

My Kampung™
CHICKEN RICE



YKGI LIMITED
SINCE 1961

YKGI Limited
(Incorporated in the Republic of Singapore on 8 August 2022)
(Company Registration No: 202227645Z)



HOME-GROWN MULTI-BRAND F&B AND FOOD COURT OPERATOR, AND THE EXCLUSIVE FRANCHISEE OF CHICHA SAN CHEN IN SINGAPORE

Placement in respect of 82,750,000 Placement Shares at \$50.20 for each Placement Share comprising:
(a) 53,750,000 New Shares; and (b) 29,000,000 Vendor Shares, payable in full on application.

OFFER DOCUMENT DATED 26 JANUARY 2023

(Registered by the Singapore Exchange Securities Trading Limited ("SGX-ST") acting as agent on behalf of the Monetary Authority of Singapore ("Authority") on 26 January 2023)

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

RHT Capital Pte. Ltd. ("RHT Capital" or "Issue Manager and Full Sponsor") has made an application to the SGX-ST for permission to deal in, and for the listing and quotation of, all the ordinary shares ("Shares") in the capital of YKGI Limited ("Company") already issued, including the shares sold by the Vendor ("Vendor Shares"), the new Shares ("New Shares" and together with Vendor Shares, "Placement Shares") which are the subject of this Placement (as defined herein), the Cornerstone Shares (as defined herein), the new Shares which may be issued from time to time upon the exercise of the options to be granted under the Yew Kee Employee Share Option Scheme ("Option Shares") and the new Shares which may be allotted and issued upon the vesting of share awards granted under the Yew Kee Performance Share Plan ("Award Shares") on Catalyst. Acceptance of applications for the Placement Shares will be conditional upon the issue of the New Shares and the listing and quotation of all our existing issued Shares (including the Vendor Shares), the Placement Shares, the Cornerstone Shares, the Option Shares and the Award Shares on Catalyst. Monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed, and you will not have any claims against us, the Vendor, and the Issue Manager and Full Sponsor and the Joint Placement Agents. The dealing in, and quotation of, our Shares, the Placement Shares, the Cornerstone Shares, the Option Shares and the Award Shares will be in Singapore dollars.

At the same time as but separate from the Placement, Mr. Teo Kee Bock and Huan Yong Group Pte. Ltd. ("Cornerstone Investors") have each entered into a cornerstone subscription agreement with our Company to subscribe for such number of new Shares in the capital of the Company ("Cornerstone Shares") to be determined by dividing their commitment amounts of \$52.0 million and \$51.25 million respectively by the Placement Price (as defined herein), conditional upon, amongst other things, the Placement Agreement (as defined herein) having been entered into and not having been terminated pursuant to its terms on or prior to the date of closing of the Application List (as defined herein).

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

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

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

The registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority does not imply that the Securities and Futures Act 2001 of Singapore, or any other legal or regulatory requirements, or requirements under the Catalyst Rules, have been complied with.

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

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

Issue Manager and Full Sponsor

Joint Placement Agents



RHT Capital Pte. Ltd.
(Company Registration No.: 201109968H)
(Incorporated in the Republic of Singapore)



Evolve Capital Advisory Private Limited
(Company Registration No.: 201718400R)
(Incorporated in the Republic of Singapore)



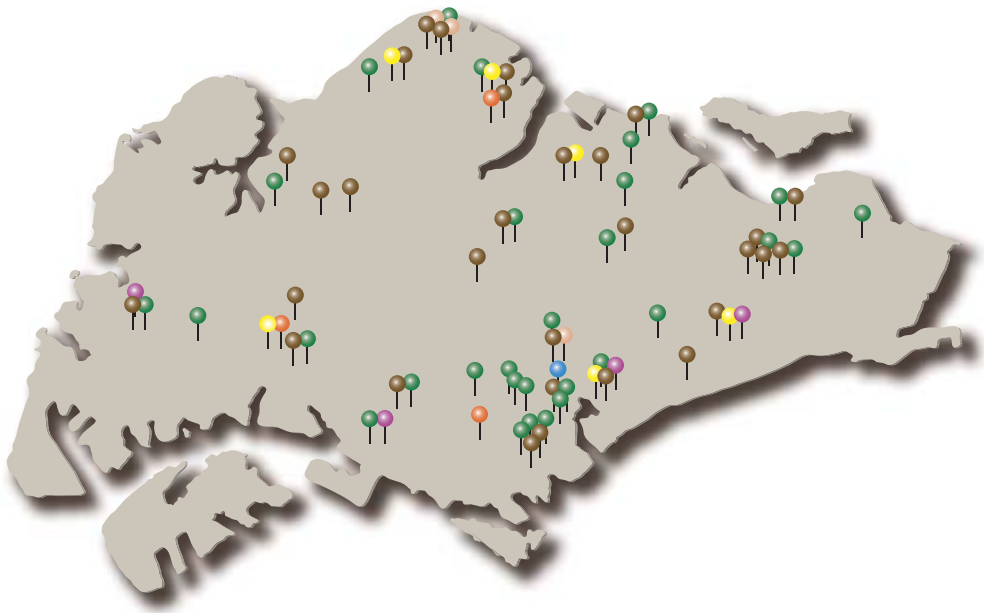
KGI Securities (Singapore) Pte. Ltd.
(Company Registration No.: 195500144H)
(Incorporated in the Republic of Singapore)

About YKGI Limited

YKGI 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 **77 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.

Operating Presence

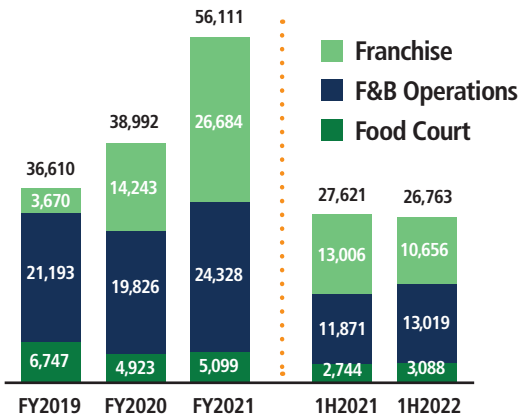


The procurement, processing and preparation of key ingredients and products for **Yew Kee Duck Rice** and **XO Minced Meat Noodles** food outlets, as well as **CHICHA San Chen** tea shops, are carried out by our central kitchen.

- Yew Kee Duck Rice (30 outlets)
- XO Minced Meat Noodles (3 outlets)
- CHICHA San Chen (30 outlets)
- My Kampung Chicken Rice (6 outlets)
- PastaGo (3 outlets)
- Victoria Bakery (1 outlet)
- Food Courts (4 locations)

Financial Highlights

Group and Segmental Revenue (S\$'000)



Net Profit Attributable to Shareholders (S\$m)

1.0	4.9	8.9	3.7	2.4
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Intended Dividend Recommendation

Min. 50%

of net profit attributable to shareholders in FY2023 and FY2024

Please refer to the section entitled “DIVIDEND POLICY” of this Offer Document.



Competitive Strengths

Established household name with a track record of more than 30 years

- We possess a keen understanding of the tastes and preferences of local consumers
- We have established a reputation for providing quality F&B offerings
- We operate a diverse portfolio of brands that are well regarded by consumers

Quality product offerings through a diverse brand portfolio

- Diversified portfolio of non-Halal and Halal offerings allows our Group to widen the reach of our customer base

F&B Operations

Since 1961

友記家傳鴨飯

Yew Kee Duck Rice

My KampungTM

Chicken Rice

Victoria Bakery

Hong Kong Pastries

PastaGo

Fresh Made Pasta

Takeaway Pasta

XO 肉勝麵TM

XO Minced Meat Noodles

Franchising & Sub-franchising

吃茶三千

CHICHA

San Chen

Food Court Management

My KampungTM

Fine Food

Vertically integrated supply chain with strong procurement capabilities, central kitchen and self-operated / franchise stalls

- Standardised operating procedures in presentation, pricing, food preparation, hygiene, cleaning and staff conduct to maintain consistent standard of taste, quality and service across Food Outlets
- Centralised procurement, processing and preparation of key ingredients and products at our central kitchen to enable cost savings through economies of scale and facilitate scaling up of business, introduction of new products and replication in other markets

Resilient business model with steady income streams through staple food offerings

- Competitively priced F&B staple food products enable us to weather the outbreak of food-related diseases, and provide us more scope to adapt to changing consumer tastes
- Suitability of F&B offerings for takeaway or delivery enabled our Group to adapt and remain profitable throughout the COVID-19 pandemic
- Vertical integration of production process enables control over value chain, and allowed our Group to adapt effectively and reap operational and cost efficiencies during the COVID-19 pandemic

Food outlets located in accessible and frequented premises

- Strategic locations of food outlets and tea shops near transport hubs and residential areas, which benefit from substantial and regular foot traffic
- Variety of F&B offerings appeal to large customer base

Experienced and competent management team

- Our Management team possesses extensive experience and business relationships in the F&B industry
- Our Executive Chairman and Executive Director, Mr. Seah Boon Lock has more than 30 years of relevant experience in the F&B industry and was a founder of our Group
- Both our Executive Chairman and our CEO have played active roles in our Group's strategic direction, and were involved in spearheading our Group's key development milestones including commencement of our food court management and franchising businesses
- Our Directors are supported by our Executive Officers and an experienced and dedicated team who are committed to fostering strong relationships with customers and suppliers





Prospects

Growth in Singapore population

- Projected growth in Singapore's population from 5.45 million in 2021 to between 6.5 million and 6.9 million by 2030 should translate into higher demand for F&B products and services
- Our Directors believe that we are well-placed to capitalise on the projected increase in demand by increasing business development activities, establishing new Food Outlets within our diverse brand portfolio, attracting new customers, and expanding our brand portfolio by securing new franchise rights from third-parties and developing new brands

Rise in household incomes and expenditure on food

- The median monthly household income from work among resident employed households increased from S\$8,846 in 2016 to S\$9,520 in 2021. In tandem with the increase in household income, the average monthly household expenditure on food among resident households has increased through the years from S\$949 in 2007 to 2008 to S\$1,199 in 2017 to 2018. This points towards positive tailwinds for our Group's portfolio of brands and outlets.
- Favourable macro environment for expansion of CHICHA San Chen franchise business
 - Consumers in Singapore spend US\$342 million per year, or US\$60 per capita, on bubble tea
 - Average price of bubble tea in Singapore is double that of other Southeast Asian countries, making Singapore a great entry point for premium brands

Favourable market positioning

- The mass-market segment (defined as per head spend of S\$20 or less) accounts for about 75% of Singapore's F&B market
- The segment grew by 2.4% CAGR in market value, compared to 0.8% CAGR for full-service restaurants, between 2008 and 2018

Business Strategies And Future Plans

Expand and strengthen presence through opening of new outlets in Singapore and overseas

- Leverage track record and experience to expand existing business by increasing business development activities, and broadening and diversifying customer base
- Establish new outlets in strategic locations with focus on our Food Outlets, CHICHA San Chen tea shops and food courts

- Generate greater brand awareness through social media, in-store promotions and display of posters and advertising boards in shopping malls where our Food Outlets are located
- Leverage brand and market presence in Singapore to expand operations overseas in the next five (5) years
- Adopt mobile application for rewards points and e-commerce to expand digital access by customers

Expand into more market segments by pursuing a multi-brand and multi-concept strategy

- Introduce complementary products to provide customers with a wider variety of options
- Seek additional franchise opportunities to further enhance current portfolio
- Acquire appropriate equipment and technology for efficient and cost-effective production of new food offerings

Strengthen supply chain capabilities

- Expand and upgrade central kitchen and warehouse to increase capacity, and improve operational and cost efficiencies in the next three to five years
- Offer central kitchen services to third parties as additional revenue source
- Acquire commercial grade equipment to automate certain food production and packaging processes
- Expand supplier sources and deepen relationships with key suppliers to ensure consistent supply of high-quality ingredients and reduce procurement costs

Expand franchising and sub-franchising operations

- Leverage market presence and brand recognition to franchise brand portfolio to third parties
- Grow franchising business by securing new franchise rights from third parties and developing new brands for franchising to third parties

Expand business through strategic acquisitions and joint venture partnerships

- Leverage network and explore strategic acquisition and joint-venture opportunities with parties in complementary businesses
- Acquisition of companies that already have an established brand and market presence

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CORPORATE INFORMATION

BOARD OF DIRECTORS	: Mr. Seah Boon Lock (<i>Executive Chairman and Executive Director</i>) Mr. Seah Qin Quan (<i>Chief Executive Officer and Executive Director</i>) Mr. Wong Fook Sung (<i>Lead Independent Director</i>) Mr. Ng Hong Whee (<i>Independent Director</i>) Mr. Koh Kew Siong (<i>Independent Director</i>)
COMPANY SECRETARY	: Ms. Shirley Tan Sey Liy (MSc Mgmt (Hons) (UCD), FCS, FCG)
REGISTERED OFFICE	: 30 Cecil Street #19-08 Prudential Tower Singapore 049712
ISSUE MANAGER AND FULL SPONSOR	: RHT CAPITAL PTE. LTD. 36 Robinson Road #10-06 City House Singapore 068877
JOINT PLACEMENT AGENTS	: EVOLVE CAPITAL ADVISORY PRIVATE LIMITED 138 Robinson Road #13-02 Oxley Tower Singapore 068906 KGI SECURITIES (SINGAPORE) PTE. LTD. 4 Shenton Way #13-01 SGX Centre 2 Singapore 068807
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 (a practising member of the Institute of Singapore Chartered Accountants)
SOLICITORS TO THE PLACEMENT AND LEGAL ADVISERS TO OUR COMPANY ON SINGAPORE LAW	: BIRD & BIRD ATMD LLP 2 Shenton Way #18-01 SGX Centre 1 Singapore 068804
SOLICITORS TO THE ISSUE MANAGER AND FULL SPONSOR AND THE JOINT PLACEMENT AGENTS ON SINGAPORE LAW	: LEE & LEE 25 North Bridge Road Level 7 Singapore 179104
SHARE REGISTRAR	: IN.CORP CORPORATE SERVICES PTE. LTD. 30 Cecil Street #19-08 Prudential Tower Singapore 049712

CORPORATE INFORMATION

PRINCIPAL BANK AND RECEIVING : OVERSEA-CHINESE BANKING CORPORATION LIMITED
BANKER

65 Chulia Street
#09-00 OCBC Centre
Singapore 049513

VENDOR : SEAH & FAMILY PTE. LTD.

30 Cecil Street
#19-08 Prudential Tower
Singapore 049712

DEFINITIONS

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

Group Companies and Associated Companies

<i>“Company”</i>	:	YKGI Limited
<i>“Group”</i>	:	Our Company and our subsidiaries as at the date of this Offer Document

Subsidiaries

<i>“10 (XO Noodle)”</i>	:	10 (XO Noodle) Pte. Ltd.
<i>“102CR Food”</i>	:	102CR Food Pte. Ltd.
<i>“108 Sembawang”</i>	:	108 Sembawang Pte. Ltd.
<i>“2 Bukit Panjang”</i>	:	2 Bukit Panjang Pte. Ltd.
<i>“207 (Duck Rice)”</i>	:	207 (Duck Rice) Pte. Ltd.
<i>“313CC”</i>	:	313CC Pte. Ltd.
<i>“480 Local Delight”</i>	:	480 Local Delight Pte. Ltd.
<i>“51 Hougang”</i>	:	51 Hougang Pte. Ltd.
<i>“Admiralty Local Delight”</i>	:	Admiralty Local Delight Pte. Ltd.
<i>“AMKCC”</i>	:	AMKCC Pte. Ltd.
<i>“CACC”</i>	:	CACC Pte. Ltd.
<i>“CNPCC”</i>	:	CNPCC Pte. Ltd.
<i>“CPOCC”</i>	:	CPOCC Pte. Ltd.
<i>“CTRCC”</i>	:	CTRCC Pte. Ltd.
<i>“CWPCC”</i>	:	CWPCC Pte. Ltd.
<i>“EASTCC”</i>	:	EASTCC Pte. Ltd.
<i>“Fine Food F&B”</i>	:	Fine Food F&B Pte. Ltd.
<i>“Fine Food (Nanyang)”</i>	:	Fine Food (Nanyang) Pte. Ltd.
<i>“HILLCC”</i>	:	HILLCC Pte. Ltd.
<i>“HGMCC”</i>	:	HGMCC Pte. Ltd.
<i>“JEMCC”</i>	:	JEMCC Pte. Ltd.
<i>“JEWCC”</i>	:	JEWCC Pte. Ltd.
<i>“JPCC”</i>	:	JPCC Pte. Ltd.
<i>“KWMCC”</i>	:	KWMCC Pte. Ltd.

DEFINITIONS

<i>“LOTCC”</i>	:	LOTCC Pte. Ltd.
<i>“MSQCC”</i>	:	MSQCC Pte. Ltd.
<i>“NEXCC”</i>	:	NEXCC Pte. Ltd.
<i>“NOVCC”</i>	:	NOVCC Pte. Ltd.
<i>“NTUCC”</i>	:	NTUCC Pte. Ltd.
<i>“NUSCC”</i>	:	NUSCC Pte. Ltd.
<i>“PASCC”</i>	:	PASCC Pte. Ltd.
<i>“PLQCC”</i>	:	PLQCC Pte. Ltd.
<i>“PastaGo”</i>	:	PastaGo Pte. Ltd.
<i>“Punggol WP83”</i>	:	Punggol WP83 Pte. Ltd.
<i>“SM30 Simei”</i>	:	SM30 Simei Pte. Ltd.
<i>“STARCC”</i>	:	STARCC Pte. Ltd.
<i>“SUNCC”</i>	:	SUNCC Pte. Ltd.
<i>“TAKACC”</i>	:	TAKACC Pte. Ltd.
<i>“TPCC”</i>	:	TPCC Pte. Ltd.
<i>“Ubi 179 Food House”</i>	:	Ubi 179 Food House Pte. Ltd.
<i>“WLPCC”</i>	:	WLPCC Pte. Ltd.
<i>“WPTCC”</i>	:	WPTCC Pte. Ltd.
<i>“WSCC”</i>	:	WSCC Pte. Ltd.
<i>“Yew Kee Bakery”</i>	:	Yew Kee Bakery Pte. Ltd.
<i>“Yew Kee Collective”</i>	:	Yew Kee Collective Pte. Ltd.
<i>“Yew Kee Duck and Noodle House”</i>	:	Yew Kee Duck and Noodle House Pte. Ltd.
<i>“Yew Kee Management”</i>	:	Yew Kee Management Pte. Ltd.
<i>“Yew Kee Three”</i>	:	Yew Kee Three Pte. Ltd.
<i>“Yew Kee Two”</i>	:	Yew Kee Two Pte. Ltd.
<i>“YISCC”</i>	:	YISCC Pte. Ltd.
<i>“Ying’s Traditional Food”</i>	:	Ying’s Traditional Food Pte. Ltd.
<i>“YK Food (One)”</i>	:	YK Food (One) Pte. Ltd.
<i>“YK Food (Two)”</i>	:	YK Food (Two) Pte. Ltd.

DEFINITIONS

<i>“YK Food (Three)”</i>	:	YK Food (Three) Pte. Ltd.
<i>“YK Food (Four)”</i>	:	YK Food (Four) Pte. Ltd.
<i>“YK Food (Five)”</i>	:	YK Food (Five) Pte. Ltd.
<i>“YKGI Hawker Management”</i>	:	YKGI Hawker Management Pte. Ltd.

Other Corporations and Agencies

<i>“ACRA”</i>	:	Accounting and Corporate Regulatory Authority of Singapore
<i>“Authority”</i>	:	Monetary Authority of Singapore
<i>“BB207”</i>	:	BB207 Pte. Ltd.
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“CPF”</i>	:	The Central Provident Fund
<i>“Fang Yuan”</i>	:	Fang Yuan F&B International Co., Ltd.
<i>“Independent Auditor and Reporting Accountant” or “CLA Global TS”</i>	:	CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation)
<i>“IRAS”</i>	:	Inland Revenue Authority of Singapore
<i>“Issue Manager and Full Sponsor”, “Sponsor”, “Issue Manager” or “RHT Capital”</i>	:	RHT Capital Pte. Ltd.
<i>“Joint Placement Agents”</i>	:	Evolve Capital Advisory Private Limited and KGI Securities (Singapore) Pte. Ltd.
<i>“MOM”</i>	:	Ministry of Manpower
<i>“MUIS”</i>	:	Majlis Ugama Islam Singapura
<i>“NEA”</i>	:	National Environment Agency
<i>“NUS”</i>	:	National University of Singapore
<i>“Seah & Family” or “Vendor”</i>	:	Seah & Family Pte. Ltd.
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Registrar”</i>	:	In.Corp Corporate Services Pte. Ltd.

General

<i>“1H”</i>	:	The six (6)-month financial period ended 30 June
<i>“Application Form”</i>	:	The printed application form to be used for the purpose of the Placement and which forms part of this Offer Document
<i>“Application List”</i>	:	The list of applications for the subscription or purchase of the Placement Shares

DEFINITIONS

<i>“associate”</i>	: (a) In relation to any director, CEO, substantial shareholder or controlling shareholder (being an individual) means: <ul style="list-style-type: none"> (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
<i>“associated company”</i>	: In relation to a corporation, means: <ul style="list-style-type: none"> (a) any corporation, other than a subsidiary of the first mentioned corporation, in which the corporation or its subsidiary has, or the corporation and its subsidiary together have, a direct interest of not less than 20.0% but not more than 50.0% of the aggregate of the nominal amount of all the voting shares; or (b) any corporation, other than a subsidiary of the first mentioned corporation or a corporation which is an associated company by virtue of paragraph (a), the policies of which the corporation or its subsidiary, or the corporation together with its subsidiary, is or are able to control or influence materially
<i>“Audit and Risk Management Committee”</i>	: The audit and risk management committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Award”</i>	: An award of Shares granted under the Yew Kee PSP
<i>“Award Shares”</i>	: The Shares which may be allotted and issued and/or transferred upon the vesting of Awards granted under the Yew Kee PSP
<i>“Board” or “Board of Directors”</i>	: The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“business trust”</i>	: Has the same meaning as in Section 2 of the Business Trusts Act 2004 of Singapore
<i>“Catalist”</i>	: The Catalist Board of the SGX-ST
<i>“Catalist Rules”</i>	: The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
<i>“CEO”</i>	: Chief Executive Officer

DEFINITIONS

<i>“Companies Act” or “Act”</i>	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
<i>“Constitution”</i>	:	The constitution of our Company, as amended, modified or supplemented from time to time
<i>“Controlling Shareholder”</i>	:	As defined in the Catalist Rules: (a) a person who holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in our Company (unless otherwise determined by the SGX-ST); or (b) a person who in fact exercises control over our Company
<i>“Cornerstone Investors”</i>	:	Mr. Teo Kee Bock and Huan Yong Group Pte. Ltd.
<i>“Cornerstone Shares”</i>	:	The new Shares to be subscribed for by the Cornerstone Investors pursuant to the Cornerstone Subscription Agreements
<i>“Cornerstone Subscription Agreements”</i>	:	The cornerstone subscription agreements dated 28 December 2022 entered into by our Company with each of the Cornerstone Investors to subscribe for the Cornerstone Shares
<i>“COVID-19”</i>	:	Coronavirus disease 2019, a contagious respiratory disease caused by the virus SARS-CoV-2
<i>“Directors”</i>	:	The directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“EPS”</i>	:	Earnings per Share
<i>“ESOS Participants”</i>	:	Participants eligible under the Yew Kee ESOS
<i>“Executive Directors”</i>	:	The executive directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Executive Officers”</i>	:	The executive officers of our Group as at the date of this Offer Document, unless otherwise stated
<i>“F&B”</i>	:	Food and beverage
<i>“food court”</i>	:	An air-conditioned food centre with the counters of multiple F&B vendors and a common area for self-serve diners
<i>“Food Court Tenants”</i>	:	Tenants of the food courts we manage to whom we sublease premises for them to operate Food Outlets
<i>“Food Outlets”</i>	:	Food stalls, standalone food shops and hawker stalls
<i>“FY”</i>	:	Financial year ended or ending 31 December, as the case may be
<i>“GST”</i>	:	Goods and services tax
<i>“Halal”</i>	:	Food or drink which is permitted for consumption according to the Islamic worldview
<i>“immediate family”</i>	:	In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent

DEFINITIONS

<i>“Independent Directors”</i>	:	The non-executive independent directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Latest Practicable Date”</i>	:	18 December 2022, being the latest practicable date prior to the lodgement of this Offer Document with the SGX-ST acting as agent on behalf of the Authority
<i>“Listing”</i>	:	The listing of our Company and the quotation of our Shares on Catalist
<i>“Management and Sponsorship Agreement”</i>	:	The management and sponsorship agreement dated 26 January 2023 entered into between our Company, the Vendor and RHT Capital in connection with the Listing, details of which are set out in the section entitled “Sponsorship, Management and Placement Arrangements” of this Offer Document
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Master Franchise Agreement”</i>	:	The master franchise agreement entered into between Yew Kee Two and Fang Yuan dated 14 January 2019, as may be amended, modified or supplemented from time to time
<i>“NAV”</i>	:	Net asset value
<i>“New Shares”</i>	:	The 53,750,000 new Shares for which our Company invites applications to subscribe for pursuant to the Placement, subject to and on the terms and conditions of this Offer Document
<i>“Nominating Committee”</i>	:	The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“NTA”</i>	:	Net tangible assets
<i>“Offer Document”</i>	:	This offer document dated 26 January 2023 issued by our Company in respect of the Placement
<i>“Options”</i>	:	The options which may be granted pursuant to the Yew Kee ESOS
<i>“Option Shares”</i>	:	The Shares which may be allotted and issued and/or transferred upon the exercise of the Options granted pursuant to the Yew Kee ESOS
<i>“PER”</i>	:	Price earnings ratio
<i>“Period Under Review”</i>	:	The period which comprises FY2019, FY2020, FY2021 and 1H2022
<i>“PDPA”</i>	:	Personal Data Protection Act 2012 of Singapore, as amended, modified or supplemented from time to time
<i>“Placement”</i>	:	The placement of the Placement Shares by the Joint Placement Agents on behalf of our Company and the Vendor for subscription and/or purchase at the Placement Price, subject to and on the terms and conditions of this Offer Document

