Policy facilitate the Group's engagement with its key stakeholders. In addition, the Group will be issuing its first sustainability report in due course to keep stakeholders informed on the commitment made by the Company in fostering the creation of long-term value for the stakeholders and sustainable development of the global economy.

Stakeholders may contact the Company through '**Contact Us**' in the Company's corporate website: <https://ykgi.com.sg>.

#### Provision 13.3 of the Code: Communication with stakeholders

##### *Corporate Website*

The Company does not practise selective disclosure of material information. All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNet, press releases and the Company's corporate website – <https://ykgi.com.sg>.

The comprehensive website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders. It has a dedicated "Investor Relations" link which features the annual report, financial results, and related information.

## ADDITIONAL INFORMATION REQUIRED BY THE CATALIST RULES OF THE SGX-ST

### 1. DEALING IN SECURITIES

In compliance with Rule 1204(19) of the Catalist Rules, the Company imposes a trading embargo on its Directors and employees of the Company from trading in its securities for the period of one (1) month prior to the announcement of the half-year and full-year financial results, or when they are in possession of unpublished material price-sensitive information.

An internal memorandum was circulated informing all persons covered by the policy that they are prohibited from dealing in the securities of the Company during the 'closed window' period until after the release of the results. The Company's internal memorandum includes the clause whereby an officer of the Company is prohibited from dealing in the Company's securities on short-term considerations.

All Directors are required to seek Board's approval before trading in the Company's shares and are also required to notify the Company Secretary of any change in his/her interest in the Company's shares within two business days of the change.

In view of the policy in place, the Board is of the opinion that the Company has complied with the recommended best practices on dealings in securities under Rule 1204(19) of the Catalist Rules.



# CORPORATE GOVERNANCE REPORT

In addition, directors, key management personnel and connected persons are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also refrained from dealing in the Company's shares on short-term considerations. During FY2022, there was no trading of the Company's shares by directors, key management personnel and connected persons.

## 2. NON-SPONSORSHIP FEES

The Company was listed on the Catalist Board of the SGX-ST on 6 February 2023, and RHT Capital Pte. Ltd. ("RHT Capital") was the Full Sponsor and Issue Manager of the Company in respect of the listing. Save for the fees paid to RHT Capital in relation to the listing, with reference to Rule 1204(21) of the Catalist Rules, no non-sponsor fees were paid to the Company's Sponsor, RHT Capital, for FY2022.

## 3. INTERESTED PERSON TRANSACTIONS ("IPTs")

The ARMC reviewed the Group's IPTs to ensure that the transactions were executed at normal commercial terms and did not prejudice the interests of the Group and its minority shareholders.

The Company has not obtained a general mandate from shareholders for IPTs. Save from the IPTs disclosed in the Offer Document of the Company, there is no additional IPTs of S\$100,000 and above, and the ARMC is satisfied that there were no material contracts of the Company and its subsidiaries involving the interest of the Executive Directors or any Director or controlling shareholder subsisted at the end of the financial year. In the event that a member of the ARMC is involved in any IPTs, he or she will abstain from reviewing that particular transaction.

## 4. USE OF IPO PROCEEDS

The Group raised net proceeds of S\$12.0 million. As of the date of this Annual Report, the balance of net proceeds as follows:

	Allocation of Net		
	Allocation of Net Proceeds S\$'000	Amount Utilised as at the Date of this Annual Report S\$'000	Balance as at the Date of this Annual Report S\$'000
Expansion of our business (including opening new outlets in Singapore and overseas, expanding into more market segments, strengthening our supply chain capabilities, expanding our franchising and sub-franchising operations and undertaking strategic acquisitions and joint venture partnerships)	10,000	–	10,000
Working Capital	2,035	2,035 <sup>(1)</sup>	–
<b>Total</b>	<b>12,035</b>	<b>2,035</b>	<b>10,000</b>

### Notes:

- (1) The breakdown of the utilisation of net proceeds to be used for general working capital purposes are as follows:

Summary of Expenses	S\$'000
Purchases from suppliers	942
Staff Cost	1,093
<b>Total</b>	<b>2,035</b>

# CORPORATE GOVERNANCE REPORT

## 5. MATERIAL CONTRACTS

Save for the Service Agreements between the Executive Directors and the Company as mentioned above, there were no material contracts entered into by the Company or its subsidiaries involving the interests of its Chairman or any Directors or controlling shareholders which are either still subsisting as at the end of financial year or if not then subsisting, entered into since the end of the previous financial year.

# CORPORATE GOVERNANCE REPORT

Information for the Directors who are retiring and being eligible, offer themselves for re-election at the forthcoming AGM pursuant to Rule 720(5) of the Catalyst Rules of the SGX-ST:

Details	Name of Director				
	Seah Boon Lock	Seah Qin Quan	James Wong	Ng Hong Whee	Douglas Koh
Date of Appointment	8 August 2022	8 August 2022	25 January 2023	25 January 2023	25 January 2023
Date of last re-appointment (if applicable)	N/A	N/A	N/A	N/A	N/A
Age	61	30	67	55	55
Country of principal residence	Singapore	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Seah Boon Lock was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Mr. Seah Boon Lock's experience, and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr. Seah Qin Quan was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Mr. Seah Qin Quan's experience, and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr. James Wong was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Mr. James Wong's qualifications, experience, and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr. Ng Hong Whee was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Mr. Ng Hong Whee's qualifications, experience, and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr. Douglas Koh was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Mr. Douglas Koh's qualifications, experience, and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for overall strategic direction and expansion plans for the growth and development of the Group.	Executive. Responsible for directing and controlling the operations of the Group.	Non-Executive.	Non-Executive.	Non-Executive.

# CORPORATE GOVERNANCE REPORT

Details	Name of Director				
	Seah Boon Lock	Seah Qin Quan	James Wong	Ng Hong Whee	Douglas Koh
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Executive Director	Chief Executive Officer and Executive Director	Lead Independent Director, Chairman of Audit and Risk Management Committee, a member of the Nominating Committee and Remuneration Committee	Independent Director, Chairman of Nominating Committee, a member of Audit and Risk Management Committee and Remuneration Committee	Independent Director, Chairman of Remuneration Committee, a member of the Audit and Risk Management Committee and Nominating Committee
Professional qualifications	N/A	<ul style="list-style-type: none"> <li>Diploma in Civil Aviation from Republic Polytechnic</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Commerce in Accountancy from Nanyang University</li> </ul>	<ul style="list-style-type: none"> <li>GCE O Level passes in English and Chinese</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Laws from National University of Singapore</li> <li>Advocate &amp; Solicitor</li> </ul>
Working experience and occupation(s) during the past 10 years	Please refer to page 14 of this Annual Report	Please refer to page 14 of this Annual Report	Please refer to page 15 of this Annual Report	Please refer to page 15 of this Annual Report	Please refer to page 15 of this Annual Report
Shareholding interest in the listed issuer and its subsidiaries	Mr. Seah Boon Lock is holding 70.0% of the shareholding in Seah & Family Pte. Ltd.. Accordingly, pursuant to section 4 of the Securities and Futures Act, Mr. Seah Boon Lock is deemed interested in all 326,000,000 shares held by Seah & Family Pte. Ltd. in the Company as at 28 April 2023.	Nil	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Spouse of Ms. Wee Lay Teng, Chief Administrative Officer  Father of Mr. Seah Qin Quan, Chief Executive Officer and Executive Director, Ms. Seah Kun Miao, Chief Marketing Officer	Son of Mr. Seah Boon Lock, Executive Chairman and Executive Director and Ms. Wee Lay Teng, Chief Administrative Officer  Brother of Ms. Seah Kun Miao, Chief Marketing Officer			



# CORPORATE GOVERNANCE REPORT

Details	Name of Director				
	Seah Boon Lock	Seah Qin Quan	James Wong	Ng Hong Whee	Douglas Koh
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes
Other Principal Commitments Including Directorships	<p><b>Past (for the last 5 years)</b></p> <ul style="list-style-type: none"> <li>10 (XO Noodle) Pte. Ltd.</li> <li>108 Sembawang Pte. Ltd.</li> <li>2 Bukit Panjang Pte. Ltd.</li> <li>207 (Duck Rice) Pte. Ltd.</li> <li>480 Local Delight Pte. Ltd.</li> <li>51 Hougang Pte. Ltd.</li> <li>Admiralty Local Delight Pte. Ltd.</li> <li>Fine Food (Nanyang) Pte. Ltd.</li> <li>Fine Food F&amp;B Pte. Ltd.</li> <li>Punggol WP83 Pte. Ltd.</li> <li>SM30 Simei Pte. Ltd.</li> <li>Ubi 179 Food House Pte. Ltd.</li> <li>Ying's Traditional Food Pte. Ltd.</li> <li>YTP (Yew Tee) Pte. Ltd.</li> <li>Yew Kee Three Pte. Ltd.</li> <li>Yew Kee Two Pte. Ltd.</li> <li>Yew Kee Collective Pte. Ltd.</li> <li>Yew Kee Duck and Noodle House Pte. Ltd.</li> </ul>	<p><b>Past (for the last 5 years)</b></p> <ul style="list-style-type: none"> <li>Yew Kee Management Pte. Ltd.</li> <li>Tampines Hub Delight Pte. Ltd.</li> <li>Tong Fong Fatt YK Pte. Ltd.</li> <li>Feng's Kampung Food Pte. Ltd.</li> <li>Joo Koon Eating House Pte. Ltd.</li> <li>Yu Kee Food House Pte. Ltd.</li> <li>Marina Square (610) Pte. Ltd.</li> <li>YTP (Yew Tee) Pte. Ltd.</li> </ul> <p><b>Present:</b></p> <ul style="list-style-type: none"> <li>YK Food (Five) Pte. Ltd.</li> <li>Yew Kee Bakery Pte. Ltd.</li> <li>YK Food (Four) Pte. Ltd.</li> <li>YK Food (Three) Pte. Ltd.</li> <li>YK Food (Two) Pte. Ltd.</li> <li>YK Food (One) Pte. Ltd.</li> <li>PastaGo Pte. Ltd.</li> <li>102CR Food Pte. Ltd.</li> <li>Yew Kee Management Pte. Ltd.</li> </ul>	<p><b>Past (for the last 5 years)</b></p> <ul style="list-style-type: none"> <li>Beecomb Foods Industries Pte. Ltd.</li> <li>Ceres Super Pte. Ltd.</li> <li>Jacobs Douwe Egberts HLD INV SG Pte. Ltd.</li> <li>Jacobs Douwe Egberts HLD SCM SG Pte. Ltd.</li> <li>Jacobs Douwe Egberts HLD SCP SG Pte. Ltd.</li> <li>Jacobs Douwe Egberts HLD SGI SG Pte. Ltd.</li> <li>Jacobs Douwe Egberts PRO OBS SG Pte. Ltd.</li> <li>Jacobs Douwe Egberts RTL OWL SG Pte. Ltd.</li> <li>Jacobs Douwe Egberts RTL SCC SG Pte. Ltd.</li> <li>Strategic Marketing &amp; Distribution Pte. Ltd.</li> <li>Super Investment Holdings Pte. Ltd.</li> </ul> <p><b>Present:</b></p> <p>Nil</p>	<p><b>Past (for the last 5 years)</b></p> <ul style="list-style-type: none"> <li>Spackman Entertainment Group Ltd</li> <li>WGP Holdings Pte. Ltd.</li> </ul> <p><b>Present:</b></p> <ul style="list-style-type: none"> <li>NHW Pte Ltd</li> <li>LS 2 Holdings Limited</li> </ul>	<p><b>Past (for the last 5 years)</b></p> <ul style="list-style-type: none"> <li>LCT Holdings Limited</li> </ul> <p><b>Present:</b></p> <p>Nil</p>

# CORPORATE GOVERNANCE REPORT

Details	Name of Director			
	Seah Boon Lock	Seah Qin Quan	James Wong	Ng Hong Whee
Other Principal Commitments Including Directorships (cont'd)	<p><b>Past (for the last 5 years) (cont'd)</b></p> <ul style="list-style-type: none"> <li>• Yew Kee Management Pte. Ltd.</li> <li>• Toa Payoh (178) Pte. Ltd.</li> <li>• K61 F&amp;B Pte. Ltd.</li> <li>• Yu Kee Venture Pte. Ltd.</li> <li>• Tampines Hub Delight Pte. Ltd.</li> <li>• Combine Group Pte. Ltd.</li> <li>• You &amp; Lai Pte. Ltd.</li> <li>• Yu Kee Four Pte. Ltd.</li> <li>• Tong Fong Fatt YK Pte. Ltd.</li> <li>• Feng's Kampung Food Pte. Ltd.</li> <li>• Newton Circle Duck Rice Pte. Ltd.</li> <li>• Causeway Local Delight Pte. Ltd.</li> <li>• Admiralty &amp; Kallang Pte. Ltd.</li> <li>• Yu Kee Retail Pte. Ltd.</li> <li>• Vivo Local Delight Pte. Ltd.</li> <li>• 805 Foodpark Pte. Ltd.</li> <li>• 823 Foodpark Pte. Ltd.</li> <li>• 9 Foodpark Pte. Ltd.</li> <li>• 96 Foodpark Pte. Ltd.</li> <li>• Foodpark Pte. Ltd.</li> <li>• K1 Foodpark Pte. Ltd.</li> <li>• K11 Foodpark Pte. Ltd.</li> </ul>	<p><b>Present: (cont'd)</b></p> <ul style="list-style-type: none"> <li>• Yew Kee Two Pte. Ltd.</li> <li>• 2 Bukit Panjang Pte. Ltd.</li> <li>• 51 Hougang Pte. Ltd.</li> <li>• Admiralty Local Delight Pte. Ltd.</li> <li>• 480 Local Delight Pte. Ltd.</li> <li>• 10 (XO Noodle) Pte. Ltd.</li> <li>• 207 (Duck Rice) Pte. Ltd.</li> <li>• 108 Sembawang Pte. Ltd.</li> <li>• SM30 Simei Pte. Ltd.</li> <li>• Ubi 179 Food House Pte. Ltd.</li> <li>• Yew Kee Three Pte. Ltd.</li> <li>• Fine Food (Nanyang) Pte. Ltd.</li> <li>• Fine Food F&amp;B Pte. Ltd.</li> <li>• Ying's Traditional Food Pte. Ltd.</li> <li>• Yew Kee Collective Pte. Ltd.</li> <li>• Punggol WP83 Pte. Ltd.</li> <li>• Yew Kee Duck &amp; Noodle House Pte. Ltd.</li> <li>• YKGI Hawker Management Pte. Ltd.</li> <li>• SG Watch Market Pte. Ltd.</li> <li>• J9 Holdings Pte. Ltd.</li> <li>• Seah &amp; Family Pte. Ltd.</li> </ul>		
			James Wong	Ng Hong Whee
				Douglas Koh

# CORPORATE GOVERNANCE REPORT

Details	Name of Director			
	Seah Boon Lock	Seah Qin Quan	James Wong	Ng Hong Whee
Other Principal Commitments Including Directorships (cont'd)	<p><b>Past (for the last 5 years) (cont'd)</b></p> <ul style="list-style-type: none"> <li>• K13 Foodpark Pte. Ltd.</li> <li>• K15 Foodpark Pte. Ltd.</li> <li>• K16 Foodpark Pte. Ltd.</li> <li>• K3 Foodpark Pte. Ltd.</li> <li>• K485 Foodpark Pte. Ltd.</li> <li>• K5 Foodpark Pte. Ltd.</li> <li>• K6 Foodpark Pte. Ltd.</li> <li>• K7 Foodpark Pte. Ltd.</li> <li>• K78 Foodpark Pte. Ltd.</li> <li>• K8 Foodpark Pte. Ltd.</li> <li>• K881 Foodpark Pte. Ltd.</li> <li>• Marina Square (610) Pte. Ltd.</li> <li>• CWP Delight Pte. Ltd.</li> <li>• Joo Koon Eating House Pte. Ltd.</li> <li>• 516 Food House Pte. Ltd.</li> <li>• Gek Poh (762) Pte. Ltd.</li> <li>• Gek Poh Local Delight Pte. Ltd.</li> <li>• IMM (SR) Pte. Ltd.</li> <li>• Jurong Point (JP) Pte. Ltd.</li> <li>• Yu Kee Five Pte. Ltd.</li> <li>• Penang Kitchen Delight Pte. Ltd.</li> <li>• Yu Kee One Pte. Ltd.</li> <li>• SBW Local Delight Pte. Ltd.</li> </ul>			
				Douglas Koh

# CORPORATE GOVERNANCE REPORT

Details	Name of Director			
	Seah Boon Lock	Seah Qin Quan	James Wong	Ng Hong Whee
Other Principal Commitments Including Directorships (cont'd)	<p><b>Past (for the last 5 years) (cont'd)</b></p> <ul style="list-style-type: none"> <li>• SG5 F&amp;B Pte. Ltd.</li> <li>• YK Local Delight Pte. Ltd.</li> <li>• Food Hub (2014) Pte. Ltd.</li> <li>• Food Hub F&amp;B (2014) Pte. Ltd.</li> <li>• 328 Horizon Pte. Ltd.</li> <li>• SNS JV Investment Pte. Ltd.</li> </ul> <p><b>Present:</b></p> <ul style="list-style-type: none"> <li>• K7 Foodpark Pte. Ltd.</li> <li>• K78 Foodpark Pte. Ltd.</li> <li>• K8 Foodpark Pte. Ltd.</li> <li>• K881 Foodpark Pte. Ltd.</li> <li>• Marina Square (610) Pte. Ltd.</li> <li>• CWP Delight Pte. Ltd.</li> <li>• Joo Koon Eating House Pte. Ltd.</li> <li>• 516 Food House Pte. Ltd.</li> <li>• Gek Poh (762) Pte. Ltd.</li> <li>• Gek Poh Local Delight Pte. Ltd.</li> <li>• IMM (SR) Pte. Ltd.</li> <li>• Jurong Point (JP) Pte. Ltd.</li> <li>• Yu Kee Five Pte. Ltd.</li> <li>• Penang Kitchen Delight Pte. Ltd.</li> <li>• Yu Kee One Pte. Ltd.</li> <li>• SBW Local Delight Pte. Ltd.</li> <li>• SG5 F&amp;B Pte. Ltd.</li> </ul>			
				Douglas Koh

# CORPORATE GOVERNANCE REPORT

Details	Name of Director			
	Seah Boon Lock	Seah Qin Quan	James Wong	Ng Hong Whee
Other Principal Commitments Including Directorships (cont'd)	<b>Present (cont'd):</b> <ul style="list-style-type: none"> <li>• YK Local Delight Pte. Ltd.</li> <li>• Food Hub (2014) Pte. Ltd.</li> <li>• Food Hub F&amp;B (2014) Pte. Ltd.</li> <li>• 328 Horizon Pte. Ltd.</li> <li>• SNS JV Investment Pte. Ltd.</li> <li>• J9 Holdings Pte. Ltd.</li> <li>• Feng Rong Investments Pte. Ltd.</li> <li>• AMK Hub Pte. Ltd.</li> <li>• Gambas Investment Pte. Ltd.</li> <li>• 8 Oriental Asset Pte. Ltd.</li> <li>• SK (Rivervale) Pte. Ltd.</li> <li>• BB207 Pte. Ltd.</li> <li>• Shelford Investment Holdings Pte. Ltd.</li> <li>• Seah &amp; Family Pte. Ltd.</li> </ul>			
The general statutory disclosures of the Directors are as follows:				
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No



# CORPORATE GOVERNANCE REPORT

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

# CORPORATE GOVERNANCE REPORT

Details	Name of Director				
	Seah Boon Lock	Seah Qin Quan	James Wong	Ng Hong Whee	Douglas Koh
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No

# CORPORATE GOVERNANCE REPORT

Details	Name of Director				
	Seah Boon Lock	Seah Qin Quan	James Wong	Ng Hong Whee	Douglas Koh
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No	No
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—					
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Please refer to page 224 to page 230 of the Company's Offer Document dated 26 January 2023 for the following matters: a. IRAS Investigations; b. MOM matter; and c. NEA and Singapore Food Agency infringements.	Please refer to page 225 to page 230 of the Company's Offer Document dated 26 January 2023 for the matters in relation to NEA and Singapore Food Agency infringements.	No	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No, save for the IRAS Investigations and MOM matter as stated in (j)(i) above.	No	No	No	No

# CORPORATE GOVERNANCE REPORT

Details	Name of Director				
	Seah Boon Lock	Seah Qin Quan	James Wong	Ng Hong Whee	Douglas Koh
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No	No
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No	No
Disclosure applicable to the appointment of Director only					
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This is a re-election of a Director.				
If yes, please provide details of prior experience.					
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.					

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

The directors present their statement to the members together with the audited financial statements of YKGI Limited (the "Company") and its subsidiary corporations (collectively, the "Group") for the financial year ended 31 December 2022 and the statement of financial position of the Company as at 31 December 2022.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the financial statements of the Group as set out on page 66 to page 122 are drawn up so as to give a true and fair view of the financial position of the Company and the Group as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## DIRECTORS

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

Mr. Seah Boon Lock	(appointed on 8 August 2022)
Mr. Seah Qin Quan	(appointed on 8 August 2022)
Mr. James Wong	(appointed on 25 January 2023)
Mr. Douglas Koh	(appointed on 25 January 2023)
Mr. Ng Hong Whee	(appointed on 25 January 2023)

## ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Performance Share Plan" and "Share Options" in this statement.

## DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 31.12.2022	At 1.1.2022 or date of appointment, if later	At 31.12.2022	At 1.1.2022 or date of appointment, if later
<b>The Company</b> (No. of ordinary shares)				
Mr. Seah Boon Lock	–	–	355,000,000	16,000*

\* On 23 December 2022, the Share Split was effected and each share of the Company was sub-divided into 160 shares



# DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

## DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows: (continued)

Immediate and Ultimate Company – Seah & Family Pte Ltd (No. of ordinary shares)	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 31.12.2022	At 1.1.2022 or date of appointment, if later	At 31.12.2022	At 1.1.2022 or date of appointment, if later
Mr. Seah Boon Lock	70	70	–	–
Mr. Seah Qin Quan	10	10	–	–

- (b) Mr. Seah Boon Lock, who by virtue of his interest of not less than 20% of the issued capital of Seah & Family Pte Ltd, is deemed to have an interest in the share capital of the Company's subsidiary corporations at the beginning and at the end of the financial year.

The directors' interest in the ordinary shares of the Company as at 21 January 2023 were the same as those as at 31 December 2022.

## PERFORMANCE SHARE PLAN

The Yew Kee Performance Share Plan (the "Yew Kee PSP") was approved by the Company's shareholders at an Extraordinary General Meeting held on 23 December 2022.

The Yew Kee PSP will provide eligible participants ("PSP Participants") with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The Yew Kee PSP forms an integral and important component of the Group's compensation plan and is designed primarily to reward and retain employees whose services are vital to the growth and performance of the Company and/or the Group. Under the Yew Kee PSP, the award of fully-paid shares, free of charge (the "Award") are granted to the Group employees including Group Executive Directors and Group Non-Executive Directors who in the opinion of the Remuneration Committee ("RC"), have contributed or will contribute to the success and development of the Group.

Employees who are controlling shareholders or associates of controlling shareholders, and who are also Group Executives shall be eligible to participate in the Yew Kee PSP at the absolute discretion of the RC if their participation and the terms of each grant of Award and the actual number of Shares to be granted to them have been approved by the independent shareholders at a general meeting in separate resolutions for each such person, and in respect of each such person, in separate resolutions for each of (a) his participation, and (b) the terms of each grant of Award and the actual number of shares 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 Yew Kee PSP of a controlling shareholder or an associate of a controlling shareholder who is, at the relevant time, already a PSP Participant.

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

## PERFORMANCE SHARE PLAN (continued)

The Award will be determined at the absolute discretion of the RC which will oversee and administer the Yew Kee PSP, provided that no member of the RC shall participate in any deliberation or decision in respect of Awards granted or to be granted to him/her. In considering the grant of an Award to a participant, the RC shall take into account (where applicable) criteria such as the rank, scope of responsibilities, performance, years of services and potential for future development of the PSP Participant. The length of the vesting period in respect of each Award will be determined by the RC on a case-by-case basis taking into consideration the length of service of the participant and the need to retain the participant so as to encourage him/her to continue serving the Group for a further period even after having satisfied the performance target. No minimum vesting periods are prescribed under the Yew Kee PSP. The criteria and terms of the Awards will be applied consistently to all participants including the controlling shareholders and their associates.

The aggregate number of shares over which the RC may grant under the Yew Kee PSP on any date, when aggregated any other share-based incentive scheme, shall not exceed 15% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings) from time to time. There were no Award granted to controlling shareholders of the Company or their associates (as defined in the SGX-ST Listing Manual Section B: Rules of Catalist) and no participant has received 5% or more of the total number of shares available under the Yew Kee PSP during the financial year ended 31 December 2022. There were no Awards granted during the financial year ended 31 December 2022.

## SHARE OPTIONS

The Yew Kee Employee Share Option Scheme (the "Yew Kee ESOS") was approved by the Company's shareholders at an Extraordinary General Meeting held on 23 December 2022.

The Yew Kee ESOS will provide eligible participants ("ESOS Participants") with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The Yew Kee ESOS is primarily a share incentive scheme. It recognises the fact that the services of ESOS Participants are important to the success and continued well-being of the Group. Implementation of the Yew Kee ESOS will enable the Company to give recognition to the contributions made by such ESOS Participants. Under the Yew Kee ESOS, the award of options (the "Options") are granted to the Group employees including Group Executive Directors and Group Non-Executive Directors who in the opinion of the RC, have contributed or will contribute to the success and development of the Group.

Employees who are controlling shareholders or associates of controlling shareholders, and who are also Group Executives shall be eligible to participate in the Yew Kee ESOS at the absolute discretion of the RC if their participation and the terms of each grant of Option and the actual number of shares to be granted to them have been approved by the independent shareholders at a general meeting in separate resolutions for each such person, and in respect of each such person, in separate resolutions for each of (a) his participation, and (b) the terms of each grant of Option and the actual number of shares 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 Yew Kee ESOS of a controlling shareholder or an associate of a controlling shareholder who is, at the relevant time, already a ESOS Participant.

The RC may, subject to the rules of the Yew Kee ESOS, offer to grant Option to such grantees as it may select in its absolute discretion at any time during the period when the Yew Kee ESOS is in force, except that no Option shall be granted during the period of 30 days immediately preceding the date of announcement of the Company's interim and/or final results (whichever the case may be).

The aggregate number of Shares over which the RC may grant Options on any date, when added to the number of shares issued and issuable or transferred and to be transferred in respect of all Options granted under the Yew Kee ESOS and the number of shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of the Company, including the Yew Kee PSP, shall not exceed 15% of the total number of issued shares (excluding shares held by the Company as treasury shares) on the day immediately preceding the offer date of the Options.

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

## SHARE OPTIONS (continued)

The aggregate number of Yew Kee ESOS Shares which may be issued or transferred to ESOS Participants who are controlling shareholders and their associates shall not exceed 25% of the shares available under the Yew Kee ESOS.

The number of Shares which may be issued or transferred pursuant to Options under the Yew Kee ESOS to each Participant who is a controlling shareholder or his associate shall not exceed 10% of the shares available under the Yew Kee ESOS.

Subject to the rules of the Yew Kee ESOS in relation to adjustments, the exercise price for each share in respect of which an Option is exercisable shall be determined by the RC at its absolute discretion, and shall be fixed by the RC at the market price; or a price which is set at a discount to the market price, the quantum of such discount to be determined by the RC in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20% of the market price in respect of that Option, or such other percentage as may be prescribed by the Catalist Rules.

In making any determination on whether to give a discount and the quantum of such discount as set out above, the RC shall take into consideration such criteria as the RC may, at its absolute discretion, deem appropriate, including but not limited to: (a) the performance of the Group, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth; (b) the years of service and individual performance of the eligible Participant; (c) the contribution of the eligible Participant to the success and development of the Company and/or the Group; and (d) the prevailing market conditions.

Options granted with the exercise price set at market price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Participant at any time, after the first anniversary of the offer date of that Option, provided always that the Options shall be exercised before the tenth anniversary of the relevant offer date or such earlier date as may be determined by the RC, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

Options granted with the exercise price set at a discount to market price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by a Participant after the second anniversary from the offer date of that Option, provided always that the Options shall be exercised before the tenth anniversary of the relevant offer date and fifth anniversary from the relevant offer date (in the case of a Participant who is a non-executive Director), or such earlier date as may be determined by the RC, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company or its subsidiary corporations.