DEFINITIONS

<i>“Placement Agreement”</i>	:	The Placement Agreement dated 26 January 2023 entered into between our Company, the Vendor and the Joint Placement Agents, details of which are set out in the section entitled “Sponsorship, Management and Placement Arrangements” of this Offer Document
<i>“Placement Price”</i>	:	S\$0.20 for each Placement Share
<i>“Placement Shares”</i>	:	The 82,750,000 Shares which are the subject of the Placement, comprising 53,750,000 New Shares and 29,000,000 Vendor Shares
<i>“PSP Participants”</i>	:	Participants eligible under the Yew Kee PSP
<i>“PWM”</i>	:	Progressive Wage Model, a wage model for lower-wage workers developed by a tripartite committee consisting of unions, employers and the Singapore Government
<i>“Remuneration Committee”</i>	:	The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Restructuring Exercise”</i>	:	The corporate restructuring exercise undertaken in connection with the Placement, as described in the section entitled “Restructuring Exercise” of this Offer Document
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
<i>“Service Agreement”</i>	:	The service agreement entered into between our Company and each of (i) Mr. Seah Boon Lock; and (ii) Mr. Seah Qin Quan as described in the section entitled “Directors, Executive Officers and Staff – Service Agreements” of this Offer Document
<i>“Settlement Date”</i>	:	The date on, and time at, which the Placement Shares are issued as settlement under the Placement
<i>“SFA”</i>	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
<i>“SFR”</i>	:	Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore, as amended, modified or supplemented from time to time
<i>“SFRS(I)”</i>	:	Singapore Financial Reporting Standards (International)
<i>“SGXNET”</i>	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
<i>“Share Split”</i>	:	The sub-division of 2,218,750 Shares in the issued share capital of our Company into 355,000,000 Shares
<i>“Shareholders”</i>	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
<i>“Shares”</i>	:	Ordinary shares in the capital of our Company

DEFINITIONS

<i>“SIBOR”</i>	:	Singapore Interbank Offered Rate
<i>“Stop Order”</i>	:	A stop order that may be issued by the Authority under Section 242 of the SFA, details of which are set out in the section entitled “Details of the Placement” of this Offer Document
<i>“Substantial Shareholder”</i>	:	A person who has an interest in our Shares, the total votes attached to which is not less than 5.0% of the total votes attached to all the voting shares (excluding treasury shares) in our Company
<i>“Take-over Code”</i>	:	The Singapore Code on Take-overs and Mergers
<i>“Vendor”</i>	:	Seah & Family
<i>“Vendor Shares”</i>	:	The 29,000,000 Shares for which the Vendor invites applications to purchase pursuant to the Placement, subject to and on the terms of this Offer Document
<i>“WICA”</i>	:	Work Injury Compensation Act 2019 of Singapore, as amended, modified or supplemented from time to time
<i>“WSHA”</i>	:	Workplace Safety and Health Act 2006 of Singapore, as amended, modified or supplemented from time to time
<i>“Yew Kee ESOS”</i>	:	The employee share option scheme of our Company known as the “Yew Kee Employee Share Option Scheme”, as described in the section entitled “Yew Kee Employee Share Option Scheme” of this Offer Document
<i>“Yew Kee PSP”</i>	:	The performance share plan of our Company known as the “Yew Kee Performance Share Plan”, as described in the section entitled “Yew Kee Performance Share Plan” of this Offer Document
Name used in this Offer Document	:	Name in National Registration Identity Card / Passport
Mr. Benjamin Zhu	:	Zhu Peng
Mr. Douglas Koh	:	Koh Kew Siong
Mr. Eric Seow	:	Seow Tat Khoon
Mr. James Wong	:	Wong Fook Sung
Mr. Ng Hong Whee	:	Ng Hong Whee
Mr. Seah Boon Lock	:	Seah Boon Lock
Ms. Seah Kun Miao	:	Seah Kun Miao
Mr. Seah Qin Quan	:	Seah Qin Quan
Ms. Wee Lay Teng	:	Wee Lay Teng

DEFINITIONS

Currencies, Units and Others

“S\$” and “cents”	:	Singapore dollars and cents, respectively, the lawful currency of Singapore
“m”	:	Metre
“sq m”	:	Square metre
“%”	:	Percentage

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

The term “**entity**” shall have the same meaning ascribed to it in Section 2 of the SFA, while the terms “**related corporation**” and “**related entity**” shall have the same meanings ascribed to them respectively in Paragraph 1 of the Fourth Schedule of the Securities and Futures (Offer of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018.

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

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

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

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

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

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

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

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

are only predictions. These forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be inaccurate.

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

- (a) changes in political, social, economic, business and financial conditions and stock or securities market conditions and the laws and regulatory environment in Singapore and other countries in which we conduct our business or expect to conduct business;
- (b) changes in currency exchange or interest rates;
- (c) our inability to implement our business strategies and future plans;
- (d) our inability to realise our anticipated growth strategies and expected internal growth;
- (e) changes in the availability and prices of our products;
- (f) changes in customer preference;
- (g) changes in competitive conditions and our ability to compete under these conditions from time to time;
- (h) changes in our future capital needs and the availability of financing and capital to fund these needs;
- (i) our inability to lease new premises or renew existing leases on terms acceptable to us or at all;
- (j) any changes in the regulatory requirements for our business and operations, including labour and immigration laws and policies that govern the employment of foreign workers;
- (k) the factors described under the section entitled "Risk Factors" of this Offer Document;

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

- (l) other factors beyond our control;
- (m) our dependence on the continued services of certain management personnel; and
- (n) increases in operating costs.

The list of important factors is not exhaustive. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to those discussed in the “Risk Factors”, “Dividend Policy”, “General Information on our Group” and “Management’s Discussion and Analysis of Results of Operations and Financial Position” sections of this Offer Document. All forward-looking statements made by or attributable to us, the Vendor, the Issue Manager and Full Sponsor, and the Joint Placement Agents or persons acting on our, the Vendor’s or the Issue Manager and Full Sponsor’s, and the Joint Placement Agents’ behalf, contained in this Offer Document are expressly qualified in their entirety by such factors.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from those expected, expressed or implied by the forward-looking statements in this Offer Document, we advise you not to place undue reliance on those statements which apply only as at the date of this Offer Document. Neither our Company, the Vendor, the Issue Manager and Full Sponsor, the Joint Placement Agents nor any other person represents or warrants to you that our actual future results, performance or achievements will be as discussed in those statements. These forward-looking statements are applicable only as at the date of this Offer Document.

The sections entitled “General Information on our Group - Prospects” and “General Information on our Group - Trend Information” of this Offer Document as well as other parts of this Offer Document may (to the extent applicable) contain data, information, financial analysis, forecasts, figures and statements (including market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications) which are forward-looking and based on certain assumptions and projections. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. Neither we, the Vendor, the Issue Manager and Full Sponsor, and the Joint Placement Agents, nor person(s) acting on our behalf or the Vendor’s behalf have conducted an independent review or verified the accuracy or veracity of such data, information, financial analysis, forecasts, figures and statements, assumptions and projections (“**Experts’ Data**”). Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors, Vendor, the Issue Manager and Full Sponsor and the Joint Placement Agents has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Offer Document in its proper form and context. No representation is made by us, the Vendor, the Issue Manager and Full Sponsor, the Joint Placement Agents or any person acting on our behalf or the Vendor’s behalf in respect of any of the Experts’ Data and neither we, the Vendor, the Issue Manager and Full Sponsor nor the Joint Placement Agents takes any responsibility for any of the Experts’ Data.

Our actual results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. Further, our Company, the Vendor, the Issue Manager and Full Sponsor and the Joint Placement Agents disclaim any responsibility to update any of those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. We and the Vendor are, however, subject to the provisions of the SFA and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after this Offer Document is registered but before the close of the Placement, we or the Vendor become aware of (a) a false or misleading statement in this Offer Document; (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA; or (c) a new circumstance that has arisen since the Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority which would have been required by Section 243 of the SFA to be included in this Offer Document, if it had arisen before this Offer Document was lodged, and that is materially adverse from the point of view of an investor, we (and on behalf of the Vendor) may, in consultation with the Issue Manager and Full Sponsor, and the Joint Placement Agents, lodge a supplementary or replacement offer document with the SGX-ST acting as agent on behalf of the Authority.

PRESENTATION OF FINANCIAL AND STATISTICAL INFORMATION

This Offer Document contains the audited combined financial statements for FY2019, FY2020 and FY2021 of our Group together with the related notes thereto, as set out in Appendix A to this Offer Document, the unaudited interim condensed combined financial statements for 1H2022 together with the related notes thereto, as set out in Appendix B to this Offer Document and the unaudited pro forma combined financial information for FY2021 and 1H2022, each of which has been prepared in accordance with SFRS(I).

SFRS(I) differs in certain respects from generally accepted accounting principles in certain other countries, including the United States. We have not provided a quantitative reconciliation or narrative discussion of these differences in this Offer Document. Investors should consult their own professional advisers for an understanding of the differences between SFRS(I) and generally accepted accounting principles in other countries, including the United States and how those differences might affect such financial statements and financial information and, more generally, the financial results of our Group going forward.

The preparation of our financial statements in conformity with SFRS(I) at times requires our management to make subjective estimates and judgments regarding matters that are inherently uncertain. Such estimates and judgments 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. These estimates and judgments affect reported amounts and disclosures. Our results of operations may differ if prepared under different estimates and judgments.

We will, in accordance with the relevant laws and regulations in Singapore, prepare all future periodic financial reports which we will release on SGXNET, and all audited financial statements which we will provide to our Shareholders, in accordance with SFRS(I).

Certain numerical figures set out in this Offer Document, including financial data presented in millions or thousands and percentages, have been subject to rounding adjustments, and, as a result, the totals of the data in this Offer Document may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document are approximate figures and have been calculated using the numerical data in our financial statements or the tabular presentation of other data (subject to rounding) contained in this Offer Document, as applicable, and not using the numerical data in the narrative description thereof.

SELLING RESTRICTIONS

SINGAPORE

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

No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory requirements of any jurisdiction, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit a public offering of the Placement Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the Placement Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by us, the Vendor, the Issue Manager and Full Sponsor and the Joint Placement Agents to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us, the Vendor, the Issue Manager and Full Sponsor or the Joint Placement Agents.

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

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

DETAILS OF THE PLACEMENT

LISTING ON CATALIST

The Issue Manager and Full Sponsor has applied to the SGX-ST for permission to deal in, and for the listing and quotation of all our existing issued Shares (including the Vendor Shares), New Shares, Cornerstone Shares, the Option Shares and the Award Shares on Catalist. The dealing in, and quotation of, our existing issued Shares (including the Vendor Shares), the New Shares, Cornerstone Shares, Option Shares and the Award Shares will be in Singapore Dollars. Such permission will be granted when our Company has been admitted to Catalist. Our acceptance of applications for the Placement Shares will be conditional upon, *inter alia*, the issue of the New Shares and upon permission being granted by the SGX-ST to deal in, and for the listing and quotation of, all our existing issued Shares (including the Vendor Shares), New Shares, Cornerstone Shares, the Option Shares and the Award Shares on Catalist. Monies paid in respect of any application accepted will be returned to you, without interest or any share of revenue or other benefit arising therefrom and at your own risk, if the completion of the Placement does not occur because the said permission is not granted or for any reason, and you will not have any claims whatsoever against us, the Vendor, the Issue Manager and Full Sponsor or the Joint Placement Agents or our advisers or agents. No Shares will be allotted and issued and/or allocated on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

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

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

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

A copy of this Offer Document has been lodged with and registered by the SGX-ST acting as agent on behalf of the Authority. Registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority, does not imply that the SFA, SFR, the Catalist Rules or any other legal or regulatory requirements or requirements under the Catalist Rules, have been complied with. The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Offer Document. Admission to Catalist is not to be taken as an indication of the merits of the Placement, our Company, our subsidiaries, our existing issued Shares (including the Vendor Shares), the New Shares, Cornerstone Shares, the Option Shares and the Award Shares.

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

We and the Vendor are subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosure and the contents of this Offer Document. In particular, pursuant to Section 241 of the SFA, if after this Offer Document is registered but before the close of the Placement, we or the Vendor become aware of:

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

DETAILS OF THE PLACEMENT

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

and that is materially adverse from the point of view of an investor, we (and on behalf of the Vendor) may, in consultation with the Issue Manager and Full Sponsor and the Joint Placement Agents, lodge a supplementary or replacement offer document pursuant to Section 241 of the SFA with the SGX-ST acting as agent on behalf of the Authority.

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

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

- (a) where the Placement Shares have not been issued and/or transferred to the applicants, we (and on behalf of the Vendor) shall either:
 - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing on how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - (iii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and we shall, within seven (7) days from the date of lodgement of the supplementary or replacement offer document, pay to the applicants all monies the applicants have paid on account of their applications for the Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk, and the applicants shall not have any rights or claims whatsoever against us, the Vendor, the Issue Manager and Full Sponsor or the Joint Placement Agents or our advisers or agents; or
- (b) where the Placement Shares have been issued and/or transferred to the applicants, we (and on behalf of the Vendor) shall either:
 - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us or the Vendor, as the case may be, the Placement Shares which they do not wish to retain title in, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;

DETAILS OF THE PLACEMENT

- (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us or the Vendor, as the case may be, the Placement Shares which they do not wish to retain title in; or
- (iii) treat the issue and/or transfer of the Placement Shares as void, in which case the issue and/or transfer of the Placement Shares shall be deemed void and we shall within (7) seven days from the date of lodgement of the supplementary or replacement offer document, return to the applicants all monies paid by them for the Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk, and the applicants shall not have any rights or claims whatsoever against us, the Vendor, the Issue Manager and Full Sponsor or the Joint Placement Agents or our advisers or agents.

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

An applicant who wishes to exercise his option under paragraph (b)(i) or (ii) to return the Placement Shares issued and/or transferred to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this and return all documents, if any, purporting to be evidence of title to those Placement Shares, to us, whereupon we (and on behalf of the Vendor) shall, subject to applicable laws and our constitution, within seven (7) days from the receipt of such notification and documents, if any, return to him all monies paid by him for those Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk, and the applicants shall not have any rights or claims whatsoever against us, the Vendor, the Issue Manager and Full Sponsor or the Joint Placement Agents or our advisers or agents, and the issue and/or transfer of those Placement Shares shall be deemed to be void.

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

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

- (a) where the Placement Shares have not been allotted and issued and/or transferred to the applicants, the applications for the Placement Shares pursuant to the Placement shall be deemed to have been withdrawn and cancelled and our Company (and on behalf of the Vendor) shall, within 14 days from the date of the Stop Order, return the applicants all monies the applicants have paid on account of their applications for the Placement Shares; or
- (b) where the Placement Shares have been allotted and issued and/or transferred to the applicants, the allotment and issue and/or transfer of the Placement Shares pursuant to the Placement shall be deemed to be void and our Company (and on behalf of the Vendor) shall, within 14 days from the date of the Stop Order, return the applicants all monies the applicants have paid for the Placement Shares.

Where monies are to be returned to applicants for the Placement Shares, it shall be paid to the applicants without any interest or share of revenue or benefit arising therefrom at the applicants' own risk, and the applicants will not have any claim against our Company, the Vendor, the Issue Manager and Full Sponsor or the Joint Placement Agents or our advisers and agents.

DETAILS OF THE PLACEMENT

This Offer Document has been seen and approved by our Directors and the Vendor and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Placement and our Group, and our Directors and the Vendor are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors and the Vendor has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

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

Neither our Company, our Directors, the Vendor, the Issue Manager and Full Sponsor, the Joint Placement Agents, nor any other parties involved in the Placement is making any representation to any person regarding the legality of an investment in our Shares by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own legal, financial, tax or other professional adviser regarding an investment in our Shares. The Placement Shares are offered for subscription and/or purchase solely on the basis of the information contained and the representations made in this Offer Document.

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

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to the future performance or policies of our Company, or our subsidiaries.

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

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

DETAILS OF THE PLACEMENT

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

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

RHT Capital Pte. Ltd.

36 Robinson Road
#10-06
City House
Singapore 068877

Evolve Capital Advisory Private Limited

138 Robinson Road
#13-02
Oxley Tower
Singapore 068906

KGI Securities (Singapore) Pte. Ltd.

4 Shenton Way
#13-01
SGX Centre 2
Singapore 068807

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

The Placement will be open from 26 January 2023 immediately upon the registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority ("**Registration**") to 1 February 2023.

The Application List will open immediately upon the Registration and will remain open until 12.00 noon on 1 February 2023 or for such further period or periods as our Directors and the Vendor may, in consultation with the Issue Manager and Full Sponsor and the Joint Placement Agents, in their absolute discretion decide, subject to any limitation under all applicable laws. In the event a supplementary or replacement offer document is lodged with the SGX-ST acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for applications to subscribe for and/or purchase the Placement Shares are set out in "Appendix I – Terms, Conditions and Procedures for Application and Acceptance" of this Offer Document.

INDICATIVE TIMETABLE FOR LISTING

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

Indicative Date and Time	Event
26 January 2023 (immediately upon registration of this Offer Document)	Commencement of the Placement
1 February 2023, 12.00 noon	Close of Application List
6 February 2023, 9.00 a.m.	Commence trading on a “ready” basis
10 February 2023	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative and is subject to change at our discretion, with the agreement of the Issue Manager and Full Sponsor and the Joint Placement Agents. We may, at our discretion in consultation with the Issue Manager and Full Sponsor and the Joint Placement Agents, subject to all laws and regulations and the Catalist Rules, agree to extend or shorten the Placement period, provided that the Placement period may not be less than two (2) clear Market Days. The above timetable assumes that the date of closing of the Application List will be on 1 February 2023, the date of admission of our Company to the Official List of Catalist will be on 6 February 2023, the SGX-ST's shareholding spread requirement will be complied with and the Placement Shares will be issued on a fully paid-up basis prior to 9:00 am on 6 February 2023. The actual date which our Shares will commence trading on a “ready” basis will be announced when it is confirmed by the SGX-ST.

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

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

- (a) through a SGXNET announcement to be posted on the internet at the SGX-ST website <http://www.sgx.com>; and
- (b) in major English language newspaper(s) in Singapore.

We will provide details of the results of the Placement (including the level of subscription for and/or purchases of the Placement Shares and the basis of allotment of the Placement Shares), as soon as practicable after the closure of the Application List through the channels described in (a) and (b) above.

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

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

OFFER DOCUMENT SUMMARY

The information contained in this summary is derived from and should be read in conjunction with the full text of this Offer Document. As it is a summary, it does not contain all the information that potential investors should consider before investing in the Shares of our Company. Potential investors should read this entire Offer Document carefully, especially the matters set out in the “Risk Factors” section of this Offer Document, before deciding to invest in our Shares.

OVERVIEW OF OUR GROUP

Our Company

Our Company was incorporated in Singapore as a private limited company under the Companies Act on 8 August 2022 under the name “YKGI Pte. Ltd.”. Following the completion of the Restructuring Exercise, as described in the section entitled “Restructuring Exercise” of this Offer Document, our Company became the holding company of our Group. On 23 December 2022, our Company was converted into a public company and our name was changed to “YKGI Limited”.

Our Business

We are an established home-grown brand with a track record of more than 30 years. We own and operate a diverse portfolio of non-Halal and Halal brands including Yew Kee Duck Rice, XO Minced Meat Noodles, My Kampung Chicken Rice, PastaGo and Victoria Bakery. Our principal business activities are (i) F&B operations, (ii) food court management and (iii) franchising and sub-franchising. Our operations are currently based in Singapore. As at the date of this Offer Document, we operate one (1) central kitchen and 43 Food Outlets, manage four (4) food courts, and are the exclusive franchisee of all 30 CHICHA San Chen tea shops in Singapore. Further details are set out in the section entitled “General Information on our Group – Business Overview” of this Offer Document.

Our Competitive Strengths

Our competitive strengths are as follows:

- We are an established household name with a track record of more than 30 years
- We serve quality product offerings through a diverse portfolio of brands that we operate
- We have a vertically integrated supply chain consisting of strong procurement capabilities, a central kitchen and self-operated / franchise stalls that positions us for growth
- We have a resilient business model with steady streams of income through staple food offerings
- We have food outlets located in premises which are accessible to and frequented by our large customer base
- We have a qualified, experienced and competent management team

Further details are set out in the section entitled “General Information on our Group – Competitive Strengths” of this Offer Document.

Our Business Strategies and Future Plans

Our business strategies and future plans are as follows:

- Expand and strengthen our presence through opening of new outlets in Singapore and expanding our footprint in new markets overseas
- Continue to expand into more market segments by pursuing a multi-brand and multi-concept strategy
- Strengthen our supply chain capabilities

OFFER DOCUMENT SUMMARY

- Expand our franchising and sub-franchising operations
- Expand our business through strategic acquisitions and joint venture partnerships

Further details are set out in the section entitled “General Information on our Group - Business Strategies and Future Plans” of this Offer Document.

FINANCIAL HIGHLIGHTS

You should read the following summary financial information in conjunction with the full text of this Offer Document, including the “Independent Auditor’s Report and the Audited Combined Financial Statements for the Financial Years ended 31 December 2019, 2020 and 2021”, the “Independent Auditor’s Review Report and the Unaudited Interim Condensed Combined Financial Statements for the Six Months Period ended 30 June 2022” and the “Independent Auditor’s Assurance Report and the Compilation of Unaudited Pro Forma Combined Financial Information for the Financial Year ended 31 December 2021 and the Six Months Period ended 30 June 2022” as set out in Appendices A, B and C, respectively, of this Offer Document and the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” section of this Offer Document.

Selected items from the combined statements of comprehensive income

	←----- Audited -----→			←----- Unaudited -----→	
(S\$'000)	FY2019	FY2020	FY2021	1H2021	1H2022
Revenue	31,610	38,992	56,111	27,621	26,763
Profit before income tax	1,364	5,660	9,573	4,023	2,598
Net profit for the financial year/period	1,190	5,038	9,062	3,812	2,408
Net profit for the financial year/period attributable to equity holders of the Company	1,040	4,920	8,924	3,717	2,357
Net profit for the financial year/period attributable to non-controlling interests	150	118	138	95	51
EPS immediately before the Placement and the issue of the Cornerstone Shares (cents) ⁽¹⁾	0.29	1.39	2.51	1.05	0.66
EPS immediately after the completion of the Placement and the issue of the Cornerstone Shares (cents) ⁽²⁾	0.24	1.16	2.10	0.87	0.55

Notes:

- (1) For comparative purposes, our EPS immediately before the Placement and the issue of the Cornerstone Shares for the Period Under Review has been computed based on the net profit for the financial year/period attributable to equity holders of our Company and our share capital of 355,000,000 Shares immediately before the Placement and the issue of the Cornerstone Shares.
- (2) For comparative purposes, our EPS immediately after the completion of the Placement and the issue of the Cornerstone Shares for the Period Under Review has been computed based on the net profit for the financial year/period attributable to equity holders of our Company and our share capital of 425,000,000 Shares after completion of the Placement and the issue of the Cornerstone Shares.

OFFER DOCUMENT SUMMARY

Selected items from the combined statements of financial position

(S\$'000)	Audited As at 31 December 2021	Unaudited As at 30 June 2022	Unaudited pro forma As at 31 December 2021	Unaudited pro forma As at 30 June 2022
Current assets	18,579	20,902	9,473	13,277
Non-current assets	13,245	10,877	13,245	10,877
Total assets	31,824	31,779	22,718	24,154
Current liabilities	11,728	11,086	18,703	18,061
Non-current liabilities	3,706	3,376	3,706	3,376
Total liabilities	15,434	14,462	22,409	21,437
Equity attributable to equity holders of the Company	15,853	16,870	131	2,490
NAV per share (cents) ¹	4.47	4.76	0.04	0.70

(1) The NAV per Share as at 31 December 2021 and 30 June 2022 has been computed based on our share capital of 355,000,000 Shares immediately before the Placement and the issue of the Cornerstone Shares.