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

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

## AUDIT AND RISK MANAGEMENT ACOMMITTEE

The members of the Audit and Risk Management Committee at the date of this statement are set out as follows:

Mr. James Wong (Chairman)  
Mr. Ng Hong Whee (Member)  
Mr. Douglas Koh (Member)

The Audit and Risk Management Committee carried out its function in accordance with Section 201B(5) of the Singapore Companies Act 1967. It undertakes to perform inter alia the following:

- (i) the adequacy, effectiveness, independence, scope and results of the internal audit function in the overall context of the company's risk management system;
- (ii) the audit plan and results of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit; and
- (iii) the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2022 before their submission to the Board of Directors (the "Board").

The Audit and Risk Management Committee has recommended to the Board that the independent auditor, CLA Global TS Public Accounting Corporation (Formerly Nexia TS Public Accounting Corporation), be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

## INDEPENDENT AUDITOR

The independent auditor, CLA Global TS Public Accounting Corporation (Formerly Nexia TS Public Accounting Corporation), has expressed its willingness to accept re-appointment.

On behalf of the directors

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**Seah Boon Lock**  
*Director*

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**Seah Qin Quan**  
*Director*

8 May 2023

# INDEPENDENT AUDITOR'S REPORT

To the Members of YKGI Limited

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the accompanying financial statements of YKGI Limited (the “**Company**”) and its subsidiary corporations (collectively, the “**Group**”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 66 to 122.

In our opinion, the accompanying financial statements of the Group are properly drawn up in accordance with provisions of the Companies Act 1967 of Singapore (the “**Act**”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

### *Basis for Opinion*

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

### *Key Audit Matter*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Revenue recognition – Sales of food and beverages**

Refer to Note 2.2(a) and Note 4 to the financial statements

### **Area of focus**

The Group derives revenue primarily from sales of food and beverages which is recognised at the point in time when the customer accepts the ordered food and beverages and the control over the food and beverages is transferred to the customer. For orders from online food delivery applications, revenue is recognised at the point in time when the food and beverages are delivered to the customer, which is the point of time that the control over the products is transferred to the customer.

The Group offers customers a membership program for which its customers can earn membership points from qualified purchases. The membership points can be used to redeem discount vouchers and other products related to the brandings of the Group. In addition, the Group also offers its customers discount vouchers and free vouchers for complimentary drinks and other products from qualified purchases when the customers reach certain amount of spending and distributed for free of charge by the Group through various promotional and advertising activities. The discount vouchers, free vouchers and membership points are issued concurrent with a revenue transaction and are considered as a separate performance obligation arising from transaction with customers.

The Group estimates the value of the future redemption obligation based on the estimated value of the products for which the discount vouchers and free vouchers for complimentary drinks and other products are expected to be redeemed and recognises the estimated fair value in the statement of financial position as contract liability. For membership points, the Group estimates the value of the future redemption obligation based on the estimated value of the products for which the membership points are expected to be redeemed based on historical redemption patterns, including an estimate of the breakage for points that will not be redeemed.



# INDEPENDENT AUDITOR'S REPORT

To the Members of YKGI Limited

## *Key Audit Matter (continued)*

### **Revenue recognition – Sales of food and beverages (continued)**

Refer to Note 2.2(a) and Note 4 to the financial statements (continued)

#### ***Area of focus (continued)***

We focus on this area as a key audit matter as there is presumed fraud risk with regards to revenue recognition and revenue being one of the key performance indicators of the Group, represents the most significant item on the Group's financial statements. In addition, due to the magnitude and the characteristics of the Group's industry, the recording of the Group's revenue from sales of food and beverages involves high volume of individual transactions derived from sales to multiple customers such that we have incurred significant time and resources in carrying out our work in this area.

#### ***How our audit addressed the key audit matter***

Our procedures performed in relation to the Group's sales of food and beverages included the following:

- Tested the design and implementation of the Group's relevant key controls over the revenue recognition;
- Performed test of controls, which included testing the operating effectiveness of key controls over the sales of food and beverages;
- Performed analytical procedures and looked for unusual fluctuations and trends to identify areas where there is a higher risk of misstatement;
- Reviewed management journal entries posted to revenue for evidence of fraud, if any;
- Performed test of details and cut-off procedures which included inspection of corresponding daily sales reports and bank advice, on a sampling basis;
- Reviewed management's assessment on the application of SFRS(I) 15 and considered the appropriateness of the Group's revenue recognition accounting policies; and
- Reviewed the completeness and appropriateness of corresponding disclosures made in the financial statements.

#### ***Other Information***

Management is responsible for the other information. The other information comprises the Directors' statement and other sections of the annual report, which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

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

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

#### ***Responsibilities of Management and Directors for the Financial Statements***

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

# INDEPENDENT AUDITOR'S REPORT

To the Members of YKGI Limited

## *Responsibilities of Management and Directors for the Financial Statements (continued)*

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

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

## *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

# INDEPENDENT AUDITOR'S REPORT

To the Members of YKGI Limited

## *Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

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

## *Report on Other Legal and Regulatory Requirements*

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

The engagement director on the audit resulting in this independent auditor's report is Meriana Ang Mei Ling.

**CLA Global TS Public Accounting Corporation**  
(Formerly Nexia TS Public Accounting Corporation)  
**Public Accountants and Chartered Accountants**

**Singapore**  
8 May 2023

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000
Revenue	4	56,207	56,111
Other income	5	1,569	4,960
Expenses			
- Purchases and related costs		(14,457)	(16,511)
- Changes in inventories		(238)	621
- Employee benefits	6	(13,840)	(12,822)
- Depreciation of property, plant and equipment	15	(8,511)	(8,485)
- Other expenses	7	(15,320)	(13,712)
- Finance costs	8	(692)	(589)
Total expenses		(53,058)	(51,498)
<b>Profit before income tax</b>		4,718	9,573
Income tax expense	9	(397)	(511)
<b>Net profit, representing total comprehensive income for the financial year</b>		4,321	9,062
<b>Net profit attributable to:</b>			
Equity holders of the Company		4,297	8,924
Non-controlling interests	24	24	138
		4,321	9,062
<b>Earnings per share ("EPS") for net profit attributable to equity holders of the Company (Cents per share)</b>			
Basic and diluted EPS	10	1.21	2.51

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

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

		The Group		The Company	
	Note	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	11	4,659	13,601	318	-
Trade and other receivables	12	6,381	3,996	2,400	-
Inventories	13	745	983	-	-
		11,785	18,580	2,718	-
<b>Non-current assets</b>					
Investments in subsidiary corporations	14	-	-	2,451	-
Property, plant and equipment	15	17,437	13,064	-	-
Intangible assets	18	156	181	-	-
Investment in an associated company	19	-	*	-	-
		17,593	13,245	2,451	-
<b>Total Assets</b>		<b>29,378</b>	<b>31,825</b>	<b>5,169</b>	<b>-</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	20	5,848	5,361	623	-
Bank borrowings	21	3,665	-	-	-
Lease liabilities	16(h)	5,289	5,713	-	-
Current income tax liabilities		783	655	-	-
		15,585	11,729	623	-
<b>Non-current liabilities</b>					
Lease liabilities	16(h)	7,977	2,889	-	-
Provisions	22	877	817	-	-
		8,854	3,706	-	-
<b>Total liabilities</b>		<b>24,439</b>	<b>15,435</b>	<b>623</b>	<b>-</b>
<b>Net assets</b>		<b>4,939</b>	<b>16,390</b>	<b>4,546</b>	<b>-</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	23	2,159	1,890	2,159	-
Retained profits#		2,539	13,963	2,387	-
		4,698	15,853	4,546	-
Non-controlling interests	24	241	537	-	-
<b>Total equity</b>		<b>4,939</b>	<b>16,390</b>	<b>4,546</b>	<b>-</b>

\* Amount less than S\$1,000

# Retained profits of the Group are distributable.

The accompanying notes form an integral part of these financial statements



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

The Group	Note	Attributable to equity holders of the Company			Non-controlling interests	Total equity
		Share capital	Retained profits	Total		
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>2022</b>						
Beginning of financial year		1,890	13,963	15,853	537	16,390
Net profit for the financial year		-	4,297	4,297	24	4,321
Issuance of new ordinary shares						
- Incorporation of subsidiary corporations	23, 24	261	-	261	40	301
Issuance of new ordinary shares	23	8	-	8	-	8
Struck-off of a subsidiary corporation	23	*	-	*	-	*
Dividends declared	26	-	(15,721)	(15,721)	(360)	(16,081)
End of financial year		2,159	2,539	4,698	241	4,939
<b>2021</b>						
Beginning of financial year		1,727	6,160	7,887	339	8,226
Net profit for the financial year		-	8,924	8,924	138	9,062
Issuance of new ordinary shares						
- Incorporation of subsidiary corporations	23, 24	163	-	163	60	223
Struck-off of a subsidiary corporation	23	*	-	*	-	*
Dividends declared	26	-	(1,121)	(1,121)	-	(1,121)
End of financial year		1,890	13,963	15,853	537	16,390

\* Amount less than S\$1,000

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
Net profit		4,321	9,062
Adjustments for:			
- Amortisation of intangible assets	7	25	25
- Depreciation of property, plant and equipment	15	8,511	8,485
- Gain on termination of leases	5	(258)	-
- Gain on disposal of property, plant and equipment	5	(133)	(201)
- Interest expense	8	692	589
- Income tax expense	9	397	511
- Rental concession income		-	(624)
		13,555	17,847
Changes in working capital:			
- Inventories		238	(621)
- Trade and other receivables		(2,385)	871
- Trade and other payables		488	(1,995)
<b>Cash generated from operations</b>		11,896	16,102
Income tax paid		(269)	(468)
<b>Net cash generated from operating activities</b>		11,627	15,634
<b>Cash flows from investing activities</b>			
Proceeds from disposal of property, plant and equipment		684	274
Additions to property, plant and equipment	B	(1,741)	(1,983)
Struck-off of a subsidiary corporation		*	*
<b>Net cash used in investing activities</b>		(1,057)	(1,709)
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares	23	269	163
Proceed from issuance of ordinary shares to non-controlling interests	24	40	60
Dividends paid to equity holders of the Company	26	(15,721)	(1,121)
Dividends paid to non-controlling interests	24	(360)	-
Proceeds from borrowings		6,187	-
Repayments of borrowings		(2,522)	(2,500)
Principal repayment of lease liabilities		(6,713)	(6,141)
Interest paid		(692)	(589)
<b>Net cash used in financing activities</b>		(19,512)	(10,128)
<b>Net (decrease)/increase in cash and bank balances</b>		(8,942)	3,797
<b>Cash and bank balances</b>			
Beginning of the financial year		13,601	9,804
<b>End of the financial year</b>	11	4,659	13,601

\* Amount less than S\$1,000

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

## A. Reconciliation of liabilities arising from financing activities

	1 January 2022	Proceeds from borrowings	Principal and interest payments	Non-cash changes			31 December 2022
	\$'000	\$'000	\$'000	Interest expense	Additions	Lease termination	\$'000
				\$'000	\$'000	\$'000	
Bank borrowings	-	6,187	(2,570)	48	-	-	3,665
Lease liabilities	8,602	-	(7,357)	644	11,782	(405)	13,266

	1 January 2021	Principal and interest payments	Interest expense	Non-cash changes			31 December 2021
	\$	\$	\$	Additions	Lease termination	Rental concession	\$
				\$	\$	\$	
Bank borrowings	2,500	(2,525)	25	-	-	-	-
Lease liabilities	10,674	(6,705)	564	5,961	(1,268)	(624)	8,602

## B. Reconciliation of additions to property, plant and equipment to cash flows

	The Group	
	2022	2021
	\$'000	\$'000
Total additions as per Note 15 to the financial statements	13,583	8,202
Less: Acquired under lease arrangements (Note 16(f))	(11,782)	(5,960)
Add: Movement in provision for reinstatement (Note 22)	(60)	(259)
Cash outflows for additions to property, plant and equipment	1,741	1,983

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

## 1. General information

### 1.1 The Company

The Company was incorporated in Singapore on 8 August 2022 as an exempt private company limited by shares under the name of YKGI Pte Ltd. On 23 December 2022, the Company was converted into a public company limited by shares. In connection with such conversion, the Company changed its name to "YKGI Limited". The address of its registered office is at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712.

As at the date of incorporation, the Company's issued and paid-up share capital was \$100 comprising 100 ordinary shares held by Seah & Family Pte. Ltd. ("**Seah & Family**"). For the purpose of acquiring the subsidiary corporations through the share swap pursuant to the Group's restructuring (Note 1.2(c)), the Company issued and allotted an aggregate of 2,151,116 new ordinary shares (the "New Shares") for an aggregate purchase consideration of \$2,151,116 to each of the sellers, who all nominated Seah & Family to hold such New Shares. In addition, the Company also issued 67,534 shares to Seah & Family, for a consideration of \$7,534 (Note 1.2(d)).

Following the completion of the restructuring exercise, the Company became the immediate holding corporation of the Group. The Company was successfully listed on the Catalist, the sponsor-supervised listing platform of the Singapore Securities Trading Limited ("**SGX-ST**") on 6 February 2023.

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

### 1.2 Restructuring exercise

The Company undertook the following restructuring exercise prior to the placement of the Company's new shares in preparation for its listing on the Catalist:

#### (a) Incorporation of the Company

The Company was incorporated on 8 August 2022 in Singapore in accordance with the Singapore Companies Act as a private company limited by shares with an issued and paid-up share capital of \$100 comprising 100 Share held by Seah Boon Lock, Wee Lay Teng, Seah Qin Quan and Seah Kuan Miao.

#### (b) Disposal of Billion Land Pte. Ltd. ("**Billion Land**")

On 15 August 2022, the Company's subsidiary corporation, Yew Kee Two Pte. Ltd. disposed of 1 share representing 20.0% of the issued and paid-up capital of Billion Land to Wee Lay Teng. Billion Land is a dormant investment holding company with no business operations. The disposal was for a nominal consideration of \$1 which was arrived at on a willing buyer-willing seller basis given that Billion Land is dormant and has no operations. As at 31 December 2021, the net assets value of Billion Land was \$400,000. The assets of Billion Land relate mainly to amount due by directors (all of whom are not related to the Group, its directors and its executive officers). Subsequent to the disposal, the Group is no longer a shareholder of Billion Land. The disposal was undertaken as part of the Group pre-listing restructuring exercise to streamline the corporate structure of the Group as Billion Land is dormant investment holding company that does not undertake any of the business operations of the Group.