Selected items from the combined statements of cash flows

	Audited			Unaudited		Unaudited pro forma	
(S\$'000)	FY2019	FY2020	FY2021	1H2021	1H2022	FY2021	1H2022
Net cash provided by operating activities	5,865	10,535	15,633	4,667	6,368	15,633	6,368
Net cash (used in)/provided by investing activities	(2,291)	(1,586)	(1,709)	(988)	360	(1,709)	360
Net cash used in financing activities	(2,232)	(5,800)	(10,128)	(5,332)	(5,492)	(19,234)	(13,117)
Net increase/(decrease) in cash and bank balances	1,342	3,149	3,796	(1,653)	1,236	(5,310)	(6,389)
Cash and bank balances							
Beginning of the financial year/period	5,313	6,655	9,804	9,804	13,600	9,804	13,600
End of the financial year/period	6,655	9,804	13,600	8,151	14,836	4,494	7,211

Where you can find us

Our registered office is located at 30 Cecil Street #19-08 Prudential Tower Singapore 049712. Our principal place of business is located at 32 Woodlands Terrace Singapore 738452. Our telephone and facsimile numbers are +65 65556992 and +65 67533039 respectively. Our email address is info@ykgi.com.sg. Our Company Registration Number is 202227645Z. Our internet address is <https://ykgi.com.sg>. **Information contained on our website does not constitute part of this Offer Document.**

THE PLACEMENT

The Placement	:	82,750,000 Placement Shares comprising 53,750,000 New Shares and 29,000,000 Vendor Shares offered in Singapore by way of placement subject to and on terms and conditions set out in this Offer Document. The New Shares, will, upon issue and allotment, rank <i>pari passu</i> in all respects with the existing issued Shares (including the Vendor Shares).
Vendor	:	Seah & Family
Placement Price	:	S\$0.20 for each Placement Share.
Cornerstone Shares	:	At the same time as but separate from the Placement, the Cornerstone Investors have entered into the Cornerstone Subscription Agreement to subscribe for such number of Cornerstone Shares at the Placement Price to be determined by dividing an aggregate commitment amount of S\$3.25 million by the Placement Price, conditional upon, among other things, the Placement Agreement having been entered into and not having been terminated on or prior to the date of closing of the Application List.
Purpose of the Placement	:	Our Directors believe that the listing of our Company and the quotation of our Shares on Catalist will enhance our public image locally and internationally and enable us to tap into the capital markets to fund our business growth. The Placement will also provide members of the public, our employees, our business associates and others who have contributed to the success of our Group with an opportunity to participate in the equity of our Company.
Listing Status	:	Prior to the Placement, there has been no public market for our Shares. Our Shares will be quoted on Catalist in Singapore dollars, subject to admission of our Company to Catalist and permission for dealing in, and for quotation of, all of our Shares (including Vendor Shares), the New Shares, the Cornerstone Shares, the Option Shares and the Award Shares being granted by the SGX-ST and the Authority or the SGX-ST (acting as agent on behalf of the Authority) not issuing a Stop Order.
Risk Factors	:	Investing in our Shares involves risks which are described in the section entitled “Risk Factors” of this Offer Document.
Use of Proceeds	:	Please refer to the section entitled “Use of Proceeds and Listing Expenses” of this Offer Document for more details.

PLAN OF DISTRIBUTION

The Placement is for 82,750,000 Placement Shares, comprising 53,750,000 New Shares and 29,000,000 Vendor Shares, offered in Singapore at the Placement Price and the Listing is managed and sponsored by the Issue Manager and Full Sponsor. The Placement is not underwritten.

Prior to the Placement, there has been no public market for our Shares. The Placement Price is determined by us and the Vendor in consultation with the Issue Manager and Full Sponsor and the Joint Placement Agents after taking into consideration, among others, prevailing market conditions and estimated market demand for our Shares (including the Placement Shares) determined through a book-building process. The Placement Price is the same for all the Placement Shares and is payable in full on application.

Placement Shares

The Placement Shares are made available to retail and institutional investors in Singapore. Application for the Placement Shares may only be made by way of Application Form or such other forms of application as the Issue Manager and Full Sponsor and the Joint Placement Agents deem appropriate. The terms, conditions and procedures for application and acceptance are described in “Appendix I - Terms, Conditions and Procedures for Application and Acceptance” of this Offer Document.

Pursuant to the Placement Agreement, the Joint Placement Agents have agreed to use their best efforts to procure subscribers and/or purchasers for, the Placement Shares at the Placement Price for each Placement Share, and/or subscribers for the Cornerstone Shares. The Joint Placement Agents may, at their own expense, make sub-placement arrangement(s) in respect of its placement obligations under the Placement Agreement and/or to appoint such sub-placement agent(s) upon such terms and conditions as the Joint Placement Agents may deem fit.

Pursuant to the Placement Agreement, the brokerage commission in respect of the subscribers and/or purchasers of the Placement Shares and the Cornerstone Shares that may be charged by the Joint Placement Agents and any sub-placement agent that may be appointed by the Joint Placement Agents shall be waived.

The obligations of the Joint Placement Agents under the Placement Agreement is conditional upon, *inter alia*, the Management and Sponsorship Agreement not having been terminated or rescinded pursuant to the provisions of the Management and Sponsorship Agreement. Please refer to the section entitled “Sponsorship, Management and Placement Arrangements” of this Offer Document for further details.

Cornerstone Shares

At the same time as but separate from the Placement, the Cornerstone Investors have entered into the Cornerstone Subscription Agreement to subscribe for such number of Cornerstone Shares at the Placement Price to be determined by dividing an aggregate commitment amount of S\$3.25 million by the Placement Price, conditional upon, among other things, the Placement Agreement having been entered into and not having been terminated on or prior to the date of closing of the Application List.

Subscription for and/or Purchases of the Placement Shares

To the best of our knowledge and belief, none of our Directors or Substantial Shareholders intends to subscribe for and/or purchase the Placement Shares in the Placement. If such person(s) and/or their respective Associates were to make an application for the Placement Shares and are subsequently allotted and issued such number of Placement Shares, we will make the necessary announcements in accordance with Rule 428 of the Catalist Rules.

To the best of our knowledge and belief, none of the members of our Company’s management or employees intends to subscribe for and/or purchase 5.0% or more of the Placement Shares pursuant to the Placement.

PLAN OF DISTRIBUTION

To the best of our knowledge and belief, we are not aware of any person who intends to subscribe for and/or purchase 5.0% or more of the Placement Shares. However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate his interest to subscribe for and/or purchase 5.0% or more of the Placement Shares. If such person(s) were to make an application for 5.0% or more of the Placement Shares pursuant to the Placement and are subsequently allotted such number of Shares, we will make the necessary announcements at the appropriate time. The final allotment and/or allocation of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406(1) of the Catalist Rules.

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

No Introducers and Consultants

There are no introducers to the Placement and no consultants have been engaged by our Group to assist in (i) any group restructuring exercise in conjunction with the Placement and our application for the Listing; or (ii) the issue of securities or securities-based derivatives contracts to investors during the period of 12 months prior to the date of lodgment of this Offer Document, for the purposes of facilitating the Placement and our application for the Listing.

SPONSORSHIP, MANAGEMENT AND PLACEMENT ARRANGEMENTS

Pursuant to the Management and Sponsorship Agreement, our Company and the Vendor appointed RHT Capital as the Issue Manager and Full Sponsor to sponsor and manage the admission of the Company to the official list of Catalist and the quotation of and dealing in all the existing issued Shares, the Placement Shares, the Option Shares, the Award Shares and the Cornerstone Shares on Catalist. RHT Capital will receive a sponsorship and management fee from our Company for such services rendered in connection with the Listing.

The Issue Manager and Full Sponsor is entitled to immediately terminate the Management and Sponsorship Agreement by giving notice in writing of such intention to the Company and the Vendor, if prior to 12.00 noon on the time and date stated in this Offer Document as the time and date of the closing of the Application List (or such other time and date as the Company and the Issue Manager and Full Sponsor may agree or such other postponed date as may be required under the SFA and/or the Catalist Rules):

- (i) the Issue Manager and Full Sponsor becomes aware of any material breach by the Company or the Vendor and/or their agent(s) of any of the warranties, representations, covenants or undertakings given by the Company to the Issue Manager and Full Sponsor in the Management and Sponsorship Agreement; or
- (ii) there shall have been, since the date of the Management and Sponsorship Agreement, any change or prospective change in or any introduction or prospective introduction of any legislation, regulation, policy, directive, guideline, rule or byelaw by any relevant government or regulatory body, whether or not having the force of law, or any other occurrence of similar nature that would make it impracticable, inadvisable or inexpedient to proceed with any of the transactions contemplated in the Management and Sponsorship Agreement; or
- (iii) there is a conflict of interest for the Issue Manager and Full Sponsor, or any dispute, conflict or disagreement with the Company or the Vendor, or the Company or the Vendor wilfully fails to comply with any advice from or recommendation of the Issue Manager and Full Sponsor.

Further, the Issue Manager and Full Sponsor may by notice in writing to the Company and the Vendor terminate the Management and Sponsorship Agreement if:-

- (i) at any time up to the time and date of the commencement of trading of the Shares on Catalist, a Stop Order shall have been issued by the Authority in accordance with the SFA;
- (ii) at any time after registration of the Offer Document with the SGX-ST, acting as agent on behalf of the Authority, but before the time and date stated in this Offer Document as the time and date of the closing of the Application List (or such other time and date as the Company and the Issue Manager and Full Sponsor may agree or such other postponed date as may be required under the SFA and/or the Catalist Rules), the Issue Manager and Full Sponsor (1) becomes aware of any statement contained in the Offer Document or Application Forms which in the reasonable opinion of the Issue Manager and Full Sponsor has become untrue, incorrect or misleading in any material respect; or (2) circumstances or matters have arisen or have been discovered, which would have been required by Section 243 of the SFA to be included in the Offer Document if it had arisen before the Offer Document was lodged for registration, that is in the reasonable opinion of the Issue Manager and Full Sponsor, a material omission, and the Company fails to lodge a supplementary or replacement offer document (as the case may be) within a reasonable time after being notified of such a material misrepresentation or omission or fails to promptly take such steps as the Issue Manager and Full Sponsor may reasonably require to inform investors of the lodgement of such supplementary or replacement offer document (as the case may be); or
- (iii) the Company has not been admitted to the official list of Catalist or there is no listing or quotation for trading of the Placement Shares on Catalist on or before 31 March 2023 (or such other date as the Company, the Vendor and the Issue Manager and Full Sponsor may agree).

SPONSORSHIP, MANAGEMENT AND PLACEMENT ARRANGEMENTS

Pursuant to the Placement Agreement, our Company and the Vendor appointed Evolve Capital Advisory Private Limited and KGI Securities (Singapore) Pte. Ltd. as the Joint Placement Agents to use their best efforts to procure subscribers and/or purchasers for the Placement Shares and the Cornerstone Shares at the Placement Price for a placement commission of 4.0% of the aggregate Placement Price for the total number of Placement Shares which each of the Joint Placement Agents has procured subscribers and/or purchasers for pursuant to the Placement Agreement, and a placement commission of 4.0% of the aggregate proceeds from the issuance of the Cornerstone Shares which the Joint Placement Agents have procured subscribers for. For the avoidance of doubt, as between the Company and the Vendor, the Company shall be responsible for the placement commission in respect of the New Shares and Cornerstone Shares and the Vendor shall be responsible for the placement commission in respect of the Vendor Shares. The Joint Placement Agents may, at their own expense, make sub-placement arrangement(s) in respect of their placement obligations under the Placement Agreement and/or appoint such sub-placement agent(s) upon such terms and conditions as the Joint Placement Agents may deem fit.

The Company and the Vendor may, at their sole discretion, pay to the Joint Placement Agents a discretionary commission of up to 1.0% of the aggregate Placement Price for the total number of Placement Shares which the Joint Placement Agents have procured subscribers and/or purchasers for pursuant to the Placement Agreement. For the avoidance of doubt, in the event that the Company and the Vendor elect to pay the discretionary commission to the Joint Placement Agents, as between the Company and the Vendor, the Company shall be responsible for the discretionary commission in respect of the New Shares and the Vendor shall be responsible for the discretionary commission in respect of the Vendor Shares.

The Company may, at its sole discretion, pay to the Joint Placement Agents a discretionary commission of up to 1.0% of the aggregate proceeds from the issuance of the Cornerstone Shares which the Joint Placement Agents have procured discretion for.

The obligations of the Joint Placement Agents under the Placement Agreement is conditional upon among others:

- (a) the Offer Document having been registered by the SGX-ST acting as agent on behalf of the Authority by the date on which the Offer Document shall be registered by the SGX-ST acting as agent on behalf of the Authority, or such other date as the Company and the Issue Manager and Full Sponsor may decide in accordance with the Catalist Rules and the SFA;
- (b) the notice issued by the SGX-ST in relation to the registration by the SGX-ST of the Offer Document being issued or granted by the SGX-ST and such notice not being revoked or withdrawn on or prior to the time and date stated in the Offer Document as the time and date of the closing of the Application List (or such other time and date as the Company, the Issue Manager and Full Sponsor, and the Joint Placement Agents may agree in writing or such other postponed date as may be required under the SFA and/or the Catalist Rules) ("**Closing Date**");
- (c) the compliance by the Company and the Vendor (as applicable) to the satisfaction of the SGX-ST and/or the Authority with all the conditions imposed by the SGX-ST and/or Authority in relation to the admission of the Company to the official list of the Catalist and the quotation of and dealing in all the existing issued Shares (including the Vendor Shares), the Placement Shares, the Option Shares, the Award Shares and the Cornerstone Shares on the Catalist ("**Admission**") and Placement, where such conditions are required to be complied with by the Closing Date;
- (d) such approvals as may be required for the transactions described in the Placement Agreement and in the Offer Document in relation to the Admission and the Placement being obtained, and not withdrawn or amended, on or before the date on which the Company is admitted to the Catalist (or such other date as the Company, the Vendor and the Joint Placement Agents may agree in writing) and the compliance in full, to the satisfaction of all the relevant authorities granting such approvals, of all conditions (if any) attaching or in relation thereto; and

SPONSORSHIP, MANAGEMENT AND PLACEMENT ARRANGEMENTS

- (e) the compliance by the Company and the Vendor (as applicable) with all applicable laws concerning the Admission, the listing of the issued Shares (including the Vendor Shares), the Placement Shares, the Option Shares, the Award Shares and the Cornerstone Shares on the Catalist and the transactions contemplated in the Placement Agreement and the Offer Document and no new laws, regulations and directives having been promulgated, published and/or issued and/or having taken effect or any other similar matter having occurred which, in the reasonable opinion of the Joint Placement Agents, has or may have a material adverse effect on the Placement and the listing of the issued Shares (including the Vendor Shares), the Placement Shares, the Option Shares, the Award Shares and the Cornerstone Shares on the Catalist.

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

Other than the Management and Sponsorship Agreement and the Placement Agreement, and save as disclosed in the section entitled "Interested Person Transactions – Potential Conflicts of Interests – Interests of the Issue Manager and Full Sponsor, and the Joint Placement Agents" this Offer Document, we do not have any material relationship with the Issue Manager and Full Sponsor or the Joint Placement Agents.

PLACEMENT STATISTICS

PLACEMENT PRICE 20.00 cents

NAV

NAV per Share attributable to equity holders of our Company based on the unaudited pro forma combined statement of financial position of our Group as at 30 June 2022:

- | | |
|--|------------|
| (a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's share capital immediately before the Placement and the issue of the Cornerstone Shares of 355,000,000 Shares | 0.70 cents |
| (b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's share capital immediately after the completion of the Placement and the issue of the Cornerstone Shares of 425,000,000 Shares | 3.42 cents |

Premium of Placement Price over the NAV per Share:

- | | |
|--|----------|
| (a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's share capital immediately before the Placement and the issue of the Cornerstone Shares of 355,000,000 Shares | 2,757.1% |
| (b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's share capital immediately after the completion of the Placement and the issue of the Cornerstone Shares of 425,000,000 Shares | 484.8% |

EPS

EPS attributable to equity holders of our Company based on the audited combined statements of comprehensive income of our Group for FY2021 and our Company's share capital immediately before the Placement and the issue of the Cornerstone Shares of 355,000,000 Shares	2.51 cents
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Historical EPS attributable to equity holders of our Company based on the audited combined statements of comprehensive income of our Group for FY2021 and our Company's share capital immediately before the Placement and the issue of the Cornerstone Shares of 355,000,000 Shares, assuming that the Service Agreements had been in place from the beginning of FY2021	2.35 cents
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PER

PER based on the Placement Price and our Company's share capital immediately before the Placement and the issue of the Cornerstone Shares of 355,000,000 Shares	8.0 times
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PER based on the Placement Price and our Company's share capital immediately before the Placement and the issue of the Cornerstone Shares of 355,000,000 Shares, assuming that the Service Agreements had been in place from the beginning of FY2021	8.5 times
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PLACEMENT STATISTICS

Net Cash Provided by Operating Activities

Historical net cash provided by operating activities per Share based on the audited combined statement of cash flows for FY2021 and our Company's share capital immediately before the Placement and the issue of the Cornerstone Shares of 355,000,000 Shares 4.40 cents

Historical net cash provided by operating activities per Share based on the audited combined statement of cash flows for FY2021 and our Company's share capital immediately before the Placement and the issue of the Cornerstone Shares of 355,000,000 Shares, assuming that the Service Agreements had been in place from the beginning of FY2021 4.24 cents

Price to Net Cash Provided by Operating Activities Ratio

Ratio of Placement Price to historical net cash provided by operating activities per Share for FY2021 based on our Company's share capital immediately before the Placement and the issue of the Cornerstone Shares of 355,000,000 Shares 4.55 times

Ratio of Placement Price to historical net cash provided by operating activities per Share for FY2021 based on our Company's share capital immediately before the Placement and the issue of the Cornerstone Shares of 355,000,000 Shares, assuming that the Service Agreements had been in place from the beginning of FY2021 4.72 times

Market Capitalisation

Market capitalisation based on the Placement Price and our Company's share capital immediately after the completion of the Placement and the issue of the Cornerstone Shares of 425,000,000 Shares 85.0 million

RISK FACTORS

We are exposed to a number of possible risks that may arise from economic, business, market, financial, political, social, technological and other factors and developments that may have a material and adverse impact on our future performance. The trading price and value of our Shares could fluctuate and decline due to any of these risks and investors may lose a part or all of their investments in our Shares.

Prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Document before deciding to invest in our Shares. Before deciding to invest in our Shares, you should seek professional advice from the relevant advisers about your particular circumstances. To the best of our Directors' knowledge and belief, all risk factors which could directly and/or indirectly affect us and are material to investors in making an informed judgement of our Company have been set out below. Some of the following risk factors relate principally to the industry in which we operate and our business in general. Other considerations relate principally to general economic, social and political conditions, the securities market and ownership of the Shares, including possible future sales of our Shares. Additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business, operations, financial performance and prospects should such risks occur and/or turn out to be material.

If any of the following considerations, uncertainties or material risks develops into actual events, our business, operations, financial performance and prospects could be materially and adversely affected. In such cases, the trading price of our Shares could fluctuate and decline due to any of these considerations, uncertainties or material risks, and investors may lose all or part of their investment in our Shares.

This Offer Document also contains forward-looking statements having direct and/or indirect implications on our future performance. Our actual results may differ materially from those anticipated by these forward-looking statements due to certain factors, including the risks and uncertainties faced by us, as described below and elsewhere in this Offer Document. Please see the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document for further details.

RISKS RELATING TO OUR BUSINESS OR INDUSTRY

We are dependent on labour

Our business is labour-dependent, has a high turnover rate, and we rely on skilled and experienced local and foreign employees for our operations. As at the Latest Practicable Date, we have 632 employees of which approximately 25.5% are foreign workers. Qualified individuals with the requisite skills and experience are in short supply within the F&B industry. We may experience shortage of manpower from time to time due to several factors which affect our supply of both foreign and local workers.

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

As our Group continues to grow, we will need to employ additional qualified management personnel to manage our expanded business. Competition for such qualified personnel may be fierce and there is no assurance that we will be able to hire and retain an adequate number of such qualified personnel in the future. Any shortfall in qualified management personnel may hinder our business growth and profitability. In the event that we are required to substantially increase compensation levels to attract, retain and motivate skilled and experienced employees and qualified management personnel, our labour costs may increase significantly and our business, financial condition and results of operations may be materially and adversely affected.

RISK FACTORS

The employment of foreign workers in Singapore is regulated by MOM. The number of foreign workers we may hire is subject to the dependency ratio ceiling (“**DRC**”) prescribed by MOM. The DRC set by MOM restricts the maximum ratio of foreign workers to the total workforce that a company in a given sector can employ. The Singapore Government has in recent years repeatedly reduced the DRC and the S Pass Sub-dependency ratio ceiling (“**Sub-DRC**”) for the services sector, which reduces our ability to employ foreign workers, and in turn requires us to hire more local workers to meet our operational needs. The DRC was reduced from 40.0% to 38.0% with effect from 1 January 2020, and 38.0% to 35.0% with effect from 1 January 2021⁽¹⁾. The S Pass Sub-DRC was reduced from 15.0% to 13.0% from 1 January 2020, and then to 10.0% from 1 January 2021⁽¹⁾. In August 2021, the Singapore Government announced that it would continue to tighten the criteria for employment pass and S Pass over time⁽²⁾. While we have complied with the DRC during the Period Under Review, there is no assurance that we will be able to continue to comply with such restrictions and there is also no assurance that the MOM will not further reduce the DRC in future.

Our ability to source for foreign workers may also be affected by the laws, regulations, and policies of their countries of origin. Such laws, regulations and policies, changes thereto or the introduction of additional requirements and/or restrictions by their local authorities may affect the supply of foreign labour from such countries.

We may not be able to hire sufficient local workers as the F&B industry tends to be less popular among local workers. During the COVID-19 pandemic, our Group has had to offer higher compensation packages to attract more local workers to make up for the shortfall in foreign workers. However, there is no assurance that we will continue to be able to do so or that such measures will attract and retain sufficient local workers to meet any shortfall in foreign workers. In addition, the F&B industry generally suffers from a high turnover rate and there is a constant demand for new workers to replace workers leaving the industry. As at the Latest Practicable Date, about 7.0% of our workforce are older workers who are aged 63 years and above and we may not be able to replace such workers upon their retirement at all or at rates acceptable to us.

While our workforce is currently sufficient for our scale of operations and we have not experienced any labour shortage that has had a material and adverse effect on our business, there is no assurance that we will be able to maintain the size of our workforce in the future or grow our workforce to meet any increase in business. The implementation of new laws, regulations, and policies in relation to hiring of foreign workers or the tightening of existing measures may reduce our ability to hire foreign workers. We may not be successful in attracting and retaining local workers. Further, our workers may choose to terminate their employment with us and work for other employers for reasons such as proximity of the work location to their place of residence and familiarity of the work environment. If we are unable to employ sufficient workers on terms acceptable to us or at all, our business, financial condition and results of operations may be materially and adversely affected.

Notes:

- (1) This information is extracted from the webpage entitled “MOM announcements in 2019 Budget Statement” dated 18 February 2019, accessible at <https://www.mom.gov.sg/about-us/budget-highlights-2019>, last accessed on 19 January 2023.

The Ministry of Manpower, Singapore has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

- (2) This information is extracted from the speech entitled “National Day Rally 2021” dated 29 August 2021, accessible at <https://www.pmo.gov.sg/Newsroom/National-Day-Rally-2021-English>, last accessed on 19 January 2023.

The Prime Minister’s Office has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

RISK FACTORS

Our business may be affected by any increase in labour costs

Staff costs form a large component of our total expenses, comprising 25.9%, 26.8%, 24.9% and 27.9% of our total expenses for FY2019, FY2020, FY2021 and 1H2022, respectively. Such costs are dependent on different factors such as government policies and the conditions of the labour market. Government policies affecting labour costs include the DRC, foreign worker levies, border control policies in response to the COVID-19 pandemic and the PWM. Changes in such policies may lead to an increase in our labour costs which may result in our business, financial condition and results of operations being materially and adversely affected.

We are subject to foreign worker levies on each work permit holder and S Pass holder we hire. The applicable levy rate varies based on the percentage of our total workforce such foreign workers comprise. As at the Latest Practicable Date, approximately 18.8% of our total workforce comprise work permit holders and approximately 1.7% of our total workforce comprise S Pass holders. As such, we are subject to tier 1, 2 or 3 levy rates of between S\$400 to S\$800 per work permit holder and tier 1 levy rates of S\$450 per S Pass holder. In August 2021, the Singapore Government announced that it would continue to tighten the criteria for employment pass and S Pass over time⁽¹⁾. Increases in the tier 1 levy rate for S Pass holders, to take effect in stages between September 2022 and September 2025, were announced in February 2022⁽²⁾. There is no assurance that the Singapore Government will not further increase the levy rates in future. Any such increase in levy rates would result in an increase in our labour costs.

As the F&B industry tends to be less popular among local workers, we are generally required to offer higher compensation packages to attract local workers. In general, local workers cost us more to employ than foreign workers. Any reduction in our ability to employ foreign workers will require our Group to hire more local workers to meet our operational needs and, consequently, result in an increase in our labour costs. Please refer to the risk factor entitled “We are dependent on labour” of this Offer Document for further details on the factors affecting our supply of workers. All companies hiring foreign workers are required to pay all their local employees at least S\$1,400 with effect from 1 September 2022⁽³⁾.

The PWM sets out minimum salaries for local workers in specific economic sectors in various roles along a career and skills progression framework, and encompasses specific wage ladders tailored for each industry sector. Each wage ladder comprises a series of wage points and is intended to enable workers at all levels of the ladder to upgrade and progress to their next respective wage points. In August 2021, the Singapore Government announced that from 1 March 2023, the PWM would be extended to the food services sector⁽⁴⁾. The PWM covers all Singapore citizen and permanent resident workers, which makes up approximately 74.5% of our workforce as at the Latest Practicable Date. The extension of the PWM to the food services sector will result in an increase in our labour costs.

There is no assurance that we will be able to pass on any increase in labour costs (whether arising from any of the above factors or otherwise) to our customers without compromising on our competitiveness. Any increase in labour costs that we are unable to pass on to our customers may result in our business, financial condition and results of operations being materially and adversely affected.

For more details on the DRC, foreign worker levies and PWM, please refer to the section entitled “Government Regulations” of this Offer Document.

Notes:

- (1) This information is extracted from the speech entitled “National Day Rally 2021” dated 29 August 2021, accessible at <https://www.pmo.gov.sg/Newsroom/National-Day-Rally-2021-English>, last accessed on 19 January 2023.

The Prime Minister’s Office has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

RISK FACTORS

- (2) This information is extracted from the press release entitled “Upcoming changes to S Pass eligibility” dated 5 March 2022, accessible at <https://www.mom.gov.sg/passes-and-permits/s-pass/upcoming-changes-to-s-pass-eligibility>, last accessed on 19 January 2023.

The Ministry of Manpower, Singapore has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

- (3) This information is extracted from the press release entitled “Government Accepts Recommendations by Tripartite Workgroup to Uplift Wages and Well-Being of Lower-Wage Workers” dated 30 August 2021, accessible at <https://www.mom.gov.sg/newsroom/press-releases/2021/0830-government-accepts-twq-lww-recommendations>, last accessed on 19 January 2023.

The Ministry of Manpower, Singapore has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

- (4) This information is extracted from the press release entitled “Expansion of Progressive Wage approach and coverage” dated 30 August 2021, accessible at <https://www.mom.gov.sg/employment-practices/progressive-wage-model/expansion-of-progressive-wage-approach-and-coverage>, last accessed on 19 January 2023.

The Ministry of Manpower, Singapore has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

We rely on our Master Franchise Agreement

Revenue derived from our franchising and sub-franchising of the “CHICHA San Chen” brand represented approximately 11.6%, 36.5%, 47.6% and 39.8% of our revenue for FY2019, FY2020, FY2021 and 1H2022 respectively. Pursuant to the terms of our Master Franchise Agreement, we were granted a franchise and licence to operate outlets under the “CHICHA 3000” brand in Singapore for a term of 10 years from 14 January 2019. As at the date of this Offer Document, we operate all 30 CHICHA San Chen tea shops in Singapore through our subsidiaries. The Master Franchise Agreement is renewable by negotiation between the parties thereto based on criteria prescribed therein. Please refer to the section entitled “General Information on our Group – Business Overview – Franchising and Sub-Franchising” of this Offer Document for more details on the salient terms of the Master Franchise Agreement.

The terms of the Master Franchise Agreement permit the franchisor to unilaterally modify or change certain aspects of the franchise and licence including the CHICHA San Chen trademarks and brand manual, and the know-how provided to our Group under the Master Franchise Agreement. In the event we breach the terms of the Master Franchise Agreement and/or fail to rectify such breach within the time period specified by the franchisor, the franchisor is entitled to unilaterally terminate the Master Franchise Agreement. From time to time, we have breached the terms of our Master Franchise Agreement, such as when the operations of our CHICHA San Chen tea shop at Tampines One were suspended for two (2) weeks in 2020 under the Singapore Food Agency’s Points Demerit System due to an accumulation of 12 demerit points within a one (1) year period. Under the Master Franchise Agreement, there is a requirement on the franchisee to obtain insurance coverage, which was not obtained in a timely manner. We have since obtained insurance coverage in connection with the Master Franchise Agreement. The franchisor is aware of all such breaches and has not taken any action against us, nor has it required us to take any corrective action in this regard to cure any breach. While no action has been taken against our Group by the franchisor in connection with such matters, there is no assurance that this will continue to be the case for any further breaches of our Master Franchise Agreement. Breaches of the Master Franchise Agreement also entitle the franchisor to claim against us for a penalty amount as well as compensation for losses and expenses. In the event that the Master Franchise Agreement is terminated for any reason, we must cease operating our CHICHA San Chen tea shops and terminate any sub-franchise agreements under the CHICHA San Chen brand. In the event that we breach the Master Franchise Agreement, we may also be liable to pay damages to the franchisor. In such an event, our business, financial condition and results of operations may be materially and adversely affected.

RISK FACTORS

Pursuant to the terms of the Master Franchise Agreement, we are required to purchase certain ingredients and equipment from the franchisor or from its designated suppliers. There is no assurance that the franchisor or its designated suppliers will not revise the terms on which such supplies are made available to us. In such an event, or if there is a disruption in the supply of such ingredients and equipment, our business, financial condition and results of operations may be materially and adversely affected.

Pursuant to the terms of the Master Franchise Agreement, we are required to seek prior consent from the franchisor for the appointment of any sub-franchisees, the location of any CHICHA San Chen outlets established under the Master Franchise Agreement, and the terms of any sub-franchise agreements entered into for the CHICHA San Chen brand. While there has been no past instance of the franchisor declining to consent to any of the foregoing, there is no assurance that the franchisor will continue to grant such consent in respect of any future sub-franchise arrangements. In the event our franchisor withholds its consents on any such matters, we will be restricted from expanding our sub-franchising business and our business, financial condition and results of operations may be materially and adversely affected.

Pursuant to the terms of the Master Franchise Agreement, either party has the right to terminate the agreement if there is a variation in the control rights of shareholder(s) of the other party. We have informed Fang Yuan of the Restructuring Exercise and the Listing, and Fang Yuan has not raised any issues in this regard.

We have implemented various measures to monitor and ensure compliance with our obligations under the Master Franchise Agreement. These include ensuring that the relevant departments are aware of our responsibilities under the Master Franchise Agreement and matters that require approval from Fang Yuan, requiring our employees to consult with their heads of department when they are uncertain about the terms of the Master Franchise Agreement or when there are matters arising that require approval from Fang Yuan, as well as holding a compliance meeting every quarter where the relevant heads of department will report on any compliance issues encountered during such period. All such matters are monitored and supervised by our Chief Marketing Officer, Ms. Seah Kun Miao. Notwithstanding the implementation of such measures and while we have not in the past experienced any of the above events which has resulted in a material and adverse effect on our business, results of operations and financial condition, there is no assurance that any future occurrence of such events will not have a material and adverse effect on our business, results of operations and financial condition.

Upon expiry of the Master Franchise Agreement, there is no assurance that any renewal thereof negotiated will not be at a higher franchise fee or otherwise on terms which are less favourable to us than under the existing Master Franchise Agreement. There is also no assurance that we will be able to negotiate a renewal of the Master Franchise Agreement at all. In the event we are required to pay substantially higher fees to the franchisor, or if we are unable to negotiate the renewal of the Master Franchise Agreement on terms acceptable to us or at all, our business, financial condition and results of operations may be materially and adversely affected.

We may not be successful in operating our Food Outlets and CHICHA San Chen tea shops effectively

The financial performance of our Food Outlets and CHICHA San Chen tea shops is dependent on various factors, including:

- (i) our ability to maintain and enhance the quality of our products and services;
- (ii) our ability to retain existing customers and attract new customers;
- (iii) our ability to implement new initiatives to drive sales and to continuously increase same store sales;
- (iv) our ability to seize market opportunities and to adapt to changing consumer tastes and preferences;

RISK FACTORS

- (v) our ability to maintain good relationships with third-party suppliers, service providers and strategic partners;
- (vi) our ability to hire, train and retain talented employees; and
- (vii) our ability to manage costs of our operations.

If we are unable to successfully manage the foregoing factors, some of which may be beyond our control, the operations of our Food Outlets and CHICHA San Chen tea shops may be disrupted, resulting in a material and adverse effect on our business, financial condition and results of operations.

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

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

We believe that our trademarks have considerable value and are important to our brand-building efforts and the marketing of our dining concepts. In 2022, we undertook a group-wide rebranding exercise to more accurately align our brand identity with our history and heritage, and renamed our flagship brand from “Yu Kee” to “Yew Kee”. We have registered or applied to register trademarks for “Yu Kee” and “Yew Kee”. Please refer to the section entitled “General Information on our Group – Intellectual Property Rights” of this Offer Document for further details of our trademarks. There is no assurance that our applications for registration of our trademarks which remain pending will be approved. In the event that any third party alleges proprietary rights over such trademarks, we may be exposed to legal proceedings brought against us by such third parties in respect of our use of the trademark.

It is possible that third parties may adopt trade service names similar to our trademarks which are registered or pending registration. It is also possible that third parties may register trademarks identical or similar to ours overseas which may create barriers to entry in such markets for our Group in the future. If any of our trademarks is infringed or if our trademark applications are challenged or revoked or if we are unsuccessful in enforcing our intellectual property rights in legal proceedings at a reasonable cost, or at all, or if such legal proceedings result in monetary liability in the form of damages and/or prevent us from further using our trademarks, our business, financial condition and results of operations may be materially and adversely affected.

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

The intellectual property of the “CHICHA San Chen” brand under which we operate our CHICHA San Chen tea shops is owned by our franchisor, Fang Yuan. Our franchising and sub-franchising business is therefore reliant on the reputation, brands and intellectual property (including trademarks) of our franchisor. In the event there is any failure by our franchisor to defend its intellectual property against infringements in legal proceedings or otherwise, or if our franchisor suffers any reputational damage, the brand image of our CHICHA San Chen tea shops may deteriorate, and our business, financial condition and results of operations may be adversely affected.

RISK FACTORS

Our business may be affected by measures and restrictions imposed by the Singapore Government in response to the ongoing COVID-19 pandemic

From 7 April 2020 to 1 June 2020 (“**Circuit Breaker Period**”), the Singapore Government implemented measures to stem the spread of COVID-19 in the community (“**Circuit Breaker Measures**”). Such Circuit Breaker Measures included the closure of non-essential physical workplace premises during which food establishments were only permitted to offer take-away and food delivery services and bubble tea shops were required to close⁽¹⁾. In response to the evolving COVID-19 situation in Singapore, the Circuit Breaker Measures were subsequently calibrated and between 22 July 2021 and 18 August 2021, dining in at F&B establishments was once again prohibited with only takeaway and delivery permitted, and F&B workers were required to self-administer COVID-19 tests on a regular basis⁽²⁾. The implementation of such measures resulted in an increase in costs as our Group was required to supply such COVID-19 test kits to our workers. While we have adapted our business operations by opening more Food Outlets and CHICHA San Chen tea shops in the residential areas of Singapore and offering packages comprising our Yew Kee Duck Rice and our CHICHA San Chen tea on all major delivery platforms, there is no assurance that we will continue to successfully adapt our business operations during the ongoing COVID-19 pandemic, successfully adapt in any future outbreak, or that the persistence of the COVID-19 pandemic will not adversely impact the growth of our Company such as by limiting our ability to expand our workforce or by delaying our future plans.

Global supply chain disruptions, frequent changes in border control measures and import regulations arising from the COVID-19 pandemic have resulted in longer delivery times for our ingredients and products. While we try to mitigate the delivery delay risks by seeking alternative delivery methods, sourcing for ingredients and products closer to Singapore where possible, and extending our internal ordering and shipping lead-time, there may still be instances where delays in the delivery of our supplies may result in an interruption to our business. Additionally, due to the travel restrictions imposed as a result of the COVID-19 pandemic, we face difficulties in employing new or replacement foreign workers. Please refer to the risk factor entitled “We are dependent on labour” of this Offer Document for further details.

During the course of the COVID-19 pandemic, there have been occasions where workers working at our Food Outlets and central kitchen have tested positive for COVID-19. As a result, our employees were required to undergo COVID-19 swab tests and the relevant Food Outlet or our central kitchen was required to close for one (1) week to undergo thorough cleaning and disinfection. Such incidents did not affect our other Food Outlets. While the impact of these incidents on our Group was limited and did not have a material and adverse effect on our business, there can be no assurance that similar incidents will not occur in the future. If a large number of our workers were to test positive for COVID-19 and/or our production facilities are required to be closed for extended periods, this would materially and adversely affect our business, financial condition and results of operations.

Although Singapore has moved towards fully vaccinating its population, we remain subject to the risks arising from subsequent waves of COVID-19 infections, the growing emergence of potentially more contagious and/or virulent strains of COVID-19 (in respect of which existing vaccinations may or may not be fully effective) as well as the various measures that may be imposed or re-imposed to deal with such waves of COVID-19 infections.

While the impact of the COVID-19 pandemic on our Group’s business has not been material to date and while the impact of COVID-19 on our business has been partially cushioned by various government support measures, there is no assurance that the risks associated with COVID-19, including those described above, or from any other communicable or infectious disease or public health emergency, will not have a material and adverse effect on us in future or that any future support measures will be renewed or extended or even if renewed or extended, be sufficient. If the current COVID-19 situation deteriorates, or restrictions persist over longer periods (even intermittently), our business, financial condition and results of operations may be materially and adversely affected.

RISK FACTORS

Notes:

- (1) This information is extracted from the article entitled “No more bubble tea shops and other new COVID-19 measures” at <https://www.straitstimes.com/singapore/no-more-bubble-tea-shops-and-other-new-covid-19-measures>, last accessed on 19 January 2023.

The Straits Times has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

- (2) This information is extracted from the document entitled “Fast and Easy Testing (FET) Guide for F&B Businesses” at https://www.enterprisesg.gov.sg/-/media/esg/files/covid-19/fet/fet_guide_for_fb.pdf?la=en, last accessed on 19 January 2023.

Enterprise Singapore has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

We are subject to laws, regulations and policies imposed by various government and regulatory authorities

Our business is subject to various laws, rules and regulations, including but not limited to the Environmental Public Health Act 1987 of Singapore and the Sale of Food Act 1973 of Singapore. We are also required to comply with the policies of relevant government authorities, such as the NEA. Please refer to the section entitled “General Information on our Group – Government Regulations” of this Offer Document for further details of the laws, regulations and policies to which we are subject. Our Master Franchise Agreement is governed in accordance with the laws of Taiwan and any dispute arising out of or in relation to such agreement is subject to the exclusive jurisdiction of the Taiwan Taichung District Court. As such, the terms and interpretation of our Master Franchise Agreement are subject to Taiwan law.

If there are changes to applicable laws, regulations or policies applicable to our business, we may be required to comply with further and/or stricter requirements, which may result in increased compliance costs, or restrict or hamper our business or operations and/or result in higher operating costs. If we are unable to pass on such increased compliance or operating costs to our customers, our business, financial condition and results of operations may be adversely affected. In addition, there can be no assurance that we will continue to be able to comply with any new requirements under applicable laws, regulations and policies.

The Food (Amendment No. 2) Regulations 2021, introduced by the Ministry of Health (“**MOH**”) takes effect on 30 December 2022 and includes mandatory nutrition labels and advertising prohibitions based on thresholds relating to the sugar and saturated fat contents of pre-packaged drinks. Grade C and D drinks must be labelled with a Nutri-Grade mark on the front of its packaging and the Nutri-Grade mark denotes the grade and sugar content. Advertisements across all media outlets including online platforms used or apparently used to promote, directly or indirectly the sale of Grade D drinks (with sugar content over 10g per 100ml and saturated fat content over 2.8g per 100ml) are prohibited except for displays at the point-of-sale featuring the “D” grade clearly. On 11 August 2022, MOH announced that by the end of 2023, outlets selling freshly prepared drinks, which includes freshly brewed beverages from coffee shops, freshly squeezed juices, and bubble teas, must label on their hard and softcopy menus, beverages higher in sugar and saturated fat with the Nutri-Grade mark⁽¹⁾. Advertising prohibitions will also apply to such freshly prepared beverages with the highest level of sugar and saturated fat content. The measures applying to freshly prepared drinks will be published in the middle of 2023 and will come into effect by the end of 2023. When such measures come into effect, we will have to incur further operational expenses to comply with these measures, which may result in a material and adverse effect on our business, financial condition and results of operations.

RISK FACTORS

During the Period Under Review, our subsidiaries have from time to time been issued warnings and been sanctioned by the NEA and the Singapore Food Agency. They have been subject to penalties for such breaches. In addition, two (2) of our subsidiaries were sanctioned for breaches of safe distancing rules under the COVID-19 (Temporary Measures) (Control Order) Regulations 2020. Please refer to the section entitled “General and Statutory Information – Information on Directors, Executive Officers and Controlling Shareholder – NEA and Singapore Food Agency infringements” of this Offer Document for more details on such breaches. In order to prevent the recurrence of such infringements, we have implemented preventative measures including the engagement of pest control services, scheduling of daily housekeeping, engagement of a contractor to touch-up our Food Outlet premises, replacement of food container covers and marking of a one (1) metre distance between chairs. None of such sanctions had a material effect on our business during the Period Under Review. Notwithstanding this and while we have not materially breached any laws, rules, regulations and government policies save as disclosed in this Offer Document, there is no assurance that we will continue to be able to comply with such requirements. In the event that we fail to do so, our business, financial condition, and results of operations may be materially and adversely affected.

Note:

- (1) This information is extracted from the speech entitled “Speech by Mr Ong Ye Kung, Minister for Health, at The 19th International Society For Peritoneal Dialysis Congress 2022 Opening Ceremony” dated 11 August 2022, accessible at <https://www.moh.gov.sg/news-highlights/details/speech-by-mr-ong-ye-kung-minister-for-health-at-the-19th-international-society-for-peritoneal-dialysis-congress-2022-opening-ceremony>, last accessed on 19 January 2023.

The Ministry of Health has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

We face food contamination, tampering risks, product labelling errors and the attendant risks and negative publicity arising therefrom

Food contamination and tampering is a risk inherent to F&B operations. The ingredients used in our operations include duck, chicken, intestines, tea leaves, flavourings and sauces and frozen pork, which are procured from various suppliers. Certain of our ingredients are highly perishable and susceptible to contamination and tampering if not properly stored or packed. They may also be contaminated during the food preparation process as a result of lapses in food handling hygiene or lack of cleanliness of our Food Outlets, CHICHA San Chen tea shops or our central kitchen. Contaminated ingredients may result in customers falling ill and may give rise to bad publicity, customer complaints and/or legal proceedings commenced by affected customers, and in such cases, we may be ordered by the relevant authorities to suspend or cease all or part of our business operations. The bad publicity arising from such incidents would damage our reputation, reduce customers’ confidence in our food and result in reduced patronage of our Food Outlets and CHICHA San Chen tea shops, which will materially and adversely affect our business, financial condition and results of operations. We have not experienced any such incidents during the Period Under Review that had a material and adverse effect on our business, financial condition and results of operations.

Our food products are also required to comply with the relevant product labelling regulations (such as the food regulations promulgated under the Sale of Food Act 1973 of Singapore), which contain requirements in relation to the particulars (e.g. ingredients and allergens) required to be set out on the food product labels. There can be no assurance that product labelling errors will not occur during production, sale, distribution or transportation due to reasons unknown to us or out of our control. Any product labelling error which causes illness or injury to our consumers may also subject us to customer complaints, the recall of our food products, our Group being subject to fines or penalties by the relevant authorities, product liability claims or legal proceedings relating to such matters, and/or negative publicity arising therefrom. We have not experienced any such incidents during the Period Under Review that had a material and adverse effect on our business, financial condition and results of operations.

RISK FACTORS

We may also be adversely affected by negative publicity or health concerns about certain food groups. For example, concerns over allergies caused by seafood or shellfish consumption or potential accumulation of mercury or other carcinogens in seafood may result in consumers avoiding these ingredients, which may materially and adversely affect our business, financial condition and results of operations. We have not experienced any such incidents during the Period Under Review that had a material and adverse effect on our business, financial condition and results of operations.

We may not be able to keep up with rapid changes in the F&B industry

As an F&B operator, we are required to constantly adapt to changing market trends and consumer tastes and preferences. Our continued growth and success in the F&B industry depends in part on the popularity of the concepts of our Food Outlets and CHICHA San Chen tea shops, and our ability to adopt new technologies such as online food ordering and delivery platforms. Demand for our products may fluctuate due to changes in consumer tastes and preferences and trends, including an increase in popularity of other food choices, cuisines, and beverages. From time to time we expend resources to develop new products and improve our existing products to serve broader customer demand, adapt to changing market trends and shifts in consumer taste and preferences. While we aim to serve our customers quality food and provide good customer service and to develop and source for new and innovative offerings to our customers, there is no assurance we will continue to be successful in keeping ahead of, and abreast with, consumer tastes and preferences and trends. In the event that our new or improved products are not commercially successful, our business, financial condition, and results of operations may be materially and adversely affected.

In 2016, the Singapore Government declared a “war on diabetes” and has implemented a multi-year action plan to combat the disease which aims to, *inter alia*, promote a healthy lifestyle to reduce the number of new cases of diabetes⁽¹⁾. The whole of government approach to promoting a healthy lifestyle includes encouraging the F&B sector to switch to healthier ingredients, highlighting meal options with lower calories to help consumers make healthier choices, through the Healthier Dining Programme introduced by the Health Promotion Board and the installation of more water dispensers to encourage consumption of plain water at more hawker centres. Government policies such as the war on diabetes may in turn affect consumer tastes and preferences. While we seek to offer healthier options to our customers, including our signature braised duck noodles which is recognised by the Health Promotion Board as a healthier choice under its Healthier Choice Symbol Programme and our CHICHA San Chen tea which can be ordered without sugar, if we are unable to cater to changes in the tastes and preferences of our customers, including in response to government campaigns such as the war on diabetes, the demand for our products may decrease and our business, financial condition and results of operations may be materially and adversely affected.

Note:

- (1) This information is extracted from the speech entitled “DPM Tharman Shanmugaratnam at the Opening Ceremony of the Ministerial Conference on Diabetes” dated 26 November 2018, accessible at <https://www.pmo.gov.sg/Newsroom/dpm-tharman-opening-ceremony-ministerial-conference-diabetes>, last accessed on 19 January 2023.

The Prime Minister’s Office has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

RISK FACTORS

We face intense competition in the F&B industry and may not be able to maintain our competitiveness

The F&B industry is highly competitive and barriers to entry are low. We face competition from a large and diverse number of F&B outlets and bubble tea shops. Many of our competitors are well-established in the F&B industry, and may have greater financial, marketing and other resources than us. Further, new competitors may enter the market, resulting in increased competition. We compete based on factors such as location of our Food Outlets and CHICHA San Chen tea shops, quality and price of our food, customer service and overall dining experience. While we strive to differentiate our Food Outlets and CHICHA San Chen tea shops by offering quality service and food at affordable prices at accessible locations, we are aware that there are other F&B operators that offer similar dining concepts and pricing. As pricing and branding are significant factors for food outlets offering similar dining concepts and quality of food, our competitors may engage in price competition or heavy promotions to attract customers. We may respond by increasing our advertising and promotion initiatives, which may increase our costs. In the event that we are not able to compete successfully against our competitors or adapt to market conditions, our business, financial condition and results of operations may be materially and adversely affected. Please refer to the section entitled “General Information on our Group – Competition” of this Offer Document for further details of our competitors.

We depend on our central kitchen

Our central kitchen prepares key ingredients and products for supply to the Food Outlets operating under our Yew Kee Duck Rice and XO Minced Meat Noodles brands, as well as our CHICHA San Chen tea shops and certain third-party Food Outlets. These key ingredients include duck, intestines, tea leaves, flavourings and sauces and frozen pork. The preparation of ingredients and products by our central kitchen enables our Group to reduce the time required for food preparation on-site at our Yew Kee Duck Rice and XO Minced Meat Noodles Food Outlets and our CHICHA San Chen tea shops, enables our staff at such outlets to focus on other aspects of our F&B offerings, and allows us to reap costs savings in the preparation of our ingredients and products through economies of scale. Our central kitchen is also used for the warehousing of our ingredients, which facilitates the efficient supply of ingredients to, and operations of, our central kitchen. Certain of our ingredients are raw and are required to be stored at the appropriate designated temperatures. Our central kitchen houses a cold store in which temperatures are continuously maintained at or around -18°C (for frozen products) and at or around -4°C (for chilled products) on a 24-hour basis to ensure that such ingredients remain fresh. Please refer to the section entitled “General Information on our Group – Business Overview – F&B Operations – Central Kitchen” of this Offer Document.

Incidents such as fires, power failures or suspensions of regulatory licences may disrupt operations at our central kitchen and/or damage our inventory. We may be unable to prepare sauces, process certain fresh food ingredients, or complete other processes required for our F&B operations. While we maintain insurance policies for our central kitchen such as property fire insurance, there can be no assurance that our insurance coverage will be sufficient to cover all of our losses in all events. Any prolonged and/or significant downtime arising from mechanical failures or major and unexpected repairs and servicing of our cold store could cause us to be unable to store our food products at the optimal temperature, either for a short period of time or at all, which could in turn lead to a loss of inventory due to the diminished quality of the ingredients. While we may obtain supplies from secondary suppliers, there is no assurance that they may be able to respond adequately or in time if there is a disruption in the supply from our central kitchen. While we have not experienced any material unscheduled downtime of our cold store or any other disruptions to our central kitchen during the Period Under Review, there is no assurance that this will not occur in the future. In the event of any disruptions to the operations of our central kitchen, our business, financial condition and results of operations may be materially and adversely affected.