#### (c) Share Swap

The Company entered into share swap agreements dated 21 December 2022 with each of the sellers set out below to acquire all the issued and paid-up share capital of each of the corresponding subsidiary corporation set out below for an aggregate purchase consideration of \$2,151,116, based on a willing-buyer-willing seller basis based on the share capital of each relevant subsidiary corporation.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 1. General information (continued)

### 1.2 Restructuring exercise (continued)

#### (c) Share Swap (continued)

The consideration for the acquisition of these subsidiary corporations was satisfied by the issue and allotment of an aggregate of 2,151,116 new shares in the Company to each of the sellers. Arising from the share swap, the issued and paid-up share capital of the Company increased to 2,151,216 comprising 2,151,216 shares, all of which are held by Seah Boon Lock, Wee Lay Teng, Seah Qin Quan and Seah Kun Miao, with the consideration satisfied by the issue and allotment by the Company of an aggregate of 2,151,116 new shares to Seah & Family.

Sellers	Subsidiary corporation	Number of ordinary shares acquired	Number of New Shares issued
Seah Boon Lock	Yew Kee Management Pte. Ltd.	34,000	34,000
Wee Lay Teng		34,000	34,000
Seah Qin Quan		34,000	34,000
Yew Kee Collective Pte. Ltd.		238,000	238,000
Seah Boon Lock	Yew Kee Collective Pte. Ltd.	200,000	200,000
Wee Lay Teng		200,000	200,000
Seah Qin Quan		50,000	50,000
Seah Kun Miao		50,000	50,000
Yew Kee Collective Pte. Ltd.	Yew Kee Two Pte. Ltd.	500,000	500,000
Seah Boon Lock	Fine Food F&B Pte. Ltd.	100,000	100,000
Seah Boon Lock	Fine Food (Nanyang) Pte. Ltd.	60,000	60,000
Wee Lay Teng		60,000	60,000
Seah Qin Quan		40,000	40,000
Seah Boon Lock	Yew Kee Duck and Noodle House Pte. Ltd.	90,000	90,000
Wee Lay Teng		10,000	10,000
Seah Boon Lock	313CC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	JEMCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 1. General information (continued)

### 1.2 Restructuring exercise (continued)

#### (c) Share Swap (continued)

<b>Sellers</b>	<b>Subsidiary corporation</b>	<b>Number of ordinary shares acquired</b>	<b>Number of New Shares issued</b>
Seah Boon Lock	PASCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	AMKCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	CTRCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	WSCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	TPCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	PLQCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	CWPCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 1. General information (continued)

### 1.2 Restructuring exercise (continued)

#### (c) Share Swap (continued)

<b>Sellers</b>	<b>Subsidiary corporation</b>	<b>Number of ordinary shares acquired</b>	<b>Number of New Shares issued</b>
Seah Boon Lock	MSQCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	WLPCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	NTUCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	WPTCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	HGMCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	STARCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	JEWCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 1. General information (continued)

### 1.2 Restructuring exercise (continued)

#### (c) Share Swap (ontinued)

<b>Sellers</b>	<b>Subsidiary corporation</b>	<b>Number of ordinary shares acquired</b>	<b>Number of New Shares issued</b>
Seah Boon Lock	TAKACC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	CACC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	SUNCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	NUSCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	JPCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	NOVCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	HILLCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 1. General information (continued)

### 1.2 Restructuring exercise (continued)

#### (c) Share Swap (continued)

<b>Sellers</b>	<b>Subsidiary corporation</b>	<b>Number of ordinary shares acquired</b>	<b>Number of New Shares issued</b>
Seah Boon Lock	NEXCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	YISCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	LOTCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	EASTCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	KWMCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	CPOCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	CNPCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Qin Quan	PastaGo Pte. Ltd.	320,000	320,000

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 1. General information (continued)

### 1.2 Restructuring exercise (continued)

#### (c) Share Swap (continued)

Sellers	Subsidiary corporation	Number of ordinary shares acquired	Number of New Shares issued
Seah Boon Lock	Yew Kee Three Pte. Ltd.	1	1
Wee Lay Teng		1	1
Seah Boon Lock	Ubi 179 Food House Pte. Ltd.	60,000	60,000
Wee Lay Teng		40,000	40,000
Seah Boon Lock	108 Sembawang Pte. Ltd.	2	2
Wee Lay Teng		1	1
Seah Boon Lock	Punggol WP83 Pte. Ltd	1	1
Wee Lay Teng		1	1
Seah Qin Quan		1	1
Wee Lay Teng	102 CR Food Pte. Ltd	40	40
Seah Qin Quan		30	30
Seah Kun Miao		30	30
Seah Boon Lock	YK Food (One) Pte. Ltd	40	40
Wee Lay Teng		40	40
Seah Qin Quan		10	10
Seah Kun Miao		10	10
Seah Boon Lock	YK Food (Two) Pte. Ltd.	40	40
Wee Lay Teng		40	40
Seah Qin Quan		10	10
Seah Kun Miao		10	10
Seah Boon Lock	YK Food (Three) Pte. Ltd.	40	40
Wee Lay Teng		40	40
Seah Qin Quan		10	10
Seah Kun Miao		10	10
Seah Boon Lock	YK Food (Four) Pte. Ltd.	40	40
Wee Lay Teng		40	40
Seah Qin Quan		10	10
Seah Kun Miao		10	10

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 1. General information (continued)

### 1.2 Restructuring exercise (continued)

#### (c) Share Swap (continued)

Sellers	Subsidiary corporation	Number of ordinary shares acquired	Number of New shares issued
Seah Boon Lock	YK Food (Five) Pte. Ltd.	40	40
Wee Lay Teng		40	40
Seah Qin Quan		10	10
Seah Kun Miao		10	10
Seah Boon Lock	Yew Kee Bakery Pte. Ltd.	40	40
Wee Lay Teng		40	40
Seah Qin Quan		10	10
Seah Kun Miao		10	10
Seah Boon Lock	SM30 Simei Pte. Ltd.	1	1
Wee Lay Teng		1	1
Seah Boon Lock	207 (Duck Rice) Pte. Ltd.	45	45
Wee Lay Teng		35	35
Seah Qin Quan		20	20
Seah Boon Lock	10 (XO Noodle) Pte. Ltd.	1	1
Wee Lay Teng		1	1
Seah Boon Lock	480 Local Delight Pte. Ltd.	1	1
Wee Lay Teng		1	1
Seah Boon Lock	Admiralty Local Delight Pte. Ltd.	1	1
Wee Lay Teng		1	1
Seah Boon Lock	51 Hougang Pte. Ltd.	40	40
Wee Lay Teng		30	30
Seah Qin Quan		30	30
Seah Boon Lock	2 Bukit Panjang Pte. Ltd.	35	35
Wee Lay Teng		35	35
Seah Qin Quan		30	30
Seah Boon Lock	Ying's Traditional Food Pte. Ltd.	50	50
Seah Qin Quan		25	25
Seah Kun Miao		25	25

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 1. General information (continued)

### 1.2 Restructuring exercise (continued)

#### (d) Issuance of Shares

On 23 December 2022, the Company issued 67,534 shares to Seah Boon Lock, Wee Lay Teng, Seah Qin Quan and Seah Kun Miao, for a consideration of \$7,534. The issued and paid-up share capital of the Company became \$2,158,750, comprising 2,218,750 shares.

#### (e) Share Split

On 23 December 2022, the Share Split was effected and each of the Company's shares were sub-divided into 160 shares. Pursuant to the Share Split, the issued and paid-up share capital of the Company became \$2,158,750, comprising 335,000,000 shares.

#### (f) Conversion of Company into a Public Company

On 23 December 2022, the Company was converted into a public company limited by shares. In connection with such conversation, the Company changes its name to YKGI Limited.

#### *Transfer of entities under common control*

The restructuring exercise is considered to be an acquisition of equity interests by entities under common control and therefore the entities acquired by the Group pursuant to the restructuring have been accounted for in a manner similar to the pooling-of-interest method. Accordingly, the assets and liabilities of these entities have been included in the financial statements at their historical carrying amounts. Although the Restructuring Exercise was completed during the financial year ended 31 December 2022, the financial statements present the financial condition, results of operations and cash flows as if the restructuring had occurred as of the beginning of the earliest period presented.

## 2. Significant accounting policies

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

The financial statements are presented in Singapore Dollar ("SGD or \$") and all values in the tables are rounded to the nearest thousand ("'\$000'") except when otherwise indicated.

#### **Interpretation and amendments to published standards effective in 2022**

On 1 January 2022, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. Significant accounting policies (continued)

### 2.2 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised goods or service to the customer, which is when the customer obtains control of the goods or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

#### (a) Revenue from sales of food and beverages

Revenue is recognised at the point in time when the customer accepts the ordered food and beverages and the control over the food and beverages is transferred to the customer. For orders from online food delivery applications, revenue is recognised at the point in time when the goods are delivered to the customer, which is the point of time that the control over the food and beverages is transferred to the customer.

#### *Discount vouchers and free vouchers for complimentary drinks and other products*

From time to time, the Group offers its customers discount vouchers and free vouchers for complimentary drinks and other products. The discount vouchers and free vouchers for complimentary drinks and other products can be obtained through three channels: (i) from qualified purchases when the customers reach certain amount of spending; (ii) from redemption of membership points accumulated from the membership programs of the Group; (iii) distributed for free of charge by the Group through various promotional and advertising activities.

As the discount vouchers and free vouchers for complimentary drinks and other products obtained through channels (i) and (ii) are issued concurrent with a revenue transaction, the Group estimates the value of the future redemption obligation based on the estimated value of the products for which the discount vouchers and free vouchers for complimentary drinks and other products are expected to be redeemed, and recognises the estimated fair value in the statements of financial position as contract liability. Subsequently, contract liability is recognised as revenue at the point in time when the customer redeems the discount vouchers and free vouchers for complimentary drinks and other products in future purchases, or when the Group is legally released from its obligation based on the expiration date of the discount vouchers and free vouchers.

For discount vouchers obtained through channel (iii) for which the granting of such discount vouchers does not occur concurrently with a revenue transaction, the discount vouchers are not accounted for when such vouchers are granted and can only be applied to future purchases of certain specified products of the Group. The Group recognises as a reduction in revenue when the customers apply the discount vouchers in future purchases.

#### *Membership program*

The Group offers customers a membership program for which its customers can earn membership points from qualified purchases. The membership points can be used to redeem discount vouchers and other products related to the brandings of the Group.

Customers membership points earned through qualified purchases are considered as a separate performance obligation arising from transactions with customers. The Group estimates the value of the future redemption obligation based on the estimated value of the products for which the membership points are expected to be redeemed based on historical redemption patterns, including an estimate of the breakage for points that will not be redeemed.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. Significant accounting policies (continued)

### 2.2 Revenue recognition (continued)

#### (b) Rental income

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term. Contingent rentals are recognised as income in the accounting period in which they are earned.

#### (c) Management services

Revenue from provision of management services includes the upkeep of vacant stalls and allocation of such stalls to food court tenants, application for and renewal of licences, collection of takings from the daily sales of food court tenants, collection of management and cleaning fees, managing arrears, addressing complaints from food court tenants and customers and the cleaning, maintenance and repair of the food court are recognised over time on a straight-line basis over the terms of the service agreements when the Group satisfies the performance obligation according to the service agreements.

#### (d) Interest income

Interest income is recognised using the effective interest method.

### 2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown as an offset against the related cost. Government grants with no direct expenses are presented separately as other income. Government grants relating to assets are deducted against the carrying amount of the assets.

### 2.4 Group accounting

#### (a) Subsidiary corporations

##### (i) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. 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. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. Significant accounting policies (continued)

### 2.4 Group accounting (continued)

#### (a) Subsidiary corporations (continued)

##### (i) Consolidation (continued)

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

##### (ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

##### (iii) Business combinations involving entities under common control

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. Significant accounting policies (continued)

### 2.4 Group accounting (continued)

#### (a) Subsidiary corporations (continued)

##### (iii) *Business combinations involving entities under common control (continued)*

The financial statements of the Group were prepared by applying the pooling of interest method as the Restructuring Exercise as described in Note 1.2 to the financial statements is a legal reorganisation of entities under common control. Under this method, the Company has been treated as the holding company of the subsidiary corporations 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 subsidiary corporations 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 brought into the financial statements at their existing carrying amounts from the perspective of the controlling party;
- The statements of comprehensive income include the results of the acquired entities since the earliest date the entities are under common control;
- 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;
- The cost of investment is recorded at the aggregate of the nominal value of the equity shares issued; and
- On consolidation, any difference between the cost of investment and the nominal value of the share capital of the merged subsidiary corporations are reflected within the equity of the Group as merger reserve.

##### (iv) *Disposals*

When a change in the Group's ownership interest in a subsidiary corporation result in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously 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 Standard.

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

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

#### (b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. Significant accounting policies (continued)

### 2.5 Property, plant and equipment

#### (a) Measurement

##### (i) *Property, plant and equipment*

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

##### (ii) *Components of costs*

The cost of an item 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.

#### (b) Depreciation

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives as follows:

	Useful lives
Cold room and equipment	3 - 5 years
Computers	3 years
Furniture and fittings	3 years
Leasehold property	50 years
Motor vehicles	5 years
Office equipment	3 years
Renovation	3 years
Drink and food outlets	3 years

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 property, plant and equipment are retained in the financial statements until they are no longer in use.

#### (b) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

#### (c) Disposal

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

### 2.6 Borrowing costs

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. Significant accounting policies (continued)

### 2.7 Impairment of non-financial assets

*Property, plant and equipment (including right-of-use assets)  
Intangible assets*

Property, plant and equipment (including right-of-use assets) and intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

### 2.8 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

### 2.9 Financial assets

#### (a) Classification and measurement

The Group classifies its financial assets at amortised cost. The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. Significant accounting policies (continued)

### 2.9 Financial assets (continued)

#### (a) Classification and measurement (continued)

##### At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### At subsequent measurement

##### *Debt instrument – At amortised cost*

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is recognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

#### (b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9 - *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and bank deposits and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

#### (c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. Significant accounting policies (continued)

### 2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### 2.11 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

### 2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

### 2.13 Leases

#### (a) When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- *Right-of-use assets*

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within "property, plant and equipment".