RISK FACTORS

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

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

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

The security bonds furnished by us may be forfeited if our foreign workers are missing or in breach of any conditions of their work permits

We hire foreign workers to support our operations. During the Period Under Review, we had hired 113, 109, 108 and 112 Malaysian foreign workers and 27, 28, 37 and 38 non-Malaysian foreign workers, as at the end of FY2019, FY2020, FY2021 and 1H2022, respectively. For each non-Malaysian foreign worker who is successfully granted a work permit, a security bond of S\$5,000 in the form of a banker’s guarantee or insurance guarantee is required to be furnished to the Controller of Work Passes under the Employment of Foreign Manpower Act 1990 of Singapore. The security bond must be furnished prior to the foreign worker’s arrival in Singapore, failing which entry into Singapore will not be allowed. The security bonds furnished by us may be forfeited if, among other things, our foreign workers go missing or violate any of the conditions of the work permits.

We have implemented internal control measures to manage our foreign workers. Our foreign workers are sourced through recruitment advertisements. We have put in place a screening and recruitment process with a view to carefully reviewing and assessing the personal information and background of candidates before making any employment decision so as to minimise our risk in relation to missing workers and forfeiture of security bonds. In addition, under our typical employment contracts, our foreign workers are prohibited from working for anyone other than our Group without our consent, failing which their employment with us will be terminated.

We have not experienced any forfeiture of our security bonds that had a material and adverse effect on our business, financial condition and results of operations. However, there is no assurance that our foreign workers, who are subject to the aforesaid security bonds requirements, will not go missing or violate the conditions in their work permits. Occurrence of any of the aforesaid events may result in forfeiture of security bonds furnished by us in respect of the relevant workers, which in turn may materially and adversely affect our business, financial condition and results of operations.

We may experience pilferage and theft by our employees or outsiders

Sales at our Food Outlets and CHICHA San Chen tea shops are settled by cash, or cashless payments including NETS, GrabPay or PayNow and we may experience pilferage and theft by our employees or outsiders. While we have implemented various security measures including the installation of closed-circuit television systems, regular cash float spot checks by our area managers, and the adoption of cash management controls and cash and inventory handling policies for our Food Outlets to mitigate the risk of theft, there is no assurance that such measures will be successful in preventing pilferage and theft by our employees or outsiders. In the event that such pilferage or theft occurs, our business, financial condition and results of operations may be materially and adversely affected.

For our Food Court Tenants, as part of our food court management services (“**Food Court Management Services**”), we manage the daily takings of our Food Court Tenants. We collect such takings upfront by way of cash or electronic payments such as NETS, GrabPay or PayNow. Cash takings are collected directly from our food court customers through a secure cash deposit machine and such cash takings are not handled by our Food Court Tenants. However, there is still a possible risk of pilferage and theft by our employees which may apply when cash from the food courts are brought to banks for deposit or to our headquarters where there are no banks near to the food courts. Notwithstanding this, we have put in place measures to mitigate such risk, including requiring the transfer of such cash collections to our headquarters’ safe box via locked bags. Our finance team in our head office would then retrieve these bags and count the cash in a secured room to ensure these tally to “POS sales summary” statements. The counted cash will subsequently be stored in a safe till these are collected by Cisco. We have also purchased insurance to cover the risk of any loss of such monies in transit.

RISK FACTORS

Further, there is the risk that our employees or Food Court Tenants may overcharge customers for their purchases, and pilfer the excess amount paid by the customer (“**Over-Ringing**”) or undercharge customers for their purchases and cause the cash register to record less than the full retail value of the merchandise, thus allowing the customers to pilfer the unpaid merchandise (“**Under-Ringing**”). While we have implemented the security measures set out in the preceding paragraph, there is no assurance that such measures will be successful in preventing the practice of Over-Ringing or Under-Ringing by our employees or Food Court Tenants. In the event that Over-Ringing or Under-Ringing occurs, our business, financial condition and results of operations may be materially and adversely affected.

During the Period Under Review, there have been instances of theft of petty cash at our Food Outlets, food court stalls and CHICHA San Chen tea shops, amounting to an aggregate of approximately S\$8,000. In 2021, an employee at one of our CHICHA San Chen tea shops credited loyalty points to a friend’s CHICHA San Chen loyalty card notwithstanding that such person had not spent the required amount to earn the points credited. The value of the loyalty points credited in such incident amounted to approximately S\$1,000 in total. Following an internal investigation, we obtained restitution from and terminated the employment of such employee and filed a police report regarding the incident. While we have strengthened our internal control processes following such incident and our Board and our internal auditors are of the view that such controls are sufficient to prevent the recurrence of such incidents, there is no assurance that such enhanced measures will be sufficient to prevent future incidences of pilferage or theft from occurring, even if there are no lapses in internal controls. While such incident did not materially affect our Group, any future occurrences of pilferage or theft which remain undetected may have a material and adverse effect on our business, financial condition and results of operations.

Our business depends substantially on the continuing efforts of our management and other personnel

Our Group’s success to-date is attributable to the contributions and expertise of our founder and Executive Directors, who each have valuable and extensive experience and knowledge of the F&B industry. Our Executive Chairman and Executive Director, Mr. Seah Boon Lock, and our CEO and Executive Director, Mr. Seah Qin Quan, have played an active role in the strategic direction of our Group’s business, spearheading key development milestones including the commencement of our food court management and franchising businesses and our Group’s rebranding exercise. Our continued success and growth will depend, to a large extent, on our ability to retain the services of our Executive Directors. The loss of services of any of our Executive Directors without suitable and timely replacements may materially and adversely affect our business, financial condition and results of operations.

We also believe that our future success depends on our ability to attract, retain and motivate our key management personnel such as our executives experienced in overseas market expansion and our food research and development team. In the event that we are unable, or are required to substantially increase employee compensation levels, to attract, retain and motivate any key management personnel, our costs may increase and our business, financial condition and results of operations may be materially and adversely affected.

Further, if any of our Executive Directors or key management personnel were to join a competitor or form a competing company, we may lose customers, suppliers, expertise, and/or staff. While our service agreements with our Executive Directors and key management personnel contain non-competition and confidentiality provisions, there is no assurance that such provisions will be held to be enforceable by the courts, or be sufficient to prevent disruption to our operations or customer relationships. If such events occur, our business, financial condition and results of operations may be materially and adversely affected.

RISK FACTORS

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

We are susceptible to the outbreak of food-related diseases, the spread of contagious or virulent diseases in livestock, food scares and/or other types of diseases in the region or around the world, such as the avian influenza H5N1 or H7N9 virus (also known as “bird flu”), the H1N1 virus (also known as “swine flu”) or bovine spongiform encephalopathy (also known as “mad cow disease”). Any such outbreak may lead to a reduction in consumption of the affected type of meat or food by consumers, and require us to reduce or eliminate the use of such ingredient at our Food Outlets or CHICHA San Chen tea shops. Duck, pork and chicken are key ingredients of the offerings at our Yew Kee Duck Rice, XO Minced Meat Noodle and My Kampung Chicken Rice Food Outlets, respectively, and there is no assurance that we would be able to adapt our recipes to reduce or eliminate the use of such ingredients without affecting the quality of, or our customers’ satisfaction with, our offerings. Any loss in consumer confidence may lead to declined patronage at our Food Outlets and result in a material and adverse effect on our business, financial condition and results of operations.

The spread of any contagious or virulent diseases such as COVID-19 in Singapore may negatively affect consumer confidence and sentiments, leading to a reduced willingness by the public to dine at our Food Outlets. Our revenue may consequently be adversely affected. Further, if any of our employees shows symptoms of becoming infected, or becomes infected, with any such diseases, we may be required to temporarily cease operations of the relevant Food Outlet, CHICHA San Chen tea shops or our central kitchen (as the case may be). In the event of any such actual or rumoured outbreaks resulting in loss of consumer confidence and declined patronage at our Food Outlets or CHICHA San Chen tea shops, our business, financial condition and results of operations may be materially and adversely affected.

The ongoing government grants, support schemes and incentives we receive may not be renewed or extended

During the Period under Review, our Group has received government grants through the Jobs Support Scheme (“JSS”), Wage Credit Scheme, Senior Employment Credit Scheme, Special Employment Credit Scheme and Jobs Growth Incentive Scheme, among others, which partially defray our expenses.

The qualifying criteria for each of such support schemes differ and we may not be able to meet the criteria for such schemes on an ongoing basis, or in the future. Certain of these schemes are also for a specified period, or targeted at specified events, and may not be extended or renewed. The JSS was introduced in February 2020 to provide wage support to employers to help them retain Singapore Citizen and permanent resident employees during the COVID-19 pandemic. The co-funding amount provided by the Singapore Government under the JSS has accordingly been reduced since its introduction. In the event that any of the support schemes are not extended or reduced, if we cease meeting the criteria for such schemes, or if we do not receive alternative grants that offset the loss of the subsidies provided by such schemes, our business, financial condition, and results of operations may be materially and adversely affected.

We may fail to obtain or maintain our licenses, registrations, permits and approvals or may be required to take actions that are time-consuming or costly

We are required to hold regulatory licences and/or exemptions (“Licences”) for the operation of our business. Such Licences include (a) licences to operate foodshops; (b) licences to operate foodstalls; and (c) licences to operate a food processing establishment issued by the Singapore Food Agency. Please refer to the section entitled “General Information on our Group – Material Licences, Permits, Registrations and Approvals” of this Offer Document for more details of the material licences, approvals and permits we hold. While we have not faced any difficulty in the maintenance or renewal of our Licences during the Period Under Review, there is no assurance that our Licences will continue to be approved in a timely manner or at all or that we will continue to meet the eligibility criteria for such Licences.

RISK FACTORS

In addition, our Licences are generally subject to terms and conditions stipulated therein, and/or applicable laws, rules and regulations. If we are found to be in breach of any terms and conditions of our Licences, and/or applicable laws, rules and regulations, the relevant government or regulatory authority may take action against us, including the issuance of warnings, imposition of penalties, suspension of our Licences, reduction of the term of our Licences, imposition of additional conditions or restrictions and/or revocation of our Licences. During the Period Under Review, our subsidiaries have from time to time been issued warnings and been sanctioned by the NEA and the Singapore Food Agency for various offences committed in the ordinary course of business including but not limited to failing to keep appliances and equipment clean, failing to keep the premises of certain Food Outlets free of cockroach infestation, possessing for sale food which is unclean, using a dirty cloth to wipe the lid on a drink cup that was subsequently served to a customer, using chipped container covers, cockroach droppings being found among food items during an inspection, preparation of food by an unlicensed employee, failing to register a food handler, failing to provide a proper system for collection and removal of soiled utensils, damaged floor tiles and walls being found within the premises of a Food Outlet and failing to comply with COVID-19 safe distancing measures. As a result of such infringements, our Group has received demerit points, been issued summons, paid compounded fines, had food handlers and the operations of certain Food Outlets and CHICHA San Chen tea shops suspended and certain affected food handlers have been required to re-attend hygiene courses by the Singapore Food Agency. Please refer to the section entitled “General and Statutory Information – Information on Directors, Executive Officers and Controlling Shareholders – NEA and Singapore Food Agency infringements” of this Offer Document for more details of such infringements. In order to prevent the recurrence of such infringements, we have implemented preventative measures including the engagement of pest control services, scheduling of daily housekeeping, engagement of a contractor to touch-up our Food Outlet premises and replacement of food container covers. However, there is no assurance that such measures will be effective to prevent any future infringements of any terms and conditions of our Licences, and/or applicable laws, rules and regulations. While the impact of such incidents on our Group was limited and did not have a material and adverse effect on our business, there can be no assurance that similar incidents would not occur in the future. Any failure to obtain, maintain or renew any of our Licences may materially and adversely affect our business, financial condition and results of operations.

We have incurred and will continue to incur costs in complying with the terms and conditions of our Licences, and applicable laws, rules and regulations. If there are changes to terms and conditions of our Licences, and applicable laws, rules and regulations, we may be required to comply with further and/or stricter requirements, which may result in increased compliance costs, or restrict or hinder our business or operations and/or result in higher operating costs. In addition, there is no assurance that we will continue to be able to comply with the requirements of new terms and conditions of our Licences, and/or applicable laws, rules and regulations. Any failure to comply with such terms and conditions, and/or applicable laws, rules and regulations may result in the imposition of fines or suspensions, which may materially and adversely affect our business, financial condition and results of operations. During the Period Under Review, we have not failed to comply with the terms and conditions of our Licences, and/or applicable laws, rules and regulations which have resulted in material fines or suspensions.

We may be involved in legal, regulatory and other proceedings arising out of our operations, and may be subject to sanctions or incur costs from such proceedings

Accidents may occur from time to time as part of our operations, whether at our Food Outlets, CHICHA San Chen tea shops and central kitchen or otherwise resulting in personal injury, death or losses or damage to property. While our Group has established health and safety management policies including conducting periodic risk assessments, safety monitoring and the establishment of emergency preparedness and response procedures, there is no assurance that such measures will be effective in preventing any accidents. In the event that we are found to have been responsible for any lapses or inadequacy in safety standards which result in such accidents, we may be subject to regulatory sanctions. For the Period Under Review, while we have not encountered any serious accidents at our central kitchen, Food Outlets and CHICHA San Chen tea shops, and no regulatory sanctions have been imposed on us, there can be no assurance that such accidents which may result in regulatory sanctions will not arise in the future.

RISK FACTORS

While we maintain insurance policies, there is no assurance that our insurance coverage will be sufficient to cover all our potential losses arising from accidents at our premises. In the event that our insurance coverage is not sufficient to cover our liabilities, our business, financial condition, and results of operations may be materially and adversely affected. Furthermore, regardless of the insurance coverage or the merits of our case, we may need to expend resources and incur costs to handle these claims, which may affect our reputation in the F&B industry and our business, financial condition, and results of operations may be materially and adversely affected.

Our subsidiary Yew Kee Management is currently involved as second defendant in a litigation suit relating to a motor accident for which the total estimated value of the unliquidated claim is S\$600,000. The claim arose from a motor accident involving an employee of our Group who is a delivery man and who was at the material time driving a van to make deliveries in his capacity as an employee of our Group. While such claim is being handled through our insurer, our insurance premium may increase. Please also refer to the risk factor entitled “Our insurance coverage may not be adequate” of this Offer Document for more details on the risks relating to insurance coverage.

We are liable under WICA and common law in Singapore to compensate employees who suffer personal injury as a result of accidents or contract occupational diseases arising out of and in the course of their employment with us. We may also face claims from third parties from time to time, including those who suffer personal injuries at premises where we operate. In addition, claims involving us could result in time consuming and costly litigation, arbitration, or administrative or other legal proceedings. Workers may claim against us under the WICA or pursue personal injury claims against us under common law in Singapore. While we have not experienced any claims which had a material effect on our business, should any such claim arise, our business, financial condition, and results of operations may be materially and adversely affected.

From time to time, we may be involved in contractual disputes with third parties including the franchisor under our Master Franchise Agreement, our customers, suppliers, landlords and Food Court Tenants. Such contractual disputes may result in bad publicity, whether merited or otherwise, which may materially and adversely affect our business, financial condition and results of operations. If any contractual disputes with third parties result in legal proceedings, our Group would have to divert management resources and expend costs to address the claims made in such proceedings, thereby further affecting our business, financial condition and results of operations. Although we have not been involved in any material contractual disputes during the Period Under Review, there is no assurance that such disputes will not arise and that material litigation will not be brought against us in future. Any loss, liability or expense incurred pursuant to such claims may adversely affect our business, financial condition and results of operations.

During the Period Under Review, our subsidiaries have from time to time been issued warnings and been sanctioned by the NEA and the Singapore Food Agency and have been subject to penalties for such breaches. Two (2) of our subsidiaries were sanctioned for breaches of safe distancing rules under the COVID-19 (Temporary Measures) (Control Order) Regulations 2020. Please refer to the section entitled “General and Statutory Information – Information on Directors, Executive Officers and Controlling Shareholder – NEA and Singapore Food Agency infringements” of this Offer Document for more details on such breaches. In order to prevent the recurrence of such infringements, we have implemented preventative measures including the engagement of pest control services, scheduling of daily housekeeping, engagement of a contractor to touch-up our Food Outlet premises, replacement of food container covers and marking of a one (1) metre distance between chairs. None of such sanctions had a material effect on our business during the Period Under Review. Notwithstanding that our Group has adopted and implemented policies and procedures to minimise the risk of breach of any future breaches of such laws, regulations and policies, there is no assurance that such lapses and consequent penalties will not recur in the future.

RISK FACTORS

We lease premises for our operations and there is no certainty that we will be able to lease new premises at strategic locations or renew existing leases on terms acceptable to us or at all

As at the Latest Practicable Date, we lease all of the premises for our Food Outlets, food courts and CHICHA San Chen tea shops. Lease payments form a significant component of our cash outflows. Lease expenses pertaining to variable lease payments and short term leases and low-value assets accounted for approximately 14.9%, 16.7%, 11.7% and 17.5% of our total other expenses for FY2019, FY2020, FY2021 and 1H2022 respectively. Please refer to the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document for more details. Any increases in rental rates for new or renewed leases may erode our profit.

We usually enter into leases with tenures of between one (1) to three (3) years. During the negotiation or renewal of the leases, the landlord may seek to revise the terms and conditions of the lease, and we may face the possibility of an increase in rental rates, or not being able to renew the lease on terms and conditions acceptable to us or at all. In addition, on occasion, the landlords may, at the end of the tenure of the existing lease, put such premises up for open tender or solicit alternative bids. There is no assurance that we will be able to win such tenders or be more competitive than any alternative bids submitted.

Furthermore, certain of our existing leases contain provisions that may not be favourable to our Group. For instance, certain of our leases provide that the landlord may terminate the lease before expiry, if, *inter alia*, the landlord decides to change the use of the leased premises. If this occurs, our business and operations will be disrupted and we will incur time and expenses in sourcing for and renovating new premises. Pursuant to the terms of certain of our tenancy agreements, our landlords may also decide to increase our rental rates during negotiations in respect of lease renewals and we have little to no control over the rental rates offered to us. Our financial performance may be materially and adversely affected if there is a significant increase in the rental rates offered to us. In addition, if our landlords fail to comply with requisite laws, rules and regulations, our leases may be affected, which may, *inter alia*, disrupt our business and operations. In addition, in the event a landlord is of the opinion that our manner of occupation or operations are not consistent with the landlord’s terms or conditions for the use of the premises, we may be subject to inspections, be required to adapt or curtail our operations, and/or our lease of such premises may be terminated. The termination or non-renewal of our leases or renewal upon less favourable terms may have a material and adverse effect on our business, operations and financial performance as we may have to seek alternative premises for existing outlets, and there can be no assurance that alternative premises will be available at comparable locations or leased on comparable terms.

Our food court at NUS is subleased from Food Fest F&B Pte. Ltd., a third party, which in turn leases the food court premises from the landlord. Such arrangement arose as, at the time of the bid, our Group did not have as much experience in operating food courts located in educational institutions as Food Fest F&B Pte. Ltd.. In order to increase our chances of securing the bid to operate the food court, we collaborated with Food Fest F&B Pte. Ltd. to bid for the food court premises. As our Group does not lease the premises directly from the landlord, there is no assurance that we will continue to be able to collaborate with Food Fest F&B Pte. Ltd. to lease the food court premises at NUS or that Food Fest F&B Pte. Ltd. shall be successful in its bid to renew the head lease upon its expiry on 13 December 2023. As our Group has since accumulated some experience in operating food courts located in educational institutions, we intend to directly handle the lease renewal and bid for the NUS food court premises after the expiry of the current lease. Notwithstanding the foregoing, there is no assurance that our Group or, in the alternative, Food Fest F&B Pte. Ltd. shall be able to secure a renewal of the lease. If neither our Group nor Food Fest F&B Pte. Ltd. is able to renew such lease, or if Food Fest F&B Pte. Ltd. decides to not to renew the sublease with our Group, we may be forced to vacate the food court premises at NUS which may materially and adversely affect our business, financial condition and results of operations.

RISK FACTORS

In recent years, rental rates in Singapore have increased significantly, particularly for premises in prime locations or locations with high levels of footfall. Based on our experience, premises in good locations that are suitable for our Food Outlets, food courts and CHICHA San Chen tea shops are scarce and often in high demand. Should any of our landlords decide to implement a public tender exercise for the premises where our Food Outlets, food courts and/or CHICHA San Chen tea shops are located, there is no assurance that we will be successful in winning the tenders for the renewal of such lease. In addition, there is no assurance that our landlords will not in the future choose to operate their own F&B operations at such premises or reduce the space allocated to us for operation of our Food Outlets, food courts and/or CHICHA San Chen tea shops. In such an instance, the availability of premises for our Food Outlets, food courts and CHICHA San Chen tea shops may be reduced. While we currently do not foresee any difficulties in renewing our existing leases, if we are unable to lease new premises or renew existing leases on terms acceptable to us or at all, or if we face rental increases or premature termination of our leases, our business, financial condition, and results of operations may be materially and adversely affected. We may have to seek alternative premises, and there can be no assurance that alternative premises will be available at comparable locations or leased on comparable terms as the premises of our existing Food Outlets, food courts and/or CHICHA San Chen tea shops. Please refer to the sections entitled “General Information on our Group – Business Overview – F&B Operations” of this Offer Document for more details of our Food Outlets, food courts and/or CHICHA San Chen tea shops.

In addition, leases in Singapore are subject to payment of stamp duty at the rate of (i) 0.4% of total rent for the period of the lease, where such period is four (4) years or less, or (ii) 0.4% of four (4) times the higher of the average annual contractual or annualised market rent for the period of the lease, where such period is more than four (4) years or an indefinite term. In the event of an upwards revision of the applicable stamp duty rates, or an increase in demand in the rental market for commercial property, our stamp duty tax obligations and, consequently, our cost of operations would correspondingly increase. During the Period Under Review, due to oversight, we had been late in paying stamp duty on certain of our existing leases where we are tenants and for which we are required to, pursuant to the Stamp Duties Act 1929 of Singapore, pay stamp duty on. Pursuant to the Stamp Duties Act 1929 of Singapore, any unstamped instrument may be stamped within 14 days after it has been first executed without penalty on payment of stamp duty. Where the instrument is not stamped within three (3) months after its execution, it can only be stamped on payment in addition to the stamp duty of a penalty of S\$25 or 4 times the amount of deficient duty, whichever penalty is the greater. As at the Latest Practicable Date, all stamp duties required to be paid on our existing leases, including any penalties for late payment, have been paid in full. The penalties paid by our Group in connection with such late payment of stamp duty did not have a material and adverse effect on our business, financial condition and results of operations. One member of our Group’s administrative team will monitor the payment of stamp duty payments on leases to ensure compliance with our stamp duty obligations on an ongoing basis. This will also be monitored by Mr. Benjamin Zhu, our Group Financial Controller. A review of our Group’s fulfilment of our stamp duty obligations on our leases will also be covered by our internal auditors in our next internal audit.

We may not be able to maintain an attractive tenant mix or the current occupancy rates for our food courts

An unattractive mix of Food Court Tenants, or poor or inconsistent quality of food and services could result in customer dissatisfaction and a reduction in patronage of our food courts. While we seek to maintain a variety of offerings at our food courts and monitor the quality of food served at our food courts by conducting regular food tastings, there is no assurance that we will continue to be able to attract a mix of Food Court Tenants which our customers find appealing, or ensure the quality and consistency of food served by our Food Court Tenants. Any reduction in patronage due to an unattractive mix of Food Court Tenants, or poor or inconsistent quality of food and services at our food courts may result in a material and adverse effect on our business, financial condition, and results of operations.

Further, there is no guarantee that we will be able to sustain the current occupancy rates of our food courts as this depends on our ability to manage our relationships with our Food Court Tenants and the fees and rents charged to them. The availability of potential Food Court Tenants depends on various factors beyond our control, including manpower costs and the perceived attractiveness of a career in the F&B industry. In the event the occupancy rates at our food courts decrease, this may materially and adversely affect our business, financial condition and results of operations.

RISK FACTORS

We may be affected by any change in the tenant profile, or revamp or closure of the commercial complexes or commercial malls in which our Food Outlets and CHICHA San Chen tea shops are located

A significant number of our Food Outlets and CHICHA San Chen tea shops are located in commercial complexes or commercial malls. A change in the tenant mix or any anchor tenant of the commercial complexes or commercial malls where our Food Outlets and CHICHA San Chen tea shops are located may result in reduced footfall. In addition, there has been an increasing amount of space allocated for F&B tenants in commercial complexes and commercial malls and a greater number of alternative F&B options which consumers may choose from, leading to a corresponding increase in competition among F&B retail businesses. Any of the foregoing may reduce the number of customers patronising our Food Outlets and CHICHA San Chen tea shops. In such circumstances, our business, financial condition and results of operations may be materially and adversely affected.

There is no assurance that the commercial complexes or commercial malls in which our Food Outlets and CHICHA San Chen tea shops are located will not be closed or demolished. The closure or demolition of a commercial complex or commercial mall in which one of our Food Outlets and CHICHA San Chen tea shops is located may result in us having to write off certain fixed assets located in that outlet. Furthermore, we may not be able to source for and obtain other suitable alternative locations in a timely manner or at all, which may result in a loss and disruption to our business operations. In the event of any temporary closure of a commercial complex or commercial mall in which one of our Food Outlets and CHICHA San Chen tea shops is located, whether due to renovation works or otherwise, we may be required to temporarily cease operations of such outlet or be required to relocate to a less strategic location, resulting in a reduction in footfall and a consequent decline in patronage of such outlet. Poor maintenance of the commercial complexes or commercial malls may also result in less patronage at our Food Outlets and CHICHA San Chen tea shops. All the above events may have a material and adverse effect on our business, financial condition and results of operations.

Our continued success and sustainability of growth will depend on our ability to expand and manage our network of Food Outlets

We intend to establish more Food Outlets and CHICHA San Chen tea shops in Singapore and overseas as part of our growth strategy. Please refer to the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document for more details.

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

Further, we have no experience in establishing Food Outlets or CHICHA San Chen tea shops outside of Singapore. The establishment of CHICHA San Chen tea shops outside of Singapore is also dependent on our ability to enter into new franchising agreements with the franchisor in relation to such other territories. Our plans to establish Food Outlets and CHICHA San Chen tea shops overseas presents a heightened risk as we are unfamiliar with the markets, competitive landscape and regulatory environment overseas. As such markets are new to our Group, consumers in such markets may also not be familiar with our portfolio of brands and we may face difficulties in establishing our business and brands overseas and may incur higher costs in doing so.

RISK FACTORS

In the event that revenue generated by our new Food Outlets and CHICHA San Chen tea shops is lower than expected, the costs associated with such new Food Outlets are higher than expected, and/or if we are unable to effectively manage the increased requirements of our expanded network of Food Outlets and CHICHA San Chen tea shops, we may be unable to recover our investment and/or suffer losses. If any of these events occur, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to successfully implement our business strategies and/or future plans

As set out in the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document, we intend to expand and strengthen our presence with new Food Outlets and CHICHA San Chen tea shops in Singapore and overseas, expand the scope of our F&B offerings, expand and upgrade our central kitchen through innovation and automation, expand our franchising and sub-franchising operations and expand our business through strategic acquisitions and joint venture partnerships. Such future plans are based on our current intentions and assumptions and our long-term success is dependent on the successful implementation of our business strategies. Such an expansion would require our management’s attention and the diversion of significant resources away from our core profitable business areas. Our business strategies may be hindered by factors beyond our control, such as general market conditions, government policies relevant to our industry, our ability to maintain our existing competitive advantages and new market entrants. There is no assurance that we will be able to implement our business strategies and future plans effectively. If we fail to do so, our business, financial condition, and results of operations may be materially and adversely affected.

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

- (i) effectively managing the opening of new Food Outlets and CHICHA San Chen tea shops;
- (ii) effectively managing the development and introduction of new brands;
- (iii) effectively managing the daily operations of our Food Outlets and CHICHA San Chen tea shops;
- (iv) controlling costs in a competitive environment;
- (v) keeping up with changing consumer tastes and preferences;
- (vi) retaining existing customers and attracting new customers;
- (vii) remaining competitive in our industry;
- (viii) effectively managing our supply chain and ensuring our third-party suppliers continue to meet our quality and other standards and satisfy our future operational needs;
- (ix) attracting, training and retaining sufficient workers to support our growing operations amidst a labour shortage; and
- (x) ensuring full compliance with relevant laws and regulations.

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

RISK FACTORS

We may enter into new business ventures or franchising arrangements, such as new F&B concepts in which we have little or no experience, on our own or with our business partners, which may cause a material change to the risk profile of our Group. If we are unable to execute such growth strategies and future plans successfully, our performance in such business ventures or investments could fall short of expectations. We may also be required, from time to time, to revise our growth strategies and future plans to adapt to the market conditions, as well as any other unforeseen challenges we may encounter in the future. Further, there is also no assurance that our investments in innovation and automation will be successful or improve the efficiency and productivity of our central kitchen. We will also incur significant costs in investing in innovation and automation and there is no assurance that such costs expended will translate into higher revenue.

In the event that we are unable to implement our business strategies and future plans successfully and in a cost-effective manner, or if our investments in innovation and automation do not result in expected returns, our business, financial condition, and results of operations may be materially and adversely affected.

We may be unable to find suitable franchisors, franchisees, acquisition or investment targets or strategic partners

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

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

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

RISK FACTORS

The expansion of our franchising and sub-franchising business is dependent on various factors

Revenue derived from our franchising and sub-franchising of the “CHICHA San Chen” brand represented approximately 11.6%, 36.5%, 47.6% and 39.8% of our revenue for FY2019, FY2020, FY2021 and 1H2022 respectively. We intend to enter into sub-franchise agreements with third parties to further expand our network of CHICHA San Chen tea shops in Singapore. We intend to leverage our existing market presence and brand recognition to franchise our diverse portfolio of brands to third parties. We also intend to grow our franchising business by expanding our portfolio of brands, both by securing new franchise rights for existing brands from third parties and developing new brands of our own. Our ability to expand our franchising and sub-franchising business depends on, *inter alia*, factors such as the availability of suitable brands to franchise from third parties, the availability of suitable franchisors and sub-franchisees, our ability to successfully develop new brands of our own for franchising to third parties, successful negotiation of master franchising and sub-franchising agreements and the identification of suitable locations for our Food Outlets. If we are unable to successfully expand our franchising and sub-franchising business for any reason including those set out above, our business, financial condition, and results of operations may be materially and adversely affected.

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

We may require funding for capital expenditure, potential opportunistic acquisitions or working capital requirements in the future. The actual amount and timing of future financing may depend on several factors, among others, new business opportunities, opportunities for inorganic growth, regulatory changes, economic conditions, technological changes and market developments. Our sources of additional funding, if required, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and this could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

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

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

RISK FACTORS

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

Our business may be affected by macroeconomic factors, such as general economic conditions, market sentiment and consumer confidence in the various countries where we operate. Various factors may influence these macroeconomic conditions, including without limitation, unemployment rates and real disposable income, inflation, tax policy, recession, stock market performance, the interest rate environment, the availability of consumer credit, and regulatory (including fiscal and other governmental policies), social or political changes, all of which are beyond our control. Negative developments in geopolitical events such as war in Ukraine, terrorist attacks, war or other acts of violence may materially and adversely affect the global financial markets and business and consumer confidence. The effect of such macroeconomic factors are hard to predict and may bring uncertainty to the global economy. Any adverse macroeconomic conditions may lead consumers to become more budget conscious and price sensitive, which may result in a decrease in consumer spending and change in consumer preferences. Due to the above factors, we may also be compelled to lower the food prices offered at our Food Outlets or our CHICHA San Chen tea shops which may cause our profit margins and profitability to decrease. There is no assurance that we will be able to grow our business, or that we will be able to react promptly to any change in macroeconomic conditions. In the event that we fail to react promptly to the changing economic conditions, our business, financial condition and results of operations could be materially and adversely affected.

In addition, unforeseeable circumstances and factors such as power outages, labour disputes, severe weather conditions, environmental factors such as air pollution and haze, and natural or other catastrophes may directly or indirectly disrupt our supply chains to our central kitchens as well as business operations at our Food Outlets and CHICHA San Chen tea shops and cause loss and damage to our business. If any of these events occur, our business, financial condition and results of operations may be materially and adversely affected.

Our historical financial performance is not indicative of our future performance

For FY2019, FY2020, FY2021 and 1H2022, our revenue was S\$31.6 million, S\$39.0 million, S\$56.1 million and S\$26.8 million respectively. Our revenue, expenses and results of operations may vary from period to period and from year to year in response to a variety of factors beyond our control, including general business and economic conditions, changes in government regulations, and outbreak of communicable diseases. While we have remained profitable in FY2020 and FY2021 despite the COVID-19 pandemic, there is no assurance that our Group will be able to remain resilient and profitable, or that profits will grow at the same rate as in the past in the event the COVID-19 pandemic persists, or other disease outbreaks occur, or in the event of any terrorist attack, financial crisis or other factors which may happen in the future. Year-to-year or even period-to-period comparisons of our historical results of operations may not be indicative of our future performance and undue reliance should not be placed on these comparisons to predict our future financial performance or the future performance of our Shares.

Our insurance coverage may not be adequate

We maintain insurance coverage for our material assets and operations, including insurance for loss or damage to our properties by fire, public liability insurance, work injury compensation, group hospitalisation and surgical insurance for our foreign employees, and motor vehicle insurance. However, we do not or are not able to obtain insurance in respect of losses arising from certain operating risks such as acts of terrorism. Please refer to the section entitled “General Information on Our Group – Insurance” of this Offer Document for further details of our insurance coverage.

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

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

RISK FACTORS

Our business involves inherent risks and occupational hazards

Our business operations involve inherent risks and occupational hazards, and there may be risks of property loss, diseases, personal injury and/or death due to workplace accidents. These accidents cannot be completely eliminated or prevented through the implementation of our workplace safety and health policies or any work protocols.

While we have continuously upheld high standards of workplace safety, there is no assurance that our workers will not suffer injuries at our Food Outlets, CHICHA San Chen tea shops or central kitchen. Our business operations are labour intensive and the tasks carried out by our workers at our Food Outlets, CHICHA San Chen tea shops and central kitchen present risks and dangers, such as cooking at high temperatures, operating machinery, operating the cold store in the central kitchen, cleaning the premises with slippery floors and the delivery of ingredients and products from our central kitchen to our Food Outlets and CHICHA San Chen tea shops.

While we have not encountered any serious accidents at our central kitchen, Food Outlets and CHICHA San Chen tea shops during the Period Under Review, there is no assurance that such accidents would not arise in the future, resulting in regulatory sanctions and/or civil lawsuits. While we maintain insurance policies, there is no assurance that our insurance coverage will be sufficient to cover all our potential losses arising from accidents in our premises. In the event that our insurance coverage is not sufficient to cover our liabilities, our business, financial condition and results of operations may be materially and adversely affected.

We may fail to maintain the quality of our food, services and premises

Inconsistency in the quality of our food and/or services may result in customer dissatisfaction and a reduction in patronage by our customers. Poor or inconsistent quality of food and/or services may result from a high staff turnover, shortage of staff, lack of proper supervision or a fall in quality of ingredients received from our suppliers. If we fail to maintain the quality of our food and services, we may be subject to complaints or allegations from our customers including negative reports published in the media and on the Internet regarding our food or services, and we may incur expenses to mitigate the effects of such negative reports. Such bad publicity, whether merited or otherwise, may materially and adversely affect our business, financial condition and results of operations. Further, if customer complaints give rise to legal claims, our Group would have to divert management resources and expend costs to address such claims, thereby further affecting our business, financial condition and results of operations. Although there has been no occurrence of customer complaints leading to legal claims during the Period Under Review, there is no assurance that such instances will not occur and that material litigation will not be brought against us in future. Any loss, liability or expense incurred pursuant to such claims may materially and adversely affect our business, financial condition and results of operations. While we have implemented quality control measures across our Food Outlets and CHICHA San Chen tea shops, there is no assurance that the quality of our food and services will not fluctuate due to, *inter alia*, high staff turnover, shortage of staff, lack of proper supervision or a fall in quality of ingredients received from our suppliers.

In addition, while we generally arrange for minor improvement works to be made to our Food Outlets and CHICHA San Chen tea shops every three (3) years, there is no assurance that such improvement works will be to the satisfaction and preferences of our customers. Failure to maintain or update the premises of our outlets to the satisfaction and preferences of our customers may result in declined patronage at such outlets, which may consequently result in a material and adverse effect on our business, financial condition and results of operations.

We depend on the availability of key supplies at stable prices

We depend on a consistent and sufficient supply of key supplies at stable prices, including ingredients for the preparation of our food products, that meet our quality standards. The supply and prices of key supplies are subject to various factors beyond our control, including climate, geopolitical events such as the war in Ukraine, seasonality, exchange rates, import tariffs and applicable laws, rules, regulations and policies in relation to the sale and/or import of these supplies. For example, in FY2022, we experienced an increase in the prices of duck and oil due to bad weather. There is no assurance that we will be able to anticipate or avoid any decreases in supply and/or increases in costs of our key supplies, or secure alternative sources of, or alternatives to, such key supplies that meet our quality standards. If we are unable to procure sufficient quantities of key supplies in our desired quality at prices acceptable to us, our business, financial condition and results of operations may be materially and adversely affected.

RISK FACTORS

Factors beyond our control including a shortage of key supplies or inflation may lead to price increases for such ingredients, resulting in an increase in our costs. Such an increase in costs may materially and adversely affect our business, financial condition and results of operations as key ingredients such as duck, chicken, pork and vegetables are key components of our recipes, which we require in large quantities. As the ingredients for our food products and CHICHA San Chen beverages have a relatively short shelf life, we require a frequent and timely supply of these products. In the event of a shortage of one ingredient used to prepare a food product or beverage, we may be forced to temporarily suspend such food product or beverage from our menu until its supply is resumed, which may result in customers instead purchasing a similar product from our competitors.

As such, we are highly dependent on a consistent and sufficient supply of ingredients that meet our quality standards. If our suppliers are unable to supply us with sufficient key ingredients which meet our stringent quality standards, we face a shortage of such ingredients, which may result in a material and adverse effect on our business, financial condition and results of operations.

On 23 May 2022, Malaysia announced that it would curb the export of up to 3.6 million chickens per month from 1 June 2022 to ensure sufficient supply in its domestic market. On 1 June 2022, the ban was partially lifted to permit the export of kampung and black chicken. With effect from 11 October 2022, the export ban on live broiler chickens was lifted. Arising from such curb in the export of chicken, we experienced an increase in the price of chicken which we sell as part of our business, in particular, under the My Kampung Chicken Rice brand. As a result of the export ban, we ceased offering steamed chicken rice, but continued to offer our signature roasted chicken rice at our My Kampung Chicken Rice Food Outlets. Prior to such cessation, steamed chicken rice comprised about 10.0% of the chicken rice sold at our My Kampung Chicken Rice Food Outlets. While the impact of the Malaysian ban on the export of chicken on our Group's business has not been material, there is no assurance that any similar shortage of key supplies in the future will not occur. We resumed sales of steamed chicken rice after the export ban was lifted.

Disruptions caused by adverse weather conditions, natural disasters and labour strikes in places where our supplies of food ingredients are sourced could lead to delayed or lost deliveries and may result in interruptions to our business. Disruptions such as flooding and traffic congestion could also lead to delays in the supply of key ingredients and products from our central kitchen or our suppliers' premises to our Yew Kee Duck Rice and XO Minced Meat Noodles Food Outlets and our CHICHA San Chen tea shops. Any delay in the delivery of our key ingredients and products, malfunctioning of refrigeration facilities or poor handling during transportation by our logistics staff or suppliers may result in a deterioration in the quality of such key ingredients and products. This may result in our failure to provide quality food and services to our customers, thereby resulting in the dissatisfaction of our customers and damage to our reputation, which may materially and adversely affect our business, financial condition and results of operations.

We also rely on our third party suppliers for key supplies, and the loss of any of these suppliers or any interruption in their operations may negatively impact our business operations. For example, a sustained or significant interruption in the operations of our duck supplier would negatively impact the operations of our Yew Kee Duck Rice Food Outlets. While there exist alternative suppliers for our key supplies, we have longstanding relationships with most of our suppliers with whom we have established good working relationships over the years. In the event of a sustained or significant disruption in the operations of our suppliers, there is no assurance that we would be able to procure the services of an alternative supplier who is able to meet our quality standards in good time or at all. In such an event, our business, financial condition and results of operations may be materially and adversely affected.

Our business may be adversely affected by the revocation of Halal certifications

The Majlis Ugama Islam, Singapura (also known as the Islamic Religious Council of Singapore), which is established under the Administration of Muslim Law Act 1966 of Singapore, administers the issuance of Halal certificates to, among others, eating establishments, storage facilities and food preparation areas. Under the MUIS eating establishment certification scheme, MUIS may, at its discretion, impose conditions on the holders of Halal certificates to ensure that the requirements of Islamic laws are complied with in the operation of the retail food establishment. All of our Food Outlets operating under our My Kampung Chicken Rice brand have been issued with Halal certificates. Such Halal certification have enabled us to expand our customer base to include Muslim customers.

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To maintain our Halal certifications, we have implemented a system at our My Kampung Chicken Rice Food Outlets under which the Halal food at our Halal Food Outlets are processed, cooked, stored and packed in compliance with the applicable requirements of Islamic laws. Any irregularities detected by the system will be rectified. Notwithstanding such measures, there is no assurance that the Halal certification issued to our My Kampung Chicken Rice Food Outlets will not be revoked or will be renewed. In the event such Halal certification is revoked or not renewed, we would be unable to operate our My Kampung Chicken Rice Food Outlets as Halal Food Outlets. Such disruptions may materially and adversely affect our business, financial condition and results of operations.

We may be exposed to credit risk from our Food Court Tenants

We are exposed to credit risks from our Food Court Tenants. Our trade receivables balance as at the end of FY2019, FY2020, FY2021 and 1H2022 were approximately S\$0.7 million, S\$0.8 million, S\$0.1 million and S\$0.1 million respectively. These accounted for approximately 6.5%, 5.5%, 0.7% and 0.3% of our current asset balance as at the end of FY2019, FY2020, FY2021 and 1H2022, respectively. While there was no allowance for expected credit loss provided as at the end of FY2019, FY2020, FY2021 and 1H2022, and no bad trade debts written off each year or period, there can be no assurance on the timeliness of payments from our counterparties in our food court management business and whether they may be able to fulfil their payment obligations at all. Delays or default in payments by our Food Court Tenants may materially and adversely affect our business, financial condition and results of operations. Please refer to the section entitled “General Information on our Group – Credit Policy” of this Offer Document for more details.

We rely on food delivery platforms

Save for bulk orders placed through our website or via direct enquiry with our Group through email, we do not directly deliver products from our Food Outlets and CHICHA San Chen tea shops to our customers. F&B offerings from our diverse portfolio of brands, together with beverages from our CHICHA San Chen tea shops, are available on all major food delivery platforms. Revenue generated from orders placed by our customers through such delivery platforms accounted for 1.7%, 15.3%, 23.5% and 22.0% of our revenue for FY2019, FY2020, FY2021 and 1H2022, respectively. Revenue generated from orders placed by our customers through such delivery platforms in relation to our franchise business accounted for 0.0%, 29.1%, 35.2% and 37.8% of our revenue earned from our franchise business for FY2019, FY2020, FY2021 and 1H2022, respectively. Revenue generated from orders placed by our customers through such delivery platforms in relation to our F&B operations business accounted for 2.5%, 9.2%, 15.7% and 14.2% of our revenue earned from our F&B operations business for FY2019, FY2020, FY2021 and 1H2022, respectively. In the event such platforms experience delays or interruptions in their services, due to factors such as system failures or attacks, our operations may be disrupted as we would be unable to receive and/or fulfil orders from our customers through such platforms. If such events were to occur, our business, financial condition and results of operations may be materially and adversely affected.

We may fail to effectively manage our inventory

Certain of our food ingredients and products have a fixed shelf life and may expire prior to being utilised or sold by our Food Outlets or CHICHA San Chen tea shops. The rate of utilisation of our food ingredients, and sale of our food products, depends on, *inter alia*, demand for such products by our customers which is in turn affected by factors including, amongst others, new product launches, pricing and discounts, product defects, changes in consumer spending patterns, and changes in consumer tastes and preferences. While we take measures to manage our inventory of perishable products, including by ordering perishable items necessary for our day-to-day operations such as rice, noodles and oil on a daily basis, there is no assurance that we will continue to be able to manage our inventory effectively or that our inventory of ingredients and products will always be fully utilised and/or sold within their shelf life. As our business expands, our levels of inventory may increase in tandem with the risk of our inventory of ingredients and products not being fully utilised and/or sold within their shelf life. The purchasing of certain types of inventory may require significant lead time and prepayment and they may not be returnable. Further, if our inventory levels are unable to meet the demands of our customers, our sales and consequently our revenue will be adversely affected. If such events were to occur, we may face a risk of significant inventory write-downs, which may impose pressure on our operating cash flow, and materially and adversely affect our business, financial condition and results of operations. While we have not experienced any material write off of inventory during the Period Under Review, there is no assurance that such events will not occur in the future.

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We depend on our franchisor and the other franchisees appointed by the franchisor in upholding our reputation

Our franchising and sub-franchising business is reliant on the reputation of the CHICHA San Chen brand which is in turn dependent on factors including the reputation of our franchisor and other franchisees appointed by the franchisor. We believe that brand reputation and goodwill are important factors to our customers in making their purchasing decisions. In the event our franchisor suffers any reputational damage, the brand image of our CHICHA San Chen tea shops may deteriorate, and our business, financial condition and results of operations may be materially and adversely affected.

While we are the exclusive franchisee of the CHICHA San Chen brand of tea shops in Singapore, the brand has also been franchised to third parties in other countries. The franchisor may also appoint new franchisees from time to time at its absolute discretion in other parts of the world. Therefore, we are also dependent on such other franchisees, who have been or may be appointed, to uphold the reputation and goodwill of the CHICHA San Chen brand. If the reputation and image of the CHICHA San Chen brand suffers damage, and given the globalisation of the news media, our business, financial condition and results of operations may be materially and adversely affected to a certain extent, notwithstanding that our operations are separate from those of such other franchisees and that we operate in different markets.

We are reliant on third party Halal-certified central kitchens

Our central kitchen is not Halal-certified, and the ingredients and products supplied to our My Kampung Chicken Rice Food Outlets are sourced from a third party Halal-certified central kitchen. In the event that our third party Halal-certified central kitchen experiences disruptions to its operations and becomes unable to supply our My Kampung Chicken Rice Food Outlets with the required ingredients and products, there is no assurance that we will be able to find an alternative Halal-certified central kitchen that is able to supply Halal ingredients and products that meet our quality requirements in a timely manner and on favourable terms or at all. The process of identifying an alternative Halal-certified central kitchen may take some time and may potentially lead to disruptions to the operations of our My Kampung Chicken Rice Food Outlets, resulting in a material and adverse effect on our business, financial condition and results of operations. We have not experienced any such incidents during the Period Under Review that had a material and adverse effect on our business, financial condition and results of operations.

There may be concerns about our collection, disclosure, security and use of personal data and other privacy-related matters, and we may face claims and fines for failure to adequately protect personal data

We routinely collect, process and retain information pertaining to our employees, and transmit personal, confidential and proprietary information belonging to our customers and suppliers. In connection with our Group's loyalty programme, the personal information of our CHICHA San Chen tea shop customers is collected by a third-party vendor on our Group's behalf. Although we have in place a personal data protection policy to safeguard the personal data and confidential information in our possession against accidental or unlawful loss or modification, unauthorised access or use, and while third-parties who collect the personal information of our customers on our behalf are also required to comply with our personal data protection policy, our current personal data protection policy may not be adequate. our Group was in breach of our obligations under the PDPA prior to the appointment of our data protection officer in June 2022. Notwithstanding this, Section 48K of the PDPA provides that before giving any direction for non-compliance or imposing any financial penalty, the Personal Data Protection Commission ("**Commission**") must give written instructions to the organisation concerned stating, amongst others, that it intends to take action, and where a financial penalty is contemplated, allowing the organisation to make written representations to the Commission with respect to the proposed action. As such, given that we have already rectified this breach by appointing a data protection officer and further given that as at the Latest Practicable Date, we have not received any notice from the Commission, our Group does not expect any penalties to be imposed or any regulatory actions to be taken. In addition, while the maximum financial penalty imposed is S\$1.0 million, Section 48J(6) of the PDPA provides that the Commission must, when determining the amount of financial penalty imposed, have regard to all of the matters set out in the PDPA, including, amongst others, whether the organisation as a result of the non-compliance gained any financial benefit or avoided any financial loss, and whether the organisation took any action

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to mitigate the effects and consequences of the non-compliance and the timeliness and effectiveness of that action. As our Group did not gain any financial benefit or avoid any financial loss and took steps to appoint a data protection officer as soon as the breach was identified and raised with the management, even if any penalties were to be imposed, to the best of our knowledge, we do not expect such penalties to have a material and adverse impact on our Group's business, financial condition and results of operations. Our security controls over personal and other information and the other practices we follow may not prevent the improper access to, or disclosure of, personally identifiable or otherwise confidential information. Any party who can circumvent our security systems may be able to steal or misuse such information and/or disrupt our operations. We have not experienced any such events that had a material and adverse effect on our business, financial condition and results of operations.

Failure to establish adequate safeguards to protect the personal data or confidential information in our possession against accidental or unlawful loss or modification, unauthorised access, use or similar risks may result in security breaches or material non-compliance with third party security requirements. While we have not experienced any such events that had a material and adverse effect on our business, financial condition and results of operations, such events occurring in the future may expose us to the imposition of fines or regulatory action, such as those regulated under the PDPA, a risk of loss or litigation and potential liability for failing to secure confidential customer information. These events may also harm our reputation and subject us to liability. While we have not experienced any such event that had a material and adverse effect on our business, financial condition and results of operations, any failure of our employees to perform their responsibilities or to operate in compliance with all applicable laws and regulations may have a material negative impact on our cost or result in disruptions to our operations, and consequently our business, financial condition, and results of operations may be materially and adversely affected. We may also be subject to stricter personal data and privacy-related requirements and scrutiny from the regulatory authorities in the future. Implementing additional internal measures to comply with such enhanced compliance requirements may increase our cost and impact our financial condition.

RISKS RELATING TO AN INVESTMENT IN OUR SHARES

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

We have made an application for our Shares to be listed for quotation on Catalist, a listing platform primarily designed for fast-growing and emerging or smaller companies to which a higher investment risk tends to be attached as compared to larger or more established companies listed on the Mainboard of the SGX-ST. An investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Mainboard of the SGX-ST, and there is no assurance of the future success and liquidity in the market of our Shares.

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

Future sale of our Shares could adversely affect our Share price

Any future sale or issue of our Shares can have a downward pressure on our Share price. The issue or sale of a significant amount of Shares in the public market after the Placement, or the perception that such issue or sales may occur, could materially and adversely affect the market price of our Shares. These factors also affect our ability to issue additional equity securities. Except as otherwise described in the section entitled "Shareholders – Moratorium" of this Offer Document, there will be no restriction on the ability of our Shareholders to sell their Shares either on Catalist or otherwise.