- *Lease liabilities*

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. Significant accounting policies (continued)

### 2.13 Leases (continued)

#### (a) When the Group is the lessee (continued)

- *Lease liabilities (continued)*

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- *Short-term and low-value leases*

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- *Variable lease payments*

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. Significant accounting policies (continued)

### 2.13 Leases (continued)

- (b) When the Group is the lessor:

The Group subleases food outlets under licensing agreements to non-related parties.

#### *Lessor – sublease*

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use assets arising from the head lease, rather than the underlying asset.

The sublease under licensing agreements is assessed as an operating lease, the Group recognises lease income from the sublease in profit or loss within “Revenue”. The right-of-use asset relating to the head lease is not derecognised.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income. Contingent rents are recognised as income in profit or loss when earned.

### 2.14 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- i. at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the reporting date; and
- ii. based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expenses in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. Significant accounting policies (continued)

### 2.15 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

#### *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

#### *Employees leave entitlement*

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

#### *Profit sharing and bonus plans*

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises an accrual when it is contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

### 2.16 Currency translation

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

Transactions in a currency other than the Singapore Dollar ("foreign currency") are translated into the Singapore Dollar using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

### 2.17 Cash and bank balances

For the purpose of presentation in the statement of cash flows, cash and bank balances include cash on hand and deposits with financial institutions which are subject to any significant risk of change in value.

### 2.18 Share capital

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

### 2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risk specific to the obligation.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. Significant accounting policies (continued)

### 2.19 Provisions (continued)

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

Provisions for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events. It is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated.

The Group recognises the estimated cost of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the change in the liability is recognised in profit or loss immediately.

### 2.20 Dividends to the Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

### 2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

## 3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### *Impairment of property, plant and equipment (including right-of-use assets)*

The Group reviews its property, plant and equipment (including right-of-use assets) for indications of impairment at each reporting period. In the event potential impairment indicators are identified, the Group uses projections of future cash flows to determine the recoverable amounts from the assets based on management's assignment of a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Management has assessed that there is no indication that the Group's property, plant and equipment and right-of-use assets may be impaired. The carrying amount of property, plant and equipment is disclosed in Note 15 to the financial statements.

### *Determining the lease term of contracts with renewal options – The Group as lessee*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 4. Revenue

*Disaggregation of revenue from contracts with customers*

	The Group	
	2022	2021
	\$'000	\$'000
Revenue from contracts with customers:		
(i) Sales of food and beverages – Point in time		
- F&B operation business	27,911	24,327
- Franchise business	21,520	26,684
- Food court business	2,598	1,955
	52,029	52,966
(ii) Management services - Over time		
- Food court business	1,801	1,312
	53,830	54,278
Rental income (Note 17)	2,377	1,833
	56,207	56,111

## 5. Other income

	The Group	
	2022	2021
	\$'000	\$'000
Government grants <sup>(1)</sup>	720	2,685
Rental concession income <sup>(2)</sup>	172	1,622
Gain on disposal of property, plant and equipment	133	201
Gain on termination of leases	258	-
Others	286	452
	1,569	4,960

(1) Included in the government grants were wages subsidies scheme, special government credit and spring government grant. Wages subsidies scheme of \$402,000 and \$2,310,000 included Jobs Support Scheme ("JSS"), a temporary scheme introduced by the government in response to Covid-19 to help enterprises retain local employees for the financial years ended 31 December 2022 and 2021 respectively.

(2) The rental concession income comprised:

- Rental support scheme of \$998,000 which was part of the support measures by the Singapore Government to help business in Singapore to cope with the impact of tighter COVID-19 restrictions during the Phase Two (Heightened Alert) periods recognised in the financial year ended 31 December 2021.
- The remaining amount of \$172,000 and \$624,000 related to rental rebate received from landlords for the financial years ended 31 December 2022 and 2021 respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 6. Employee benefits

	The Group	
	2022	2021
	\$'000	\$'000
Salaries and wages	11,692	10,321
Employer's contribution to defined contribution plans including the Central Provident Fund	1,206	1,434
Other short-term benefits	942	1,067
	<u>13,840</u>	<u>12,822</u>

Key management's remuneration is disclosed in Note 25(b) to the financial statements.

## 7. Other expenses

	The Group	
	2022	2021
	\$'000	\$'000
Amortisation of intangible assets (Note 18)	25	25
Advertising and promotion	185	430
Cleaning fees	1,262	1,218
Fees on audit services paid/payable to:		
- Auditor of the Company	335	-
Fees on non-audit services paid/payable to: - Auditor of the Company		
- Auditor of the Company	28	-
Franchise and royalty fees	435	550
Foreign worker levies	699	639
License fees	1,316	1,321
Lease expenses – variable rental and short-term leases (Note 16(d))	1,785	1,599
Repair and maintenance	1,220	806
Transaction and service charges	3,527	4,112
Utilities	1,920	1,570
Others	2,583	1,442
Total other expenses	<u>15,320</u>	<u>13,712</u>

Included in the license fees was miscellaneous fees payable/paid to directors and related parties in consideration for their efforts in running the food outlets amounted to \$88,000 for the financial year ended 31 December 2022 (2021: \$135,000) (Note 25(b)).

## 8. Finance costs

	The Group	
	2022	2021
	\$'000	\$'000
Interest expenses		
- Bank borrowings	48	25
- Lease liabilities (Note 16(c))	644	564
	<u>692</u>	<u>589</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 9. Income taxes

	The Group	
	2022	2021
	\$'000	\$'000
Tax expense attributable to profit is made up of:		
- Profit for the financial year - Current income tax	399	573
- Over provision of current income tax in prior financial years	(2)	(62)
	<u>397</u>	<u>511</u>

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	The Group	
	2022	2021
	\$'000	\$'000
Profit before income tax	4,718	9,573
Tax calculated at tax rate of 17%	802	1,627
Effects of:		
- income not subject to tax	(227)	(671)
- expenses not deductible for tax purposes	200	158
- stepped income exemption and rebates	(438)	(480)
- over provision of current income tax	(2)	(62)
- others	62	(61)
	<u>397</u>	<u>511</u>

## 10. Earnings per share

Basic earnings per share have been calculated based on the net profit attributable to equity holders of the Company for each of the financial years ended 31 December 2022 and 2021 and pre-placement share capital of 355,000,000 shares. The fully diluted earnings per share and basic earnings per share are the same because there is no dilutive potential ordinary share.

Subsequent to the financial year ended 31 December 2022, the Company issued additional placement share which is disclosed under Note 29. The calculation of earnings per share does not reflect this transaction and will be accounted in next financial year.

## 11. Cash and bank balances

	The Group		The Company	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Cash on hand	82	779	-	-
Cash at bank	4,577	12,822	318	-
	<u>4,659</u>	<u>13,601</u>	<u>318</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 12. Trade and other receivables

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade receivables - Non-related parties	444	135	-	-
Goods and services tax receivables	-	154	-	-
Refundable security deposits	3,806	3,129	-	-
Prepayments	1,027	578	-	-
Deferred IPO expenses	1,104	-	-	-
Dividends receivable from subsidiary corporations	-	-	2,400	-
	6,381	3,996	2,400	-

Included in the prepayments as at 31 December 2022 was an advance payment to a supplier for the purchase raw materials of \$672,000 (2021: \$512,000).

## 13. Inventories

	The Group	
	2022	2021
	\$'000	\$'000
Raw materials and consumables	745	983

The costs of inventories recognised as an expense during the financial year ended 31 December 2022 amounted to \$14,695,000 (2021: \$15,890,000).

## 14. Investments in subsidiary corporations

	The Company	
	2022	2021
	\$'000	\$'000
<i>Equity investments at cost</i>		
Beginning of financial year	-	-
Additions pursuant to the restructuring exercise of the Company's subsidiary corporations through the share swap (Note 1.2(c), Note 23)	2,151	-
Additions <sup>(1)</sup>	300	-
End of financial year	2,451	-

<sup>(1)</sup> On 20 December 2022, the Company established a wholly owned subsidiary corporation, YKGI Hawker Management Pte. Ltd., by way of issuance and allotment of 300,000 ordinary shares for a total cash consideration of \$300,000 as initial working capital.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 14. Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporations as at 31 December 2022:

Name of subsidiary corporation	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group	Proportion of ordinary shares held by non-controlling interests
			%	%
<u>Held by the Company</u>				
Yew Kee Management Pte. Ltd. <sup>(a)</sup>	Manufacture of cooked-food preparations (e.g frozen dinners); Food caterers	Singapore	100	–
Yew Kee Collective Pte.Ltd. <sup>(a)</sup>	Letting and operating of self-owned or leased food courts, coffee shops and canteens (with mainly rental income); Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers)	Singapore	100	–
YKGI Hawker Management Pte. Ltd. <sup>(a)</sup>	Letting and operating of self-owned or leased food courts, coffee shops and canteens (with mainly rental income); Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers)	Singapore	100	–
Yew Kee Two Pte. Ltd.	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
<u>Held by Yew Kee Collective Pte. Ltd.</u>				
Fine Food F&B Pte. Ltd. <sup>(a)(b)</sup>	Letting and operating of self-owned or leased food courts, coffee shops and canteens (with mainly rental income); Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers)	Singapore	50	50

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 14. Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporations as at 31 December 2022: (continued)

Name of Subsidiary corporation	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group %	Proportion of ordinary shares held by non-controlling interests %
<u>Held by Yew Kee Collective Pte. Ltd.(continued)</u>				
Fine Food (Nanyang) Pte. Ltd. <sup>(a)</sup>	Letting and operating of self-owned or leased food courts, coffee shops and canteens (with mainly rental income); Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers)	Singapore	80	20
Yew Kee Duck and Noodle House Pte. Ltd. <sup>(a)</sup>	Letting and operating of self-owned or leased food courts, coffee shops and canteens (with mainly rental income); Food caterers	Singapore	100	–
<u>Held by Yew Kee Duck and Noodle House Pte. Ltd. – Food Outlet</u>				
Yew Kee Three Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
Ubi 179 Food House Pte. Ltd. <sup>(a)</sup>	Cafes – coffee shops (including eating house); Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers)	Singapore	100	–
108 Sembawang Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers) – cooked food retailing; Wholesale of food, beverages and tobacco (including dried or canned) – cooked food wholesaling	Singapore	100	–
Punggol WP83 Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 14. Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporation as at 31 December 2022: (continued)

Name of Subsidiary corporation	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group	Proportion of ordinary shares held by non-controlling interests
			%	%
<u>Held by Yew Kee Duck and Noodle House Pte. Ltd. – Food Outlet (continued)</u>				
102CR Food Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Wholesale of food, beverages and tobacco (including dried or canned)	Singapore	100	–
YK Food (One) Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Wholesale of food, beverages and tobacco (including dried or canned)	Singapore	100	–
YK Food (Two) Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Wholesale of food, beverages and tobacco (including dried or canned)	Singapore	100	–
YK Food (Three) Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Wholesale of food, beverages and tobacco (including dried or canned)	Singapore	100	–
YK Food (Four) Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Wholesale of food, beverages and tobacco (including dried or canned)	Singapore	100	–

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 14. Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporation as at 31 December 2022: (continued)

Name of Subsidiary corporation	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group	Proportion of ordinary shares held by non-controlling interests
			%	%
<u>Held by Yew Kee Duck and Noodle House Pte. Ltd. – Food Outlet (continued)</u>				
YK Food (Five) Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Wholesale of food, beverages and tobacco (including dried or canned)	Singapore	100	–
Yew Kee Bakery Pte. Ltd. <sup>(a)</sup>	Retail sale of confectionary and bakery products (not manufactured on site) and manufacture of bakery products	Singapore	100	–
<u>Held by Yew Kee Duck and Noodle House Pte. Ltd. – Hawker</u>				
207 (Duck Rice) Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers) – cooked food retailing; Wholesale of food, beverages and tobacco (including dried or canned) – cooked food wholesaling	Singapore	100	–
10 (XO Noodle) Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers) – cooked food retailing; Wholesale of food, beverages and tobacco (including dried or canned) – cooked food wholesaling	Singapore	100	–

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 14. Investments in subsidiary corporations (continued)

The Group has the following subsidiaries as at 31 December 2022: (continued)

Name of Subsidiary corporation	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group %	Proportion of ordinary shares held by non-controlling interests %
<u>Held by Yew Kee Duck and Noodle House Pte. Ltd. – Hawker (continued)</u>				
SM30 Simei Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers) – cooked food retailing; Wholesale of food, beverages and tobacco (including dried or canned) – cooked food wholesaling	Singapore	100	–
480 Local Delight Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers) – cooked food retailing; Wholesale of food, beverages and tobacco (including dried or canned) – cooked food wholesaling	Singapore	100	–
Admiralty Local Delight Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
51 Hougang Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
2 Bukit Panjang Pte.Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
Ying's Traditional Food Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 14. Investments in subsidiary corporations (continued)

The Group has the following subsidiaries as at 31 December 2022: (continued)

Name of Subsidiary corporation	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group %	Proportion of ordinary shares held by non-controlling interests %
<u>Held by Yew Kee Duck and Noodle House Pte. Ltd.</u>				
PastaGo Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	80	20
<u>Held by Yew Kee Two Pte. Ltd. – Franchising</u>				
313CC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
JEMCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
PASCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
AMKCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
CTRCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
WSCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 14. Investments in subsidiary corporations (continued)

The Group has the following subsidiaries as at 31 December 2022: (continued)

Name of Subsidiary corporation	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group %	Proportion of ordinary shares held by non-controlling interests %
<u>Held by Yew Kee Two Pte. Ltd. – Franchising (continued)</u>				
TPCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
PLQCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
CWPCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
MSQCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
WLPCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
NTUCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
WPTCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 14. Investments in subsidiary corporations (continued)

The Group has the following subsidiaries as at 31 December 2022: (continued)

Name of Subsidiary corporation	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group %	Proportion of ordinary shares held by non-controlling interests %
<u>Held by Yew Kee Two Pte. Ltd. – Franchising (continued)</u>				
HGMCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
STARCC Pte Ltd <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
JEWCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
TAKACC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
CACC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
SUNCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
NUSCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
JPCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 14. Investments in subsidiary corporations (continued)

The Group has the following subsidiaries as at 31 December 2022: (continued)

Name of Subsidiary corporation	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group	Proportion of ordinary shares held by non-controlling interests
			%	%
<u>Held by Yew Kee Two Pte. Ltd. – Franchising (continued)</u>				
NOVCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
HILLCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
NEXCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
YISCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
LOTCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
EASTCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
KWMCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 14. Investments in subsidiary corporations (continued)

The Group has the following subsidiaries as at 31 December 2022: (continued)

Name of Subsidiary corporation	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent and the Group	Proportion of ordinary shares held by non-controlling interests
			%	%
<u>Held by Yew Kee Two Pte. Ltd. – Franchising (continued)</u>				
CNPCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–
CPOCC Pte. Ltd. <sup>(a)</sup>	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	Singapore	100	–

(a) Audited by CLA Global TS Public Accounting Corporation (Formerly Nexia TS Public Accounting Corporation).