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After the lock-up period has lapsed, we will be able to issue new Shares and our Controlling Shareholder will be able to sell its Shares. Any future sale or an increased availability of Shares may have a downward pressure on their price. The sale of a significant number of Shares in the public market after the Placement, including by our Controlling Shareholder, as well as non-controlling but otherwise significant Shareholders, or the issue of further new securities by us, or the perception that such sales or issues may occur, could materially affect the market price of the Shares. These factors also affect our ability to sell additional equity securities at a time and at a price favourable to us.

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

The Shares may not be a suitable investment for all investors

Each prospective investor in the Shares must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Shares, our Company, the merits and risks of investing in the Shares and the information contained in this Offer Document, (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Shares and the effect an investment in the Shares will have on its overall investment portfolio, (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Shares, including where the currency of the Shares is different from the prospective investor's currency, (iv) understand thoroughly the terms of the Placement, and (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

Investors in our Shares would face immediate and substantial dilution in the book value per Share and may experience future dilution

As described in the section entitled "Dilution" in this Offer Document, our Placement Price of 20 cents per Share is substantially higher than our unaudited pro forma NAV per Share of 6.80 cents as at 30 June 2022 (adjusted for the net proceeds from the Placement and the issue of the Cornerstone Shares and based on the share capital immediately after the completion of the Placement and the issue of the Cornerstone Shares of 425,000,000 Shares). Thus, there is an immediate and substantial dilution in the book value per Share.

In addition, we may, in the future, expand our capabilities and business through acquisitions, joint ventures and strategic partnerships with parties who can add value to our business. We may also require additional equity funding after the Placement. If we choose to issue new Shares in order to finance future expansion, acquisitions, joint ventures and strategic partnerships, our Shareholders will face dilution of their shareholdings.

In particular, if we offer, or cause to be offered to Shareholders, rights to subscribe for additional Shares or any right of any other nature, we will have discretion as to the procedure to be followed in making such rights available to Shareholders, or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to such Shareholders. We may choose not to offer such rights to the Shareholders having an address in a jurisdiction outside Singapore and such Shareholders may experience a dilution in their shareholdings as a result.

Investors may not be able to participate in future issues of Shares and may experience dilution in their shareholdings

In the event that our Company issues new Shares, it will be under no obligation to offer those Shares to our existing Shareholders at the time of issue, except where it elects to conduct a rights issue. However, in electing to conduct a rights issue or other forms of equity issuances, our Company will have discretion, subject to relevant regulations, as to the procedures to be followed in making such rights offering available to our existing Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. In addition, our Company may choose not to offer such rights to our existing Shareholders having an address outside Singapore. Accordingly, holders of our Shares may be unable to participate in future offerings of our Shares and may experience dilution of their shareholdings as a result.

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There has been no prior market for our Shares and the Placement may not result in an active or liquid market for our Shares

Prior to the Placement, there has been no public market for our Shares. The Placement Price may not be indicative of the market price for our Shares after the completion of the Placement. There is no assurance that an active market for our Shares will develop or, if developed, will be sustained, or that the market price for the Shares will not decline below the Placement Price. Accordingly, Shareholders may be unable to sell their Shares at or above the Placement Price.

Our Share price may be volatile in the future, which could result in substantial losses for investors purchasing our Shares in this Placement

The trading price of our Shares could be subject to significant fluctuations as a result of, among others, the following factors, some of which are beyond our control:

- variations of our financial or operating results;
- liquidity of the market for our Shares;
- differences between our actual financial or operating results and those expected by investors and investment analysts;
- changes in analysts' recommendations, or estimates and projections of our financial performance;
- technological developments in our industry;
- announcements by us of significant acquisitions, strategic partnerships or joint ventures;
- announcements by us of the securing or termination of significant projects;
- our involvement in material litigation; and
- changes in general economic, political and social conditions and broad market fluctuations.

In addition, our Share price will be under downward pressure if certain of our Directors or management staff or employees sold their respective Shares immediately after the Placement or moratorium.

For these reasons, among others, our Shares may trade at prices that are higher or lower than the Placement Price and/or NAV per Share. These fluctuations may be exaggerated if the trading volume of the Shares is low. Volatility in the price of the Shares may be unrelated or disproportionate to our results of operations. It may be difficult to assess our performance against either domestic or international benchmarks. In addition, our Shares are not capital-safe products and there is no guarantee that investors of our Shares can realise a higher amount or even the principal amount of their investments. Any of the factors listed above could adversely affect the price of the Shares and Shareholders may not be able to resell their Shares at a price that is attractive to them, or at all.

We may be constrained from paying dividends on the Shares from time to time

We are not legally or contractually required to pay dividends and any determination to pay dividends in the future will be entirely at the discretion of our Board, taking into consideration our operating results and cash flow, other cash requirements including capital expenditures, financing arrangements (if any), future plans, general business conditions and other factors which our Board may determine as appropriate, many of which are beyond our control. Please see the section titled "Dividend Policy" of this Offer Document for further details on our dividend policy.

We may not be able to pay dividends in the future if we are unable to successfully implement our strategy or if there are adverse developments to our business as a result of competitive, regulatory, general economic conditions, demand and other factors specific to our industry, many of which are beyond our control. In addition, agreements which we may enter into in the future may limit or prohibit, among other things, the ability of our subsidiaries to make distributions to us and thus our ability to pay dividends to our Shareholders.

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Our Company's Controlling Shareholder will retain significant control over our Company after the Placement and the issue of the Cornerstone Shares, which will allow it to influence the outcome of matters submitted to Shareholders for approval

Upon the completion of the Placement and the issue of the Cornerstone Shares, our Company's present Controlling Shareholder, Seah & Family will beneficially own in aggregate approximately 76.7% of the issued Shares. As a result, it will be able to exercise significant influence over all matters requiring shareholder approval, including the election of directors and the approval of significant corporate transactions, and will have veto power with respect to any Shareholder action or approval requiring a majority vote except where it is required by the Catalist Rules to abstain from voting. Such concentration of ownership also may have the effect of delaying, preventing or deterring a change in control of our Company which may benefit our Shareholders.

Negative publicity may adversely affect our Share price

Negative publicity or announcements relating to our Company or any of our Directors, Executive Officers or Controlling Shareholder may materially and adversely affect the market perception or the Share performance of our Company, whether or not it is justified. Examples of negative publicity may include unsuccessful attempts in joint ventures, acquisitions or takeovers, or involvement in insolvency proceedings.

Singapore law contains provisions that could discourage a take-over of our Company

The Take-over Code and Sections 138, 139 and 140 of the SFA (collectively, "**Singapore Take-over and Merger Provisions**") contain certain provisions that may delay or deter a future take-over or change in control of our Company for so long as our Shares are listed for quotation on the SGX-ST. Except with the consent of the Securities Industry Council, any person acquiring an interest, whether by a series of transactions over a period of time or otherwise, either on his/her own or together with parties acting in concert with him/her, in 30.0% or more of our voting Shares, is required to extend a take-over offer for our remaining voting Shares in accordance with the Singapore Take-over and Merger Provisions. Except with the consent of the Securities Industry Council, such a take-over offer is also required to be made if a person holding between 30.0% and 50.0% (both inclusive) of our voting Shares (either on his/her own or together with parties acting in concert with him/her) acquires additional voting Shares representing more than 1.0% of our voting Shares in any six-month period. While the Take-over Code seeks to ensure an equality of treatment among shareholders, its provisions could substantially impede the ability of shareholders to benefit from a change of control and, as a result, may adversely affect the market price of our Shares and their ability to realise any benefit from a potential change of control.

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

The Placement Price of our Placement Shares is substantially higher than our Group's NAV per Share of 6.80 cents based on the post-Placement Share capital and after adjusting for the estimated net proceeds from the issue of the New Shares. If we are liquidated immediately following this Placement, each investor subscribing to this Placement would receive less than the price they paid for their Shares. Please refer to the section entitled "Dilution" of this Offer Document for more information.

In addition, we may issue Award Shares under the Yew Kee PSP. To the extent that such Award Shares are issued, there may be further dilution to investors participating in the Placement. Please refer to the sections entitled "Yew Kee Performance Share Plan" and "Appendix H – Rules of the Yew Kee Performance Share Plan" for more information. In addition, we may issue Option Shares under the Yew Kee ESOS. To the extent that Option Shares are issued, there may be further dilution to investors participating in the Placement. Please refer to the sections entitled "Yew Kee Employee Share Option Scheme" and "Appendix G – Rules of the Yew Kee Employee Share Option Scheme" for more information.

USE OF PROCEEDS AND LISTING EXPENSES

The total gross proceeds to be raised from the Placement (comprising the New Shares and the Vendor Shares) and the issue of the Cornerstone Shares will be approximately S\$19.8 million.

The estimated net proceeds to be raised from the Placement and the issue of the Cornerstone Shares, after deducting the placement commission and estimated listing expenses, is approximately S\$17.5 million, of which approximately S\$12.0 million will be due to our Company and approximately S\$5.5 million will be due to the Vendor. We will not receive any of the proceeds from the sale of the Vendor Shares.

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

	Amount (S\$'000)	Estimated amount for each dollar of the gross proceeds from the Placement and the issue of the Cornerstone Shares (cents)
Use of proceeds from the Placement and the issue of the Cornerstone Shares		
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	71.43
Working capital	2,035	14.53
Net proceeds from the Placement and issue of the Cornerstone Shares	12,035	85.96
Listing expenses to be borne by our Company		
Listing and processing fees	28	0.26
Professional fees	1,232	8.8
Placement commission	738	4.00
Miscellaneous expenses	127	0.98
Total listing expenses	2,125	14.04
Total	14,000	100.00

Use of Proceeds

Please refer to the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document for further details on our use of proceeds. In particular, our future plans may be funded, apart from the net proceeds from the Placement, either through internally generated funds and/or external borrowings.

The discussion above represents our Company’s best estimate of our allocation of the net proceeds from the Placement and the issue of the Cornerstone Shares based on our current plans and estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates and our Company may find it necessary or advisable to re-allocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. In the event that we decide to re-allocate the net proceeds due to us from the Placement and the issue of the Cornerstone Shares or use portions of our net proceeds for other purposes, appropriate announcements will be made by our Company on the SGX-ST’s website at <http://www.sgx.com>.

Pending the deployment of the net proceeds from the Placement in the manner described above, the funds may be placed in short term deposits with banks and financial institutions, used to invest in short term money market instruments and/or used for working capital requirements as our Directors may deem fit at their absolute discretion.

USE OF PROCEEDS AND LISTING EXPENSES

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

Save as disclosed above in relation to potential acquisitions as part of the expansion of our business, none of the net proceeds from the Placement and the issue of the Cornerstone Shares will be used, directly or indirectly, to acquire or refinance the acquisition of another business or assets outside the ordinary course of business. As at the Latest Practicable Date, we have not identified any target, asset, business or entity to be acquired. None of the net proceeds from the Placement and the issue of the Cornerstone Shares will be used to discharge, reduce or retire any indebtedness of our Group.

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

Listing Expenses

We will pay the Joint Placement Agents, as compensation for their services in connection with the Placement, a placement commission equal to 4.0% of the aggregate Placement Price for the total number of New Shares which the Joint Placement Agents have procured subscribers for pursuant to the Placement Agreement. The placement commission will amount to approximately S\$0.008 for each New Share, excluding GST.

Further, we will pay the Joint Placement Agents, as compensation for their services in connection with the Cornerstone Shares, a placement commission equal to 4.0% of the aggregate proceeds from the issuance of the Cornerstone Shares which the Joint Placement Agents have procured subscribers for. The placement commission will amount to approximately S\$0.008 for each Cornerstone Share, excluding GST.

The Vendor will pay the Joint Placement Agents, as compensation for their services in connection with the Placement, a placement commission equal to 4.0% of the aggregate Placement Price for the total number of Vendor Shares which the Joint Placement Agents have procured purchasers for pursuant to the Placement Agreement. The professional fees and expenses and all other incidental expenses relating to the Placement which are payable by the Vendor (excluding the placement commission and GST) are estimated to amount to approximately S\$0.3 million.

The Company and the Vendor may, at their sole discretion, pay to the Joint Placement Agents a discretionary commission of up to 1.0% of the aggregate Placement Price for the total number of Placement Shares which the Joint Placement Agents has procured subscribers and/or purchasers for pursuant to the Placement Agreement. For the avoidance of doubt, in the event that the Company and the Vendor elect to pay the discretionary commission to the Joint Placement Agents, as between the Company and the Vendor, the Company shall be responsible for the discretionary commission in respect of the New Shares and the Vendor shall be responsible for the discretionary commission in respect of the Vendor Shares.

The Company may, at its sole discretion, pay to the Joint Placement Agents a discretionary commission of up to 1.0% of the aggregate proceeds from the issuance of the Cornerstone Shares which the Joint Placement Agents have procured subscribers for.

Pursuant to the Placement Agreement, the brokerage commission in respect of the subscribers and/or purchasers of the Placement Shares and the Cornerstone Shares that may be charged by the Joint Placement Agents and any sub-placement agent that may be appointed by the Joint Placement Agents shall be waived.

DILUTION

New investors subscribing for and/or purchasing the Placement Shares (“**New Investors**”) at the Placement Price will experience an immediate dilution to the extent of the difference between the Placement Price per Share and the NAV per Share immediately after the completion of the Placement. Dilution is determined by subtracting the NAV per Share immediately after the completion of the Placement from the Placement Price paid by the New Investors. NAV per Share is determined by subtracting our total liabilities and minority interests from our total assets, and dividing the difference by the number of Shares deemed to be outstanding on the date as of which the book value is determined. Our unaudited pro forma NAV per Share as at 30 June 2022 before adjusting for the estimated net proceeds from the Placement and the issue of the Cornerstone Shares and based on the Company’s share capital (immediately before the Placement and the issue of the Cornerstone Shares) of 355,000,000 Shares, was 0.70 cents per Share.

The Placement Price of 20 cents per Share exceeds the unaudited pro forma NAV per Share of approximately 6.80 cents per Share after the Placement based on the Company’s share capital immediately after completion of the Placement, by approximately 194.1%. Since the Placement Price exceeds the NAV per Share immediately after the completion of the Placement and the issue of the Cornerstone Shares, there is an immediate dilution to New Investors subscribing for and/or purchasing the Placement Shares. Such dilution is illustrated in the table below:

	Cents
Placement Price	20.00
NAV attributable to equity holders of the Company per Share as at 30 June 2022 based on the Company’s share capital immediately before the Placement and the issue of the Cornerstone Shares of 355,000,000 Shares	0.70
Increase in NAV per Share to existing Shareholders	2.05
NAV per Share after the Placement based on the Company’s share capital immediately after completion of the Placement and the issue of the Cornerstone Shares ⁽¹⁾	6.80
Dilution in NAV per Share to New Investors	13.20
Dilution in NAV per Share to New Investors as a percentage of the Placement Price	66.00%

Note:

- (1) The computed unaudited pro forma NAV per Share after the completion of the Placement and the issue of the Cornerstone Shares does not take into account our actual financial performance after 30 June 2022. Depending on our actual financial results, our NAV per Share may be higher or lower than the above computed NAV.

The following table summarises the total number of Shares acquired by our Directors, Substantial Shareholders and/or their Associates during the period of three (3) years prior to the date of lodgement of this Offer Document, or which they have the right to acquire, the total consideration paid by them and the average effective cash cost per Share to them and to our New Investors pursuant to the Placement and the issue of the Cornerstone Shares, and as adjusted for the Restructuring Exercise and the Share Split:

	Number of Shares Acquired or to be Acquired	Total Consideration (S\$)	Average Effective Cost per Share (cents)
Seah & Family ⁽¹⁾	355,000,000 ⁽²⁾	2,158,750	0.61
Cornerstone Investors and New Investors pursuant to the Placement and the issue of the Cornerstone Shares	99,000,000	19,800,000	20.00

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. Accordingly, pursuant to section 4 of the SFA, Mr. Seah Boon Lock is deemed interested in all the Shares held by Seah & Family.
- (2) Adjusted to reflect the Share Split and includes the Vendor Shares to be sold by the Vendor in connection with the Placement.

DILUTION

Save as disclosed above and in the sections entitled “Restructuring Exercise” and “Share Capital” of this Offer Document, none of our Directors, Substantial Shareholders or their Associates has acquired any Shares, or entered into any transaction granting them the right to acquire any Shares, during the period of three (3) years prior to the date of lodgement of this Offer Document.

CAPITALISATION AND INDEBTEDNESS

The information in this table should be read in conjunction with the sections entitled “*Use of Proceeds and Listing Expenses*” and “*Management’s Discussion and Analysis of Results of Operations and Financial Position*” of this Offer Document and our financial statements and the notes thereto set out in Appendices A, B and C of this Offer Document.

The table below sets forth the capitalisation and indebtedness of our Group as at 31 October 2022 which has been prepared:

- based on the unaudited combined management accounts of our Group as at 31 October 2022; and
- as adjusted for net proceeds from the Placement and the issue of the Cornerstone Shares described in the section entitled “*Use of Proceeds and Listing Expenses*” of this Offer Document.

	As at 31 December 2021 (S\$ '000)	As at 30 June 2022 (S\$ '000)	As at 31 October 2022 (S\$ '000)	Adjusted for net proceeds from the Placement and the issue of the Cornerstone Shares (S\$ '000)
Cash and bank balances	13,600	14,836	9,695	21,730
Current indebtedness				
Secured and guaranteed	50	109	2,487	2,487
Secured and non-guaranteed	1	3	3	3
Unsecured and guaranteed	—	—	94	94
Unsecured and non-guaranteed	5,662	4,285	4,660	4,660
Non-current indebtedness				
Secured and guaranteed	250	384	378	378
Secured and non-guaranteed	6	11	10	10
Unsecured and guaranteed	—	—	87	87
Unsecured and non-guaranteed	2,633	2,164	826	826
Total indebtedness	8,602	6,956	8,544	8,544
Total shareholders’ equity	15,853	16,870	5,678	17,713
Total capitalisation and indebtedness	24,455	23,826	14,222	26,257

CAPITALISATION AND INDEBTEDNESS

Credit Facilities

As at the Latest Practicable Date, we have the following credit facilities:

No.	Lender	Borrower	Type of facilities (Secured/ Guaranteed)	Interest Rate	Amount of facilities available (S\$ '000)	Amount utilised (S\$ '000)	Amount unutilised (S\$ '000)	Amount outstanding as at 30 June 2022 (S\$ '000)	Amount outstanding as at Latest Practicable Date (S\$ '000)	Maturity profile
1.	Oversea- Chinese Banking Corporation Limited ⁽¹⁾	Yew Kee Collective	Banker's Guarantee / Specific Advance Facility 1 and Specific Advance Facility 2 (secured by (i) new first open legal mortgage over the property held by Yew Kee Management at 32 Woodlands Terrace Singapore 738452 and (ii) deeds of guarantee and indemnity from Mr. Seah Boon Lock and Ms. Wee Lay Teng)	Commission of 1.0% per annum in respect of the Banker's Guarantee / Interest of 1.5% per annum over Oversea-Chinese Banking Corporation Limited's prevailing cost of funds as determined by the bank for the interest period of one (1) month in respect of the Specific Advance Facility 1 / Interest of 1.5% per annum over Oversea-Chinese Banking Corporation Limited's prevailing cost of funds as determined by the bank for the interest periods of one (1), three (3) or (6) months at the borrower's option in respect of the Specific Advance Facility 2	5,500	520.28	4,979.72	Nil	501.16	For Specific Advance Facility 1: Each advance to be repaid equally over 24 months. For Specific Advance Facility 2: quarterly reduction of S\$100,000 each until the limit is zeroised, with the first reduction commencing on 3 April 2023.

CAPITALISATION AND INDEBTEDNESS

No.	Lender	Borrower	Type of facilities (Secured/ Guaranteed)	Interest Rate	Amount of facilities available (S\$ '000)	Amount utilised (S\$ '000)	Amount unutilised (S\$ '000)	Amount outstanding as at 30 June 2022 (S\$ '000)	Amount outstanding as at Latest Practicable Date (S\$ '000)	Maturity profile
2.	United Overseas Bank Limited ⁽²⁾	Yew Kee Management	Money Market Loan (secured by (i) an existing first legal mortgage over 32 Woodlands Terrace Singapore 738452 and (ii) existing joint and several guarantees from Mr. Seah Boon Lock and Ms. Wee Lay Teng)	1.75% per annum over the SIBOR or 1.75% per annum over the bank's cost of funds or such other rate at the sole discretion of the bank	2,400.00	2,400.00	Nil	Nil	2,400.00	One (1), three (3) or six (6) months after each drawdown as may be mutually agreed with the bank
3.	United Overseas Bank Limited ⁽²⁾	Yew Kee Management	Hire purchase facility / (secured by joint and several guarantees from Mr. Seah Boon Lock and Mr. Ng Kok Leen) ⁽³⁾	5.70% per annum	68.60	68.60	Nil	57.72	53.22	84 months from 22 April 2021
4.	United Overseas Bank Limited ⁽²⁾	Yew Kee Management	Hire purchase facility / (secured by joint and several guarantees from Mr. Seah Boon Lock and Mr. Ng Kok Leen) ⁽³⁾	5.70% per annum	68.60	68.60	Nil	58.47	53.97	84 months from 3 May 2021
5.	United Overseas Bank Limited ⁽²⁾	Yew Kee Management	Hire purchase facility / (secured by joint and several guarantees from Mr. Seah Boon Lock and Mr. Ng Kok Leen) ⁽³⁾	5.70% per annum	68.60	68.60	Nil	58.47	53.97	84 months from 3 May 2021

CAPITALISATION AND INDEBTEDNESS

No.	Lender	Borrower	Type of facilities (Secured/ Guaranteed)	Interest Rate	Amount of facilities available (S\$ '000)	Amount utilised (S\$ '000)	Amount unutilised (S\$ '000)	Amount outstanding as at 30 June 2022 (S\$ '000)	Amount outstanding as at Latest Practicable Date (S\$ '000)	Maturity profile
6.	United Overseas Bank Limited ⁽²⁾	Yew Kee Management	Hire purchase facility / (secured by joint and several guarantees from Mr. Seah Boon Lock and Mr. Ng Kok Leen) ⁽³⁾	5.7% per annum	68.60	68.60	Nil	59.20	54.73	84 months from 16 June 2021
7.	Orix Leasing Singapore Limited	Yew Kee Management	Hire purchase facility	5.98% per annum	7.49	7.49	Nil	6.24	5.66	20 September 2021 to 20 September 2026
8.	Mitsubishi HC Capital Asia Pacific Pte. Ltd.	Yew Kee Management	Hire purchase facility	5.79% per annum	8.37	8.37	Nil	8.14	7.10	60 months from 4 May 2022
9.	United Overseas Bank Limited ⁽²⁾	Yew Kee Two	Hire purchase facility / (secured by a personal guarantee from Mr. Ng Kok Leen) ⁽³⁾	5.70% per annum	51.20	51.20	Nil	44.05	40.84	18 May 2021 to 18 April 2028
10.	Maybank Singapore Limited ⁽⁴⁾	Yew Kee Collective	Hire purchase facility / (secured by a personal guarantee from Mr. Seah Qin Quan)	3.72% per annum	227.50	227.50	Nil	214.83	192.50	60 months from 15 March 2022

CAPITALISATION AND INDEBTEDNESS

Notes:

- (1) These loan facilities contain a restriction whereby Yew Kee Collective shall not without the prior written consent of Oversea-Chinese Banking Corporation Limited undertake or permit any re-organisation, amalgamation, reconstruction, take-over, change of shareholders or any other schemes of compromise or arrangement affecting the Yew Kee Collective's present constitution or amend or alter any of the provisions in the Yew Kee Collective's constitution or other constitutional document relating to the Yew Kee Collective's borrowing powers and principal business activities. Oversea-Chinese Banking Corporation Limited has confirmed that it has no objection to the restructuring exercise undertaken by our Group for the Listing (comprising amongst others, the steps set out in the section entitled "Restructuring Exercise" of this Offer Document, the appointment of new directors and key executive officers, prior to and in connection with the Listing, changes in the composition of the board and management of our Company which may occur from time to time after the Listing, changes in shareholding in our Company including the issue of further shares following the Listing, and the declaration of dividends by Yew Kee Management, Yew Kee Two and the Company to its respective shareholders following the Listing), conditional upon the existing personal guarantees provided by Mr. Seah Boon Lock and Ms. Wee Lay Teng being replaced by a corporate guarantee from our Company, subject to Oversea-Chinese Banking Corporation Limited being *pari passu* on security arrangement with all other lenders. The Company is currently working with Oversea-Chinese Banking Corporation Limited to replace the personal guarantees provided by Mr. Seah Boon Lock and Ms. Wee Lay Teng with a corporate guarantee and will endeavour to complete this as soon as practicable. The legal mortgage over our property at 32 Woodlands Terrace in favour of Oversea-Chinese Banking Corporation Limited was completed on 22 December 2022.
- (2) As at the date of this Offer Document, these loan facilities have been settled in full and all security provided for such facilities have been discharged.
- (3) Mr. Ng Kok Leen was a previous employee of our Group. As at the date of this Offer Document, all facilities secured by personal guarantees provided by Mr. Ng Kok Leen have been settled in full.
- (4) This loan facility provides as a termination event if there is any change (which Maybank Singapore Limited considers as material) in the composition of the shareholders or control of Yew Kee Collective shall have taken place without the prior written consent of Maybank Singapore Limited. While our Company does not consider the Restructuring Exercise to be a material change in the composition of the shareholders or control of Yew Kee Collective, we have informed Maybank Singapore Limited of the Restructuring Exercise.