(b) Fine Food F&B Pte. Ltd. is considered as a subsidiary corporation of the Group as the Group has assessed that it has control over Fine Food F&B Pte. Ltd. based on its current ability to direct the relevant activities of Fine Food F&B Pte. Ltd. which are managed by the director nominated and appointed by the Group. As such, the Group is exposed, or has rights, to variable returns from its involvement with and also has the ability to use its power to affect its returns from its involvement with Fine Food F&B Pte. Ltd. Accordingly, the Group has consolidated Fine Food F&B Pte. Ltd. as a subsidiary corporation in accordance with the requirements of SFRS(I) 10 *Consolidated Financial Statements*.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 15. Property, plant and equipment

		Cold room and equipment \$'000	Computers \$'000	Furniture and fittings \$'000	Leasehold property \$'000	Motor vehicles \$'000	Office equipment \$'000	Renovation \$'000	Drink and food outlets \$'000	Total \$'000
<b>The Group</b>										
<b>2022</b>										
<b>Cost</b>										
Beginning of financial year		4,595	150	1,048	1,665	1,291	88	5,641	22,211	36,689
Additions		509	36	19	-	455	8	912	11,644	13,583
Disposal/Written-off		(484)	(51)	(138)	-	(907)	(3)	(174)	(494)	(2,251)
Lease termination		-	-	-	-	-	-	-	(4,231)	(4,231)
End of financial year		4,620	135	929	1,665	839	93	6,379	29,130	43,790
<b>Accumulated depreciation</b>										
Beginning of financial year		3,316	148	1,004	541	503	38	3,890	14,185	23,625
Depreciation charge		610	3	44	33	253	25	1,005	6,538	8,511
Disposal/Written-off		(433)	(51)	(138)	-	(490)	(2)	(118)	(467)	(1,699)
Lease termination		-	-	-	-	-	-	-	(4,084)	(4,084)
End of financial year		3,493	100	910	574	266	61	4,777	16,172	26,353
<b>Net book value</b>										
End of financial year		1,127	35	19	1,091	573	32	1,602	12,958	17,437

(a) Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 16(a) to the financial statements.

(b) As at 31 December 2022, leasehold property of the Group with carrying amount \$1,091,000 is pledged as collateral for the Group's bank borrowing (Note 21).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 15. Property, plant and equipment (continued)

The Group	Cold room and equipment \$'000	Computers \$'000	Furniture & fittings \$'000	Leasehold property \$'000	Motor vehicles \$'000	Office equipment \$'000	Renovation \$'000	Drink and food outlets \$'000	Total \$'000
<b>2021</b>									
<b>Cost</b>									
Beginning of financial year	3,749	148	1,056	1,665	1,047	42	4,736	19,060	31,503
Additions	877	2	22	-	1,039	46	910	5,306	8,202
Disposal/Written-off	(31)	-	(30)	-	(795)	-	(5)	-	(861)
Lease termination	-	-	-	-	-	-	-	(2,155)	(2,155)
End of financial year	4,595	150	1,048	1,665	1,291	88	5,641	22,211	36,689
<b>Accumulated depreciation</b>									
Beginning of financial year	2,773	139	949	508	981	22	2,947	8,497	16,816
Depreciation charge	565	9	80	33	260	16	947	6,575	8,485
Disposal/Written-off	(22)	-	(25)	-	(738)	-	(4)	-	(789)
Lease termination	-	-	-	-	-	-	-	(887)	(887)
End of financial year	3,316	148	1,004	541	503	38	3,890	14,185	23,625
<b>Net book value</b>									
End of financial year	1,279	2	44	1,124	788	50	1,751	8,026	13,064

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 16. Leases – The Group as a lessee

### *Nature of the Group's leasing activities*

#### Drink and food outlets

The Group leases drink and food outlets for sales of food and beverages. There are restrictions or covenants imposed by the leases to sublet the asset to another party. Unless permitted by the owner, the right-of-use asset can only be used by the lessee. Typically, the leases are non-cancellable. Some leases contain an option to extend the lease for a further term, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension option. The extension option is exercised by the Group and not by the lessor upon request.

#### Motor vehicles

The Group acquires motor vehicles under lease arrangements to support the operations. The Group's obligations under these leases are secured by the lessor's title to the leased motor vehicles. There are no externally imposed covenants on these lease arrangements.

#### (a) Carrying amounts

ROU assets included within property, plant and equipment

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Drink and food outlets	12,958	8,026
Motor vehicles	333	499
	<u>13,291</u>	<u>8,525</u>

#### (b) Depreciation charge during the financial year

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Drink and food outlets	6,538	6,575
Motor vehicles	158	216
	<u>6,696</u>	<u>6,791</u>

#### (c) Interest expense

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expense on lease liabilities (Note 8)	<u>644</u>	<u>564</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 16. Leases – The Group as a lessee (continued)

- (d) Lease expense not capitalised in lease liabilities

	The Group	
	2022	2021
	\$'000	\$'000
Variable lease payments which do not depend on an index or rate	1,231	1,545
Short-term leases	554	54
Total (Note 7)	1,785	1,599

- (e) Total cash outflow for all leases in the respective financial years ended 31 December 2022 and 2021 was \$9,142,000 and \$8,304,000.

- (f) Additions of ROU assets in the respective financial years ended 31 December 2022 and 2021 were \$11,782,000 and \$5,960,000.

- (g) Future cash outflow which are not capitalised in lease liabilities

- (i) *Variable lease payments*

The leases for certain drink and food outlets contain variable lease payments that are based on percentage of sales generated by the stalls, on top of fixed payments. The Group negotiates variable lease payments for a variety of reasons, including minimising the fixed costs base for newly established stalls. Such variable lease payments are recognised to profit or loss when incurred and amounted to \$1,231,000 for the financial year ended 31 December 2022 (2021: \$1,545,000) (Note 16(d)).

- (ii) *Extension options*

The leases for drink and food outlets contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

- (h) Lease liabilities

	The Group	
	2022	2021
	\$'000	\$'000
Current	5,289	5,713
Non-current	7,977	2,889
Total lease liabilities	13,266	8,602

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 17. Leases – The Group as a lessor

### *Nature of the Group's leasing activities – Group as an intermediate lessor*

Sub-leases – classified as operating leases

The Group acts as an intermediate lessor under arrangements in which it subleases out food stalls to third parties for monthly lease payments under licensing agreements. Accordingly, the Group continues to have the right to control the use of the leased assets and the sub-leases are classified as operating leases.

Income from sub-leasing the food stalls recognised during the financial year ended 31 December 2022 was \$2,377,000 (2021: \$1,833,000) (Note 4), which are based on percentage of sales generated by the stalls, on top of fixed payments.

### *Maturity analysis of lease payments – Group as a lessor*

The table below only discloses the undiscounted minimum fixed lease payments to be received by the Group for its sub-leases under licensing agreements after the reporting date as follows:

	The Group	
	2022	2021
	\$'000	\$'000
Less than one year	1,329	1,382
One to two years	409	894
Two to three years	144	190
Three to four years	60	–
Total undiscounted lease payments	1,942	2,466

## 18. Intangible assets

	The Group	
	2022	2021
	\$'000	\$'000
<b>Franchise rights</b>		
<b>Cost</b>		
Beginning and end of financial year	246	246
<b>Accumulated amortisation</b>		
Beginning of financial year	65	40
Amortisation charge (Note 7)	25	25
End of financial year	90	65
<b>Carrying amount</b>		
End of financial year	156	181

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 19. Investment in an associated company

	The Group	
	2022	2021
	\$'000	\$'000
Beginning of financial year	*	*
Disposal	(*)	-
End of financial year	-	*

\* Amount less than S\$1,000

The Group has the following associated company:

Name of company	Principal activity	Country of incorporation	The Group	
			2022	2021
			%	%
Billion Land Pte. Ltd.	Investment holdings	Singapore	-	20

No summarised financial information for the associated company is presented as it is not material to the Group. There was no share of results recognised for the respective financial years ended 31 December 2022 and 2021 as the associated company was dormant and did not have operations.

On 15 August 2022, Yew Kee Two Pte. Ltd. disposed of 1 share representing 20.0% of the issued and paid-up capital of Billion Land to Ms. Wee Lay Teng. Billion Land is a dormant investment holding company with no business operations. The disposal was for a nominal consideration of \$1.00 which was arrived at on a willing buyer willing seller basis given that Billion Land is dormant and has no operations. As at 31 December 2021, the net assets value of Billion Land was \$400,000. The assets of Billion Land relate mainly to amount due by directors (all of whom are not related to the Group and Directors). Subsequent to the disposal, the Group is no longer a shareholder of Billion Land. The disposal was undertaken as part of the Group's pre-listing restructuring exercise to streamline the corporate structure of the Group as Billion Land is a dormant investment holding company that does not undertake any business operations of the Group.

## 20. Trade and other payables

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade payables- Non-related parties	1,484	1,207	-	-
Non-trade payables				
- Directors	320	865	-	-
- Associated company	-	70	-	-
- Subsidiary corporations	-	-	623	-
- Non-related parties	718	255	-	-
	1,038	1,190	623	-
Goods and services tax payable	557	356	-	-
Accrued expenses	2,480	2,339	-	-
Deposit from tenants	289	269	-	-
	5,848	5,361	623	-

Non-trade payables to directors, associated company and subsidiary corporations are unsecured, interest-free and repayable on demand.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 21. Bank borrowings

	The Group	
	2022	2021
	\$'000	\$'000
<i>Current</i>		
Bank borrowing	3,665	–

The exposure of borrowings of the Group to interest rate changes and the contractual repricing dates at the reporting date are as follows:

	The Group	
	2022	2021
	\$'000	\$'000
Within six months	3,665	–

The bank borrowing was secured by mortgage over a leasehold property of the Group (Note 15(b)) and joint and several guarantee by a director and a key management of the Group.

## 22. Provisions

	The Group	
	2022	2021
	\$'000	\$'000
<i>Non-current</i>		
Provision for reinstatement costs	877	817

Provision for reinstatement costs is based on the present value of costs to be incurred to remove leasehold improvements from leased properties upon expiry of tenancy agreements. The estimate is based on quotations from external contractors. The unexpired lease terms are average of 3 years. The impact of discounting on the provision is assessed to be insignificant.

Movement of provision for reinstatement costs are as follows:

	The Group	
	2022	2021
	\$'000	\$'000
Beginning of financial year	817	558
Additional	60	259
End of financial year	877	817

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 23. Share capital

	<b>The Company 2022</b>	
	<b>No. of ordinary shares</b>	<b>Amount \$'000</b>
<b>Issued and fully paid</b>		
Beginning of financial year	–	–
On date of the Company's incorporation (Note 1.2(a))	100	*
Issuance of new shares pursuant to the restructuring exercise of the Company's subsidiary corporations through the share swap (Note 1.2(c), Note 14)	2,151,116	2,151
Issuance of new shares (Note 1.2(d))	67,534	8
Sub-division of shares pursuant to the share split (Note 1.2(e))	352,781,250	–
End of financial year	<u>355,000,000</u>	<u>2,159</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the respective companies. The newly issued shares rank pari passu in all respects with the previously issued shares.

The Company was incorporated on 8 August 2022 in Singapore in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital of S\$100 comprising 100 Shares held by Seah & Family.

The Company entered into share swap agreements dated 21 December 2022 with each of the sellers to acquire all the issued and paid-up share capital of each of the corresponding subsidiaries for an aggregate purchase consideration of S\$2,151,116, based on a willing-buyer willing-seller basis based on the share capital of each relevant subsidiary. The consideration for the acquisition of these subsidiaries was satisfied by the issue and allotment of an aggregate of 2,151,116 new Shares to each of the sellers, who all nominated Seah & Family to hold such new Shares. Arising from the share swap, the issued and paid-up share capital of our Company increased to 2,151,216 comprising 2,151,216 Shares, all of which are held by Seah & Family, with the consideration satisfied by the allotment and issue by the Company of an aggregate of 2,151,116 new Shares to Seah & Family.

On 23 December 2022, the Company issued 67,534 Shares to Seah & Family, for a consideration of S\$7,534. Following such issuance of Shares, the issued and paid-up share capital of our Company became S\$2,158,750, comprising 2,218,750 Shares.

On 23 December 2022, the Share Split was effected and each of the Company's shares were sub-divided into 160 Shares ("the "Share Split"). Pursuant to the Share Split, the issued and paid-up share capital of the Company became S\$2,158,750, comprising 355,000,000 Shares.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 23. Share capital (continued)

The Group's share capital prior to the completion of the restructuring exercise comprises the aggregate paid up share capital of the Company and its subsidiary corporations which represents the aggregation of the Group's interest in the issued and paid up capital of the Company and all of its subsidiary corporations are under common control. The movements in the Group's share capital during the financial years ended 31 December 2022 and 2021 are as follows:

The Group	No. of ordinary shares		Amount	
	2022	2021	2022 \$'000	2021 \$'000
Beginning of financial year	1,889,714	1,726,514	1,890	1,727
On date of the Company's incorporation (Note 1.2(a))	100	–	*	–
Issuance of new ordinary shares – Incorporation of subsidiary corporations	261,405	163,300	261	163
Struck-off of a subsidiary corporation	(3)	(100)	*	*
Issuance of new shares	67,534	–	8	–
Sub-division of shares pursuant to the share split (Note 1.2(e))	352,781,250	–	–	–
End of financial year	<u>355,000,000</u>	<u>1,889,714</u>	<u>2,159</u>	<u>1,890</u>

\* Amount less than S\$1,000

## 24. Non-controlling interests

	The Group	
	2022 \$'000	2021 \$'000
Beginning of financial year	537	339
Net profit attributable to non-controlling interests	24	138
Dividends declared	(360)	–
Contribution from non-controlling interests of new subsidiary corporations	40	60
End of financial year	<u>241</u>	<u>537</u>
Analysed as:		
- Fine Food F&B Pte. Ltd.	173	378
- Fine Food (Nanyang) Pte. Ltd.	59	119
- Pastago Pte. Ltd.	9	40
	<u>241</u>	<u>537</u>

The summarised financial information by each subsidiary corporation that has non-controlling interests is not material to the Group, accordingly no disclosures are made.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 25. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

### (a) Related party transactions

	The Group	
	2022	2021
	\$'000	\$'000
Miscellaneous fees payable/paid to:		
- Directors	33	44
- Related parties	55	91
	<u>88</u>	<u>135</u>

### (b) Key management personnel compensation, representing remuneration of the directors and other key managements of the Company.

	The Group	
	2022	2021
	\$'000	\$'000
Salaries and bonuses	1,199	790
Employer's contribution to the Central Provident Fund	110	103
Other short-term benefits	54	-
	<u>1,363</u>	<u>893</u>

Included in other short-term benefits is lease payment of \$54,000 relating to motor vehicles provided by the Group to the key management personnel.

## 26. Dividends

	The Group	
	2022	2021
	\$'000	\$'000
Final one tier exempt dividends declared by the subsidiary corporations to the shareholders prior to the completion of the restructuring exercise	<u>15,721</u>	<u>1,121</u>

At the Annual General Meeting on 29 May 2023, a final dividend of 0.51 cents per share amounting to a total of \$2,167,500 will be recommended.

These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 27. Financial risk management

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The directors are responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes establishing policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits.

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the management team and the directors. The information presented is based on information received by key management.

### (a) Market risk

#### (i) Currency risk

Foreign currency risk arises from transactions denominated in currencies other than the functional currency of the Group. The Group does not have significant exposure to currency risk as it operates only in Singapore. Revenue and expenses are predominantly denominated in Singapore Dollar ("SGD").

#### (ii) Cash flow and Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

The Group obtains financing through bank facilities and seeks to minimise its interest rate exposure by obtaining the most favourable interest rates available.

The Group has borrowings at variable rates on which effective hedges have not been entered into. If the interest rates increase/decrease by 0.5% in the respective financial years ended 31 December 2022 and 2021 with all other variables including tax rate being held constant, the impact to the net profit of the Group as a result of changes in interest rate on these borrowings is not significant.

### (b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligation, resulting in financial loss to the Group. The major classes of the financial assets of the Group are cash and cash equivalents and trade receivables.

For trade receivables, the Group adopts the policy of dealing only with creditworthy customers to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group does not have significant credit risk as customers under food operations business and franchise business generally settle all transactions in cash, using credit cards issued by reputable financial institutions or digital payment gateways from reputable institutions. For food court management business, the Group does not generally extend credit terms as the Group's food court management team will tally the daily takings collected in respect of each food court tenant and deduct the monthly rent payable by the food court tenant from the daily takings at the end of each month before disbursing the daily takings to such tenant. However, where the daily takings are insufficient to cover the monthly rent payable for a particular month, such food court tenants will be required to pay the difference to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 27. Financial risk management (continued)

### (b) Credit risk (continued)

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Group has put in place credit control policies and procedures to manage the credit exposure and management periodically evaluates the creditworthiness of the customers. Due to the nature of the Group's business, the Group has no concentration of credit risk except for receivables from delivery sales which had been deposited into the Group's bank accounts after the end of each financial year.

#### (i) *Impairment of trade receivables*

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses ("ECL") via provision matrix as these items do not have a significant financing component. Trade receivables have been grouped based on shared credit risk characteristics and the days past due to measure the ECL by reference to the Group's historical observed default rates, customers' ability to pay and adjusted with forward-looking information.

Trade receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments past due based on historical loss rates for each category of customers and adjust to reflect current and forward-looking information. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers and adjust to reflect current and forward-looking information affecting the ability of the customers to settle the liability.

In determining the ECL of trade receivables, these receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers. Based on management's evaluation, no loss allowance for trade receivables is recognised for the financial years ended 31 December 2022 and 2021.

There has been no change in the estimation techniques or significant assumptions made during the respective financial years ended in December 2022 and 2021.

#### (ii) *Cash and bank balances*

As at 31 December 2022, the Group held cash and bank balances of \$4,659,000 (2021: \$13,601,000) with banks with high credit ratings respectively and are considered to have low credit risk. The cash balances are measured on 12-months expected credit losses and subject to immaterial credit loss.

#### (iii) *Other financial assets at amortised cost*

Other financial assets at amortised cost include refundable security deposits placed with landlords of the Group's leased drink and food outlets and dividends receivable from subsidiary corporations. For these financial assets, the Group and the Company have applied 12-month ECL to measure the loss allowance and based on assessment of qualitative and quantitative factors that are indicative of the risk of default, these exposures are considered to have low credit risk.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 27. Financial risk management (continued)

### (c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding using a mix of long term and short-term financing, not limited to obtaining overdraft facilities, investing in fixed assets and properties held for investments, and managing the maturity profile of its borrowings, payables, and other liabilities. At the reporting date, assets held by the Group for managing liquidity risk included the cash at bank as disclosed in Note 11 to the financial statements.

As at 31 December 2022, the Company's financial liabilities of \$623,000 (2021: Nil) are due within one year.

The table below analyses non-derivative financial liabilities of the Group based on remaining period from the reporting date to the contractual maturity date. The amount disclosed in the table below are the contractual undiscounted cash flows.

The Group	Within 1 year \$'000	Within 2 and 5 years \$'000
<b>2022</b>		
Trade and other payables	5,291	-
Lease liabilities	5,801	8,902
Bank borrowings	3,665	-
<b>2021</b>		
Trade and other payables	5,004	-
Lease liabilities	5,713	3,040

### (d) Capital risk

The Group manages the capital to ensure that the Group is able to continue as going concern and maintain an optimal capital structure so as to maximise shareholders' value.

The Group constantly reviews the capital structure to ensure the Group is able to service any debt obligations (include principal repayment and interests) based on its operating cash flows. The capital structure of the Group consists of equity attributable to owners of the Company. The Group's overall strategy remains unchanged from 31 December 2021.

As at 31 December 2022 and 2021, the Group is not exposed to any externally imposed capital requirements.

### (e) Fair value measurements

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available for the Group for similar financial instruments.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 27. Financial risk management (continued)

### (f) Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Financial assets, at amortised cost	8,909	16,865	2,718	–
Financial liabilities, at amortised cost	22,222	13,606	623	–

## 28. Segment information

The Board of Directors is the Group's chief operating body for making decisions. Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions, allocate resources and assess performance.

The Board of Directors considers the business from a business segment perspective as the Group operates in Singapore only. For management purposes, the Group is organised into business units based on their products and services and the Group has four reportable segments as follows:

### (i) Food Court Business

The Group manages four food courts located across Singapore under the My Kampung and Fine Food brands. Under this business segment, the leases the food courts and in turn sub-leases stalls to individual food court tenants ("Food Court Tenants"). The food court management services provided by the Group include the upkeep of vacant stalls and allocation of such stalls to Food Court Tenants, application for and renewal of licences, collection of takings from the daily sales of Food Court Tenants, collection of management and cleaning fees from Food Court Tenants, managing arrears, addressing complaints from Food Court Tenants and customers and the cleaning, maintenance and repair of the food courts.

### (ii) F&B Operations

The F&B operations is primarily involved in the operations of food outlets and hawker stalls under the flagship brand, Yew Kee Duck Rice and a diverse portfolio of other non-halal and halal brands such as XO Minced Meat Noodles, My Kampung Chicken Rice, PastaGo and Kampung Kopi House. The operations of the Group's food outlets and hawker stalls are supported by the central kitchen which procures, processes and prepares key ingredients and products for supply to the food outlets operating under the Group's brands and certain third party food outlets.

### (iii) Franchising and Sub-franchising ("Franchise Business")

The Group's business segment of franchising and sub-franchising is in relation to operations of outlets under the "CHICHA 3000" brand in Singapore for a term of ten years from 14 January 2019 pursuant to a master franchise agreement entered into between our subsidiary corporation, Yew Kee Two Pte. Ltd. (formerly known as Yu Kee Two Pte. Ltd.), and Fang Yuan F&B International Co., Ltd on 14 January 2019 ("Master Franchise Agreement").

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 28. Segment information (continued)

### (iii) Franchising and Sub-franchising ("Franchise Business") (continued)

The Master Franchise Agreement is renewable by negotiation between the parties thereto based on criteria prescribed therein. In consideration of the franchise and licence granted by the franchisor, the Group had paid a one-off initial franchise fee in full which was capitalised as an intangible asset, and the Group is required to pay a monthly royalty fee based on a percentage of our actual net sales before tax of the stores operated under such franchise and licence in a given month. In accordance with the terms of the Master Franchise Agreement, the Group may enter into sub-franchise agreements with third parties pursuant to which such parties will pay the Group a sub-franchise fee in consideration for the right to operate a CHICHA San Chen tea shop in Singapore. The Group has not entered into any sub-franchise agreements with third parties for the financial years ended 31 December 2022 and 2021.

### (iv) Other segment

Other segment includes investment holding and the Group level corporate service and treasury functions. These are not included within the reportable operating segment. The results of these operations are included in the "other segment" column.

The segment information provided to the Board of Directors for the reportable segment and the reconciliation to the consolidated statement of comprehensive income are as follows:

The Group	Food Court Business \$'000	F&B Operations \$'000	Franchise Business \$'000	Other segment \$'000	Total \$'000
<b>2022</b>					
<b>Revenue</b>	6,761	27,926	21,520	-	56,207
Other income	220	745	604	-	1,569
<b>Segment profit/(loss)</b>	517	3,745	2,757	(1,609)	5,410
Finance costs	(133)	(255)	(302)	(2)	(692)
<b>Profit/(loss) before income tax</b>	384	3,490	2,455	(1,611)	4,718
Income tax expense					(397)
<b>Net profit</b>					4,321
<b>Segment assets</b>	3,397	12,058	11,668	2,255	29,378
Addition to:					
- Property, plant and equipment	20	888	574	455	1,937
<b>Segment liabilities</b>	3,343	9,001	7,615	4,480	24,439

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 28. Segment information (continued)

The segment information provided to the Board of Directors for the reportable segment and the reconciliation to the consolidated statement of comprehensive income are as follows (continued):

The Group	Food Court Business \$'000	F&B Operations \$'000	Franchise Business \$'000	Other segment \$'000	Total \$'000
<b>2021</b>					
<b>Revenue</b>	5,100	24,327	26,684	–	56,111
Other income	592	2,542	1,826	–	4,960
<b>Segment profit/(loss)</b>	148	6,361	4,793	(1,140)	10,162
Finance costs	(67)	(177)	(320)	(25)	(589)
<b>Profit/(loss) before income tax</b>	81	6,184	4,473	(1,165)	9,573
Income tax expense					(511)
<b>Net profit</b>					9,062
<b>Segment assets</b>	3,221	8,350	19,225	1,029	31,825
Addition to:					
- Property, plant and equipment	46	565	1,517	373	2,501
<b>Segment liabilities</b>	2,073	1,096	11,390	875	15,434

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the financial years ended 31 December 2022 and 2021. The breakdown of revenue by major products and services is disclosed in Note 4 to the financial statements.

Segment profit represents the profit earned by each segment after deducting direct expenses without allocation of central administration costs, interest income, finance costs and income tax expense.

The Group operates in Singapore only, therefore the Group's revenue is derived solely from external customers in Singapore and its non-current assets are located in Singapore. There were no customers which accounted for 10% or more of the Group's revenue.

## 29. Events after the balance sheet date

On 26 January 2023, the Company distributed the Placement Shares Application Form in respect of 82,750,000 Placement Shares comprising 53,750,000 New shares and 29,000,000 Vendor Shares at \$0.20 for each share by way of placement (the "Placement"), payable in full on application and application monies received by the Company and the vendor for these Placement Shares amounted to \$10,750,000 and \$5,800,000 respectively.

At the same time but separate from the Placement, the Cornerstone Investors entered into the Cornerstone Subscription Agreement and subscribed for 16,250,000 New Shares at \$0.20 each at a total consideration of S\$3,250,000.

The Company has successfully listed on the Catalist of the Singapore Stock Exchange on 6 February 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 30 New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2023 and which the Group has not early adopted.

### *Amendments to SFRS(I) 1-1 Presentation of Financial Statements:*

Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

### *Amendments to SFRS(I) 1-12 Income Taxes:*

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)

The amendments to SFRS(I) 1-12 *Income Taxes* require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

SFRS(I) 1-12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Group does not expect any significant impact arising from applying these amendments.

## 31. Authorisation of financial statements

These financial statements were authorised for issued in accordance with a resolution of Board of Directors of YKGI Limited on 8 May 2023.

# STATISTICS OF SHAREHOLDINGS

As at 28 April 2023

Class of shares	- Ordinary shares
Total number of issued shares (excluding treasury shares and subsidiary holdings)	- 425,000,000 (with voting rights)
Voting rights	- One (1) vote per ordinary
Total number of treasury shares and percentage	- Nil
Total number of subsidiary holdings and percentage	- Nil

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	12	3.96	5,900	0.00
1,001 - 10,000	44	14.52	337,200	0.08
10,001 - 1,000,000	234	77.23	47,783,000	11.24
1,000,001 AND ABOVE	13	4.29	376,873,900	88.68
<b>TOTAL</b>	<b>303</b>	<b>100.00</b>	<b>425,000,000</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	SEAH & FAMILY PTE. LTD.	326,000,000	76.71
2	KGI SECURITIES (SINGAPORE) PTE. LTD	13,154,500	3.10
3	TEO KEE BOCK	10,674,700	2.51
4	DBS NOMINEES (PRIVATE) LIMITED	8,174,800	1.92
5	JOEY TAN	3,000,000	0.71
6	LAW SER WEE	3,000,000	0.71
7	LEE BENG CHYE	2,500,000	0.59
8	TAY CHYE HOCK	2,500,000	0.59
9	LER SIEW HUA	2,000,000	0.47
10	SEAH HOCK THIAM	2,000,000	0.47
11	HO WEI HAO JOWE	1,474,900	0.35
12	CHIA SEONG CHEONG	1,200,000	0.28
13	FONG CHEE CHEONG	1,195,000	0.28
14	CHUA KIAN MENG	1,000,000	0.24
15	GAN THIAM POH	1,000,000	0.24
16	HONG SHIUNG CHEONG VINCENT (FANG SHUNCHANG VINCENT)	1,000,000	0.24
17	KHOO LAM LOONG	1,000,000	0.24
18	LIM KIM LUN	1,000,000	0.24
19	NG SIEW WAN	1,000,000	0.24
20	TAN CHOO KIAT	1,000,000	0.24
<b>TOTAL</b>		<b>383,873,900</b>	<b>90.37</b>

# STATISTICS OF SHAREHOLDINGS

As at 28 April 2023

## SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders as at 28 April 2023)

Name of Shareholders	Direct Interest		Deemed Interest	
	No. of Shares Held	%	No. of Shares Held	%
Seah & Family Pte. Ltd. <sup>(1)</sup>	326,000,000	76.71	–	–
Mr. Seah Boon Lock <sup>(2)</sup>	–	–	326,000,000	76.71

Notes:

- (1) Seah & Family is an investment holding company incorporated in Singapore on 8 August 2022. Mr. Seah Boon Lock, Mr. Seah Qin Quan, Ms. Seah Kun Miao and Ms. Wee Lay Teng are the shareholders of Seah & Family, with Mr. Seah Boon Lock holding 70.0% of the shareholding in Seah & Family and Mr. Seah Qin Quan, Ms. Seah Kun Miao and Ms. Wee Lay Teng each holding 10.0% of the shareholding in Seah & Family.
- (2) Mr. Seah Boon Lock is deemed interested in all the Shares held by Seah & Family Pte. Ltd.

## PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 28 April 2023, 23.29% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Catalist Rules of the SGX-ST which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of YKGI Limited (the "**Company**") will be convened and held at Room Sapphire I&II, Orchid Country Club, 1 Orchid Club Rd, Singapore 769162 on Monday, 29 May 2023 at 1.00 p.m. for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements and the Directors' Statement of the Company and the Group for the financial year ended 31 December 2022 together with the Independent Auditor's Report thereon. **(Resolution 1)**
2. To declare a final dividend (one-tier tax exempt) of 0.51 Singapore cents per ordinary share for the financial year ended 31 December 2022. **(Resolution 2)**
3. To approve the payment of Directors' fees of S\$97,200 for the financial year ending 31 December 2023, payable quarterly in arrears. **(Resolution 3)**
4. To approve the payment of Directors' fees of S\$108,000 for the financial year ending 31 December 2024, payable quarterly in arrears. **(Resolution 4)**
5. To re-elect the following Directors who will be retiring pursuant to Regulation 103 of the Constitution of the Company:
  - (a) Mr. Seah Boon Lock **(Resolution 5)**
  - (b) Mr. Seah Qin Quan **(Resolution 6)**
  - (c) Mr. Wong Fook Sung ("**Mr. James Wong**") **(Resolution 7)**
  - (d) Mr. Ng Hong Whee **(Resolution 8)**
  - (e) Mr. Koh Kew Siong ("**Mr. Douglas Koh**") **(Resolution 9)**

[See Explanatory Note (i)]
6. To re-appoint Messrs CLA Global TS Public Accounting Corporation as the Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 10)**
7. To transact any other ordinary business which may properly be transacted at an AGM.

## AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions (with or without any modifications) as Ordinary Resolutions:

8. Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act 1967 of Singapore ("**Companies Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual – Section B: Rules of Catalyst ("**Catalist Rules**")

THAT the Directors be and are hereby authorised pursuant to the provisions of Section 161 of the Companies Act and Rule 806 of the Catalyst Rules to:

- (a) (i) allot and issue shares in the capital of the Company ("**Shares**") by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may deem fit; and



# NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of the Instruments made or granted by the Directors while this Resolution was in force.

PROVIDED ALWAYS THAT:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed one hundred percent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date of this resolution in force;
- (2) (subject to the manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) that may be issued under sub-paragraph (a), the percentage of the total issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
- (a) new Shares arising from the conversion or exercise of any convertible securities;
- (b) new Shares arising from exercising share options or vesting of share awards, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
- (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub paragraphs 8(2)(a) or 8(2)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Companies Act and the Constitution for the time being of the Company; and
- (4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the Company's next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)]

**(Resolution 11)**

## 9. **Authority to issue shares under the Yew Kee Employee Share Option Scheme**

That pursuant to Section 161 of the Companies Act and the provisions of the Yew Kee Employee Share Option Scheme ("**Yew Kee ESOS**"), the Directors of the Company be authorised and empowered to offer and grant share options under the Yew Kee ESOS and to issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of share options granted by the Company under the Yew Kee ESOS, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Yew Kee ESOS shall not exceed fifteen per centum (15.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

**(Resolution 12)**

# NOTICE OF ANNUAL GENERAL MEETING

## 10. Authority to issue shares under the Yew Kee Performance Share Plan

That pursuant to Section 161 of the Companies Act and the provisions of the Yew Kee Performance Share Plan (“**Yew Kee PSP**”), the Directors of the Company be authorised and empowered to offer and grant share awards under the Yew Kee PSP and to issue from time to time such number of Shares as may be required to be issued pursuant to the vesting of share awards under the Yew Kee PSP, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Yew Kee PSP shall not exceed fifteen per centum (15.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)]

**(Resolution 13)**

By Order of the Board

Shirley Tan Sey Liy  
Company Secretary  
12 May 2023

### Explanatory Notes

- (i) Mr. Seah Boon Lock will, upon re-election as a Director of the Company, remain as the Executive Chairman and Executive Director of the Company. Mr. Seah is the father of Mr. Seah Qin Quan, the Chief Executive Officer (“**CEO**”) and Executive Director of the Company. Please refer to page 46 to 56 of the Company’s annual report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.

Mr. Seah Qin Quan will, upon re-election as a Director of the Company, remain as the CEO and Executive Director of the Company. Mr. Seah is the son of Mr. Seah Boon Lock, saved as disclosed, Mr. Seah does not have any material relationships between himself and the Directors and the Company. Please refer to page 46 to 56 of the Company’s annual report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.

Mr. James Wong will, upon re-election as a Director of the Company, remains as the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules. Please refer to page 46 to 56 of the Company’s annual report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.

Mr. Ng Hong Whee will, upon re-election as a Director of the Company, remains as the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules. Please refer to page 46 to 56 of the Company’s annual report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.

Mr. Douglas Koh will, upon re-election as a Director of the Company, remains as the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules. Please refer to page 46 to 56 of the Company’s annual report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.

- (ii) Ordinary Resolution 11 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue ordinary shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments. The aggregate number of shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed, in total, one hundred percent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which the total number of Shares issued other than on a pro rata basis to existing shareholders of the Company, shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings).

For determining the aggregate number of Shares that may be issued, the percentage of total issued Shares will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time Resolution 11 is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities, the exercise of share options or vesting of share awards outstanding or subsisting at the time when Resolution 11 is passed and any subsequent consolidation or subdivision of Shares.

# NOTICE OF ANNUAL GENERAL MEETING

- (iii) Ordinary Resolution 12 above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares pursuant to the exercise of share options granted or to be granted under the Yew Kee ESOS provided that the aggregate additional Shares to be allotted and issued pursuant to the Yew Kee ESOS and Yew Kee PSP do not exceed in total (for the entire duration of the Yew Kee ESOS and Yew Kee PSP) fifteen per centum (15.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.
- (iv) Ordinary Resolution 13 above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares pursuant to the vesting of share awards under the Yew Kee PSP provided that the aggregate additional Shares to be allotted and issued pursuant to the Yew Kee PSP and Yew Kee ESOS do not exceed in total (for the entire duration of the Yew Kee PSP and Yew Kee ESOS) fifteen per centum (15.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

## Notes relating to conduct of Meeting:

1. The members of the Company are invited to **attend physically** at the AGM. **There will be no option for the members to participate virtually.** Printed copies of this Notice of AGM, Proxy Form, Annual Report 2022 and Appendix in relation to the Proposed Adoption of the Share Buyback Mandate will NOT be sent to members of the Company. Instead, these documents will be made available on the SGXNet at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://ykgi.com.sg>
2. Please bring along your NRIC/passport so as to enable the Company to verify your identity.

## Voting by proxy

3. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.
4. A proxy need not to be a member of the Company.
5. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instruction as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
7. The instrument appointing a proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either:
  - (a) if send personally or by post, the proxy form must be lodged at the Company's registered office at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
  - (b) if by email, the proxy form must be received at [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia);

In either case, **by no later than 26 May 2023, 1.00 p.m., being seventy-two (72) hours before the time appointed for holding the Meeting.**

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

A member can appoint the Chairman of the Meeting as his/her/its proxy, **but** this is **not** mandatory.

The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

8. (a) A member who is not a relevant intermediary\* is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

# NOTICE OF ANNUAL GENERAL MEETING

- (b) A member who is a relevant intermediary\* is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

\*“**Relevant Intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act 1967.

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
9. For investors who holds shares under the SRS/CPF Investor Schemes and wishes to vote, should approach their respective SRS/CPF Operators to submit their votes at least 7 working days before the AGM. CPF/SRS Investors should contact their respective SRS Operators /CPF Agent Banks for any queries they may have with regard to the appointment of proxy for the AGM.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument.

## **Submission of questions prior to the AGM**

11. Shareholders may submit questions relating to the resolutions to be tabled for approval at the AGM “live” at the AGM or in advance of the AGM no later than 1.00 p.m. on 19 May 2023:
- (a) by email to [ir@ykgi.com.sg](mailto:ir@ykgi.com.sg); or
- (b) in physical copy by depositing the same at the registered office of the Company at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712.

Shareholders submitting questions are required to state: (a) their full name; and (b) their identification/registration number, and (c) the manner in which his/her/its shares in the Company are held (e.g. via CDP, CPF, SRS and/or scrip), failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.

All questions submitted in advance of the AGM must be received by the Company by the time and date stated above to be treated as valid.

12. The Company will endeavour to address all relevant and substantial questions (as may be determined by the Company in its sole discretion) relating to the resolutions to be tabled and for approval at the AGM prior to or at the AGM. The responses to these questions will be published on or before 23 May 2023 via SGXNet and the Company's website or if answered during the AGM, will be included in the minutes of the AGM which shall be published on the SGXNet and the Company's website within one month after the date of AGM.

## **PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, and/or submitting any questions to the Company in advance of the AGM in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines and (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# YKGI LIMITED

(Company Registration No. 202227645Z)  
(Incorporated In the Republic of Singapore)

## PROXY FORM

### ANNUAL GENERAL MEETING

(Please see notes overleaf before  
completing this Form)

#### IMPORTANT:

1. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) may appoint more than two (2) proxies to attend, speak and vote at the AGM.
2. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by Central Provident Fund ("CPF") Investment Scheme ("CPFIS")/Supplementary Retirement Scheme ("SRS") investors who hold the Company's Shares through CPF Agent Banks/SRS Operators.
3. CPFIS/SRS investors who wish to vote should approach their respective CPF Agent Banks/SRS Operators to submit their voting instructions at least seven (7) working days before the date of the AGM.

#### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 May 2023.

I/We\*, \_\_\_\_\_ (Name)

NRIC No./Passport No./Company Registration No.\* \_\_\_\_\_

of \_\_\_\_\_ (Address)

being a member/members\* of **YKGI LIMITED ("Company")**, hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or\*

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing \*him/her/them, the Chairman of the Annual General Meeting (the "AGM" or "Meeting") or such other person the Chairman may designate, as my/our\* proxy/proxies to vote for me/us\* on my/our\* behalf at the Meeting of the Company, to be held at Room Sapphire I&II, Orchid Country Club, 1 Orchid Club Rd, Singapore 769162 on Monday, 29 May 2023 at 1.00 p.m. and at any adjournment thereof. I/We\* direct my/our\* proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at \*his/their discretion, as \*he/they will on any other matters arising at the Meeting.

No.	Resolutions relating to:	No. of Votes 'For'***	No. of Votes 'Against'***	No. of Votes 'Abstain'***
<b>Ordinary Business</b>				
1	To receive and adopt the Audited Financial Statements and the Directors' Statement of the Company for the financial year ended 31 December 2022 together with the Auditor's Report thereon			
2	To declare a final dividend (one-tier tax exempt) of 0.51 Singapore cents per ordinary share for the financial year ended 31 December 2022			
3	To approve the payment of Directors' fees of S\$97,200 for the financial year ending 31 December 2023, payable quarterly in arrears			
4	To approve the payment of Directors' fees of S\$108,000 for the financial year ending 31 December 2024, payable quarterly in arrears			
5	To re-elect Mr. Seah Boon Lock as a Director			
6	To re-elect Mr. Seah Qin Quan as a Director			
7	To re-elect Mr. Wong Fook Sung as a Director			
8	To re-elect Mr. Ng Hong Whee as a Director			
9	To re-elect Mr. Koh Kew Siong as a Director			
10	To re-appoint Messrs CLA Global TS Public Accounting Corporation as Independent Auditor of the Company and to authorise the Directors to fix their remuneration			
<b>Special Business</b>				
11	Authority to allot and issue shares			
12	Authority to allot and issue shares under the Yew Kee Employee Share Option			
13	Authority to allot and issue shares under the Yew Kee Performance Share Plan			

\* Delete where inapplicable

\*\* If you wish to exercise all your votes 'For', 'Against' or 'Abstain from Voting', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.





Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
*Signature(s) of Shareholder(s)  
and/or, Common Seal of Corporate Shareholder*

## IMPORTANT: PLEASE READ NOTES BELOW

### Notes:

1. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.
2. A proxy need not to be a member of the Company.
3. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
4. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instruction as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
6. The instrument appointing a proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either:
  - (a) if send personally or by post, the proxy form must be lodged at the Company's registered office at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
  - (b) if by email, the proxy form must be received at [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia);

In either case, **by no later than 26 May 2023, 1.00 p.m., being seventy-two (72) hours before the time appointed for holding the Meeting.**

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

A member can appoint the Chairman of the Meeting as his/her/its proxy, **but** this is **not** mandatory.

The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

7.
  - (a) A member who is not a relevant intermediary\* is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.
  - (b) A member who is a relevant intermediary\* is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

\*"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
8. For investors who holds shares under the SRS/CPF Investor Schemes and wishes to vote, should approach their respective SRS/CPF Operators to submit their votes at least 7 working days before the AGM. CPF/SRS Investors should contact their respective SRS Operators /CPF Agent Banks for any queries they may have with regard to the appointment of proxy for the AGM.

### General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

### PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 May 2023.



**YKGI Limited**

(Incorporated in the Republic of Singapore on 8 August 2022)  
(Company Registration No: 202227645Z)