To the best of our Directors' knowledge, as at the Latest Practicable Date, we are not in breach of any of the terms and conditions or covenants associated with any credit facilities or our financial arrangements which could materially and adversely affect our financial position and results or business operations, or the investments of our Shareholders. Save as disclosed above, there are no material terms and conditions in our credit facilities which impose restrictions on payment of dividends and/or are tied to our Directors and/or make references to the specific shareholding interest of any Controlling Shareholder.

Pursuant to Rule 728 of the Catalist Rules, Mr. Seah Boon Lock and Seah & Family Pte. Ltd., being our Controlling Shareholders, have provided undertakings to our Company that they will notify our Company as soon as they become aware of any share pledging arrangements relating to their Shares and of any event which will be an event of default, an enforcement event or an event that would cause acceleration of the repayment of the principal amount of the loan or debt securities. Upon notification by any Controlling Shareholder, our Company will make the necessary announcement(s) in compliance with Rule 728 of the Catalist Rules.

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

DIVIDEND POLICY

PAST DIVIDENDS

Since incorporation, our Company has not declared any dividends.

Our subsidiaries have declared and paid dividends of an aggregate of S\$1,030,000, S\$1,455,100 and S\$2,202,399, in respect of FY2019, FY2020 and FY2021 respectively.

Dividends declared in respect of FY2019

Date on which dividend was declared	Group Company	Amount	FY in which dividend was paid
16 January 2020	Fine Food F&B	S\$290,000	FY2020
26 January 2019	Fine Food F&B	S\$40,000	FY2019
22 January 2020	Yew Kee Collective	S\$200,000	FY2020
22 January 2020	10 (XO Noodle)	S\$100,000	FY2020
22 January 2020	207 (Duck Rice)	S\$150,000	FY2020
22 January 2020	Ying's Traditional Food	S\$250,000	FY2020

Dividends declared in respect of FY2020

Date on which dividend was declared	Group Company	Amount	FY in which dividend was paid
31 December 2020	Tong Fong Fatt (YK) Pte Ltd ⁽¹⁾	S\$855,100	FY2020
9 July 2021	2 Bukit Panjang	S\$100,000	FY2021
9 July 2021	108 Sembawang	S\$100,000	FY2021
9 July 2021	10 (XO Noodle)	S\$100,000	FY2021
9 July 2021	Yew Kee Three	S\$100,000	FY2021
9 July 2021	Ubi 179 Food House	S\$100,000	FY2021
9 July 2021	Punggol WP83	S\$100,000	FY2021

Dividends declared in respect of FY2021

Date on which dividend was declared	Group Company	Amount	FY in which dividend was paid
31 December 2021	YTP (Yew Tee) Pte. Ltd. ⁽²⁾	S\$321,023	FY2021
9 July 2021	Yew Kee Two	S\$200,000	FY2021
25 January 2022	Fine Food F&B	S\$200,000	FY2022
26 January 2019	Fine Food (Nanyang)	S\$200,000	FY2022
9 July 2021	Yew Kee Collective	S\$200,000	FY2021
26 January 2022	Yew Kee Collective	S\$546,697	FY2022
9 March 2022	10 (XO Noodle)	S\$187,889	FY2022
9 March 2022	207 (Duck Rice)	S\$71,250	FY2022
9 March 2022	Ying's Traditional Food	S\$204,610	FY2022
9 March 2022	51 Hougang	S\$70,930	FY2022

DIVIDEND POLICY

Notes:

- (1) Our subsidiary, Tong Fong Fatt YK Pte. Ltd., was struck off on 18 August 2021.
- (2) Our subsidiary, YTP (Yew Tee) Pte. Ltd., was struck off on 5 December 2022.

Our subsidiaries have declared interim dividends in respect of FY2022. The amounts declared and paid in FY2022 are set out below:

	Date	Group Company	Amount Declared and Paid
1.	11 October 2022	Yew Kee Collective	S\$4,105,000
2.	11 October 2022	Yew Kee Management	S\$1,550,000
3.	11 October 2022	Yew Kee Duck & Noodle House	S\$1,350,000
4.	11 October 2022	10 (XO Noodle)	S\$250,000
5.	11 October 2022	2 Bukit Panjang	S\$240,000
6.	11 October 2022	108 Sembawang	S\$300,000
7.	11 October 2022	207 (Duck Rice)	S\$100,000
8.	11 October 2022	Admiralty Local Delight	S\$200,000
9.	11 October 2022	Yew Kee Three	S\$180,000
10.	11 October 2022	Ying's Traditional Food	S\$250,000
11.	11 October 2022	Ubi 179 Food House	S\$240,000
12.	11 October 2022	51 Hougang	S\$180,000
13.	11 October 2022	480 Local Delight	S\$120,000
14.	11 October 2022	SM30 Simei	S\$170,000
15.	11 October 2022	Punggol WP83	S\$240,000
16.	11 October 2022	Yew Kee Two	S\$2,180,000
17.	11 October 2022	HILLCC	S\$100,000
18.	11 October 2022	NOVCC	S\$380,000
19.	11 October 2022	TAKACC	S\$280,000
20.	11 October 2022	SUNCC	S\$100,000
21.	11 October 2022	313CC	S\$250,000
22.	11 October 2022	AMKCC	S\$300,000
23.	11 October 2022	CPOCC	S\$40,000
24.	11 October 2022	CTRCC	S\$190,000
25.	11 October 2022	CWPCC	S\$300,000
26.	11 October 2022	WSCC	S\$50,000
27.	11 October 2022	HGMCC	320,000.00
28.	11 October 2022	JEMCC	280,000.00
29.	11 October 2022	LOTCC	100,000.00
30.	11 October 2022	MSQCC	200,000.00
31.	11 October 2022	NEXCC	380,000.00

DIVIDEND POLICY

	Date	Group Company	Amount Declared and Paid
32.	11 October 2022	PLQCC	460,000.00
33.	11 October 2022	STARCC	320,000.00
34.	11 October 2022	TPCC	450,000.00
35.	11 October 2022	WLPCC	330,000.00
36.	11 October 2022	WPTCC	460,000.00
37.	11 October 2022	YISCC	270,000.00
38.	21 September 2022	Fine Food (Nanyang)	S\$350,000
39.	21 September 2022	Fine Food F&B	S\$300,000

Save as disclosed above, no dividends have been declared by our Company or our subsidiaries during the Period Under Review and from 1 July 2022 up to the Latest Practicable Date.

Statements contained herein that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by our Company, the Issue Manager and Full Sponsor, the Joint Placement Agents or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as at the date hereof. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document.

DIVIDEND POLICY

The Company does not have a fixed dividend policy. Notwithstanding this, subject to the below, our Directors intend to recommend and distribute dividends of a minimum of 50.0% of our net profit attributable to shareholders of the Company in respect of FY2023 and FY2024 ("**Proposed Dividends**").

Investors should note that all the foregoing statements, including the statements on the Proposed Dividends, are merely statements of our present intention and shall not constitute legally binding statements in respect of our future dividends which may be subject to modification (including reduction or non-declaration thereof) at our Directors' sole and absolute discretion. Any dividends declared will be disclosed in our Company's financial results announcement as required by Appendix 7C of the Catalyst Rules.

The form, frequency and amount of future dividends that our Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Directors:

- (a) the level of our cash and retained earnings;
- (b) our actual and projected financial performance;
- (c) our projected levels of capital expenditure and other investment plans;
- (d) our working capital requirements and general financing condition;
- (e) restrictions on payment of dividends imposed on us by our financing arrangements (if any); and
- (f) the general economic and business conditions in countries in which we operate.

DIVIDEND POLICY

We may declare final dividends by way of an ordinary resolution of our Shareholders at a general meeting, but may not pay total dividends in excess of the amount recommended by our Directors. The declaration and payment of final dividends will be determined at the sole discretion of our Directors, subject to the approval of our Shareholders. Our Directors may also declare an interim dividend without the approval of our Shareholders. All dividends will be paid in accordance with the Companies Act.

The amount of dividends declared and paid by us in the past should not be taken as an indication of the dividends payable in the future. Investors should not make any inference from the foregoing statements as to our actual future profitability or our ability to pay any future dividends. There can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future. Payment of any dividends and distributions shall be declared in S\$ and paid in S\$ to CDP on behalf of our Shareholders who maintain, either directly or through depository agents, Securities Accounts.

For information relating to taxes payable on dividends, please refer to the section entitled “Appendix F – Taxation” of this Offer Document.

RESTRUCTURING EXERCISE

In connection with the Placement, we undertook the Restructuring Exercise to rationalise and streamline our Group.

The following steps were taken during the Restructuring Exercise:

1. Incorporation of our Company

Our 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.

2. Disposal of Billion Land

On 15 August 2022, our subsidiary Yew Kee Two disposed of one (1) share representing 20.0% of the issued and paid-up capital of Billion Land Pte. Ltd. ("**Billion Land**") to our Chief Administrative Officer, Ms. Wee Lay Teng. Billion Land is a dormant investment holding company with no business operations. The disposal was for a nominal consideration of S\$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 asset value of Billion Land was S\$0.4 million. The assets of Billion Land relates mainly to amounts due by directors to Billion Land (all of whom are not related to our Group, our Directors and our Executive Officers), and the liabilities of Billion Land are amounts owing to a related party (which is not related to our Group, our Directors and our Executive Officers). Subsequent to the disposal, our Group is no longer a shareholder of Billion Land. The disposal was undertaken as part of our Restructuring Exercise to streamline the corporate structure of our Group as Billion Land is a dormant investment holding company that does not undertake any business operations of our Group.

3. Share Swap

Our Company entered into share swap agreements dated 21 December 2022 with each of the sellers set out below to acquire all of the issued and paid-up share capital of each of the corresponding subsidiaries set out below 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. Our Company nominated certain subsidiaries within our Group to hold the various subsidiaries acquired in line with rationalising our operations into our various business segments, resulting in our existing Group structure as at the date of this Offer Document. Please refer to the section entitled "General Information on our Group – Our Group Structure" for more information. 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 our Company of an aggregate of 2,151,116 new Shares to Seah & Family.

Sellers	Subsidiary	Number of shares acquired	Number of Consideration Shares issued
Seah Boon Lock	Yew Kee Management	34,000 ordinary shares	34,000 Shares
Wee Lay Teng		34,000 ordinary shares	34,000 Shares
Seah Qin Quan		34,000 ordinary shares	34,000 Shares
Yew Kee Collective		238,000 ordinary shares	238,000 Shares

RESTRUCTURING EXERCISE

Sellers	Subsidiary	Number of shares acquired	Number of Consideration Shares issued
Seah Boon Lock	Yew Kee Collective	200,000 ordinary shares	200,000 Shares
Wee Lay Teng		200,000 ordinary shares	200,000 Shares
Seah Qin Quan		50,000 ordinary shares	50,000 Shares
Seah Kun Miao		50,000 ordinary shares	50,000 Shares
Yew Kee Collective	Yew Kee Two	500,000 ordinary shares	500,000 Shares
Seah Boon Lock	Fine Food F&B	100,000 ordinary shares	100,000 Shares
Seah Boon Lock	Fine Food (Nanyang)	60,000 ordinary shares	60,000 Shares
Wee Lay Teng		60,000 ordinary shares	60,000 Shares
Seah Qin Quan		40,000 ordinary shares	40,000 Shares
Seah Boon Lock	Yew Kee Duck and Noodle House	90,000 ordinary shares	90,000 Shares
Wee Lay Teng		10,000 ordinary shares	10,000 Shares
Seah Boon Lock	313CC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	JEMCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	PASCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	AMKCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	CTRCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	WSCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares

RESTRUCTURING EXERCISE

Sellers	Subsidiary	Number of shares acquired	Number of Consideration Shares issued
Seah Boon Lock	TPCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	PLQCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	CWPC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	MSQCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	WLPCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	NTUCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	WPTCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	HGMCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	STARCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares

RESTRUCTURING EXERCISE

Sellers	Subsidiary	Number of shares acquired	Number of Consideration Shares issued
Seah Boon Lock	JEWCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	TAKACC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	CACC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	SUNCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	NUSCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	JPCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	NOVCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	HILLCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	NEXCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares

RESTRUCTURING EXERCISE

Sellers	Subsidiary	Number of shares acquired	Number of Consideration Shares issued
Seah Boon Lock	YISCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	LOTCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	EASTCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	KWMCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	CPOCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Boon Lock	CNPCC	400 ordinary shares	400 Shares
Wee Lay Teng		400 ordinary shares	400 Shares
Seah Qin Quan		100 ordinary shares	100 Shares
Seah Kun Miao		100 ordinary shares	100 Shares
Seah Qin Quan	PastaGo	320,000 ordinary shares	320,000 Shares
Seah Boon Lock	Yew Kee Three	1 ordinary share	1 Share
Wee Lay Teng		1 ordinary share	1 Share
Seah Boon Lock	Ubi 179 Food House	60,000 ordinary shares	60,000 Shares
Wee Lay Teng		40,000 ordinary shares	40,000 Shares
Seah Boon Lock	108 Sembawang	2 ordinary shares	2 Shares
Wee Lay Teng		1 ordinary share	1 Share
Seah Boon Lock	Punggol WP83	1 ordinary share	1 Share
Wee Lay Teng		1 ordinary share	1 Share
Seah Qin Quan		1 ordinary share	1 Share

RESTRUCTURING EXERCISE

Sellers	Subsidiary	Number of shares acquired	Number of Consideration Shares issued
Wee Lay Teng	102 CR Food	40 ordinary shares	40 Shares
Seah Qin Quan		30 ordinary shares	30 Shares
Seah Kun Miao		30 ordinary shares	30 Shares
Seah Boon Lock	YK Food (One)	40 ordinary shares	40 Shares
Wee Lay Teng		40 ordinary shares	40 Shares
Seah Qin Quan		10 ordinary shares	10 Shares
Seah Kun Miao		10 ordinary shares	10 Shares
Seah Boon Lock	YK Food (Two)	40 ordinary shares	40 Shares
Wee Lay Teng		40 ordinary shares	40 Shares
Seah Qin Quan		10 ordinary shares	10 Shares
Seah Kun Miao		10 ordinary shares	10 Shares
Seah Boon Lock	YK Food (Three)	40 ordinary shares	40 Shares
Wee Lay Teng		40 ordinary shares	40 Shares
Seah Qin Quan		10 ordinary shares	10 Shares
Seah Kun Miao		10 ordinary shares	10 Shares
Seah Boon Lock	YK Food (Four)	40 ordinary shares	40 Shares
Wee Lay Teng		40 ordinary shares	40 Shares
Seah Qin Quan		10 ordinary shares	10 Shares
Seah Kun Miao		10 ordinary shares	10 Shares
Seah Boon Lock	YK Food (Five)	40 ordinary shares	40 Shares
Wee Lay Teng		40 ordinary shares	40 Shares
Seah Qin Quan		10 ordinary shares	10 Shares
Seah Kun Miao		10 ordinary shares	10 Shares
Seah Boon Lock	Yew Kee Bakery	40 ordinary shares	40 Shares
Wee Lay Teng		40 ordinary shares	40 Shares
Seah Qin Quan		10 ordinary shares	10 Shares
Seah Kun Miao		10 ordinary shares	10 Shares
Seah Boon Lock	SM30 Simei	1 ordinary share	1 Share
Wee Lay Teng		1 ordinary share	1 Share
Seah Boon Lock	207 (Duck Rice)	45 ordinary shares	45 Shares
Wee Lay Teng		35 ordinary shares	35 Shares
Seah Qin Quan		20 ordinary shares	20 Shares
Seah Boon Lock	10 (XO Noodle)	1 ordinary share	1 Share
Wee Lay Teng		1 ordinary share	1 Share

RESTRUCTURING EXERCISE

Sellers	Subsidiary	Number of shares acquired	Number of Consideration Shares issued
Seah Boon Lock	480 Local Delight	1 ordinary share	1 Share
Wee Lay Teng		1 ordinary share	1 Share
Seah Boon Lock	Admiralty Local Delight	1 ordinary share	1 Share
Wee Lay Teng		1 ordinary share	1 Share
Seah Boon Lock	51 Hougang	40 ordinary shares	40 Shares
Wee Lay Teng		30 ordinary shares	30 Shares
Seah Qin Quan		30 ordinary shares	30 Shares
Seah Boon Lock	2 Bukit Panjang	35 ordinary shares	35 Shares
Wee Lay Teng		35 ordinary shares	35 Shares
Seah Qin Quan		30 ordinary shares	30 Shares
Seah Boon Lock	Ying's Traditional Food	50 ordinary shares	50 Shares
Seah Qin Quan		25 ordinary shares	25 Shares
Seah Kun Miao		25 ordinary shares	25 Shares

4. Issuance of Shares to Seah & Family

On 23 December 2022, our 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.

5. Share Split

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

6. Conversion of our Company into a Public Company

On 23 December 2022, our Company was converted into a public company limited by shares. In connection with such conversion, we changed our name to "YKGI Limited".

SHARE CAPITAL

Our Company was incorporated in Singapore on 8 August 2022 under the Companies Act as a private company limited by shares under the name of “YKGI Pte. Ltd.”.

As at the date of incorporation, the issued and paid-up share capital of our Company was S\$100 comprising 100 Shares held by Mr. Seah Boon Lock, Ms. Wee Lay Teng, Mr. Seah Qin Quan and Ms. Seah Kun Miao.

On 23 December 2022, our Company was converted into a public company limited by shares and our name was changed to “YKGI Limited”.

Pursuant to the written resolutions passed on 23 December 2022, our then Shareholders approved, among others, the following:

- (a) the Share Split of 2,218,750 Shares in the issued and paid-up capital of our Company into 355,000,000 Shares;
- (b) the conversion of our Company into a public company limited by shares and the consequential change of our name to “YKGI Limited”;
- (c) the adoption of a new set of Constitution;
- (d) the allotment and issue of the Cornerstone Shares, Placement Shares pursuant to the Placement, which when allotted, issued and fully paid, will rank *pari passu* in all respects with the existing issued Shares;
- (e) the approval of the listing and quotation of all the issued Shares (including Vendor Shares), the New Shares, the Cornerstone Shares, the Option Shares and the Award Shares to be allotted and issued (if any) on Catalyst;
- (f) the adoption of the Yew Kee ESOS, the Yew Kee PSP and the authorisation of our Directors, pursuant to Section 161 of the Companies Act, to allot and issue Shares upon the exercise of Options granted under the Yew Kee ESOS and pursuant to Awards granted under the Yew Kee PSP;
- (g) the authorisation for our Directors, pursuant to Section 161 of the Companies Act and the Catalyst Rules to: (a)(i) issue (in addition to the New Shares) new Shares whether by way of rights, bonus or otherwise; and/or (ii) make or grant offers, agreements or options (collectively “**Instruments**”) that might or would require new 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 new Shares, at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit; and (b) (notwithstanding this authorisation conferred may have ceased to be in force) issue new Shares in pursuance of any Instruments made or granted by our Directors while this authorisation was in force, provided that:
 - (1) the aggregate number of new Shares (including new Shares to be issued in pursuance of the Instruments, made or granted pursuant to this authorisation) and Instruments to be issued pursuant to this authorisation shall not exceed 100.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of new Shares to be issued (including new Shares to be issued pursuant to the Instruments) other than on a *pro rata* basis to existing Shareholders shall not exceed 50.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
 - (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of new Shares (including new Shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (1) above, the percentage of new Shares that may be issued shall be based on the issued share capital of our Company after the Placement (excluding treasury shares and subsidiary holdings), after adjusting for: (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities; (b) new Shares arising from exercising share options or vesting of share options outstanding and subsisting at the time of the passing of this authority; and (c) any subsequent bonus issue, consolidation or sub-division of Shares; and

SHARE CAPITAL

- (3) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until (i) the conclusion of the next annual general meeting of the Company or (ii) the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

As at the date of this Offer Document, our Company has only one (1) class of Shares, being ordinary shares. The rights and privileges of our Shares are stated in our Constitution. There is no founder, management or deferred shares. Except for the Yew Kee ESOS and Yew Kee PSP, as at the Latest Practicable Date, no person has been, or is entitled to be, given an option to subscribe for or purchase any securities of our Company or our subsidiaries.

As at the date of this Offer Document, the issued and paid-up share capital of our Company is S\$2,158,750 comprising 355,000,000 Shares. Upon the allotment and issue of the New Shares and the Cornerstone Shares, the resultant issued and paid-up share capital of our Company will be S\$15,374,750 comprising 425,000,000 Shares, after taking into account the capitalisation of the expenses in relation to the Placement.

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

	Total Number of Shares	Resultant Issued and Paid-up Share Capital (S\$)
Issued and paid-up Shares as at our incorporation	100	100
Issue of Shares pursuant to the Restructuring Exercise and the Share Swap	2,218,650	2,158,750
After the Share Split	355,000,000	2,158,750
Issue of New Shares pursuant to the Placement and issue of the Cornerstone Shares	70,000,000	13,216,000
Issued and paid-up share capital immediately after the completion of the Placement and the issue of the Cornerstone Shares	425,000,000	15,374,750

The equity attributable to shareholders of our Company as at the date of incorporation (being 8 August 2022), as adjusted for the Restructuring Exercise and after the completion of the Placement and the issue of the Cornerstone Shares is set out below:

	As at the Date of Incorporation	Immediately after the Restructuring Exercise before the Placement and the issue of the Cornerstone Shares	Immediately After the completion of the Placement and the issue of the Cornerstone Shares
Issued and Paid-Up Number of Shares	100	355,000,000	425,000,000
Issued and Paid-Up Share Capital (S\$)	100	2,158,750	15,374,750
Equity attributable to shareholders of our Company (S\$)	100	16,869,691	30,085,691

Note:

- (1) Equity attributable to shareholders of our Company based on the Independent Auditor's Review Report and the Unaudited Interim Condensed Combined Financial Statements for the Six Months Period ended 30 June 2022 of our Group as set out in Appendix B of this Offer Document.

SHARE CAPITAL

Save as disclosed above and in the section entitled “General and Statutory Information – Changes in Share Capital” of this Offer Document, there have been no other changes in the issued and paid-up share capital of our Company since the date of our incorporation.

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

SHAREHOLDERS

The shareholdings of our Directors and Substantial Shareholders immediately before and after the Placement and the issue of the Cornerstone Shares are set out below:

	Immediately before the Placement and the issue of the Cornerstone Shares				Immediately after the Placement and the issue of the Cornerstone Shares			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors								
Mr. Seah Boon Lock ⁽¹⁾	–	–	355,000,000	100.0	–	–	326,000,000	76.7
Mr. Seah Qin Quan ⁽¹⁾	–	–	–	–	–	–	–	–
Mr. James Wong	–	–	–	–	–	–	–	–
Mr. Ng Hong Whee	–	–	–	–	–	–	–	–
Mr. Douglas Koh	–	–	–	–	–	–	–	–
Substantial Shareholders (other than Directors)								
Seah & Family ⁽²⁾	355,000,000	100.0	–	–	326,000,000	76.7	–	–
Other Shareholders								
Cornerstone Investors	–	–	–	–	16,250,000	3.8	–	–
Public	–	–	–	–	82,750,000	19.5	–	–
Total	355,000,000	100.0	–	–	425,000,000	100.0	–	–

Notes:

- (1) Mr. Seah Boon Lock, our Executive Chairman and Executive Director, is the father of Mr. Seah Qin Quan, our CEO and Executive Director.
- (2) 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. Accordingly, pursuant to section 4 of the SFA, Mr. Seah Boon Lock is deemed interested in all the Shares held by Seah & Family.

Save as disclosed above and in the section entitled “Directors, Executive Officers and Staff” of this Offer Document, there are no other relationships among our Directors, Executive Officers and Substantial Shareholders and there are no arrangements or understandings with any Substantial Shareholders pursuant to which any of our Directors and Executive Officers were appointed.

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

Save as disclosed above, our Company is not directly or indirectly owned or controlled, whether severally or jointly, by any corporation, person or government.

There is no known arrangement, the operation of which may, at a subsequent date, result in a change in the control of our Company.

There has not been any public take-over offer by a third party in respect of our Shares or by our Company in respect of shares of another corporation or units of a business trust which has occurred between the date of incorporation of our Company and the Latest Practicable Date.

SHAREHOLDERS

SIGNIFICANT CHANGES IN THE PERCENTAGE OF OWNERSHIP

Save as disclosed under the sections entitled “Share Capital”, “Restructuring Exercise”, “Dilution” and “Shareholders” of this Offer Document, there were no significant changes in the percentage of ownership of the Shares in our Company within the three (3) years preceding the Latest Practicable Date.

THE VENDOR

The Vendor, Seah & Family Pte. Ltd., is the controlling shareholder of our Company. It was incorporated on 8 August 2022.

The number of Vendor Shares which the Vendor will offer pursuant to the Placement are set out below:

Vendor	Shares held immediately before the Placement and the issue of the Cornerstone Shares		Vendor Shares offered pursuant to the Placement			Shares held immediately after the completion of the Placement and the issue of the Cornerstone Shares	
	Number of Shares	% of pre-Placement share capital	Number of Vendor Shares	% of pre-Placement share capital	% of post-Placement share capital	Number of Shares	% of post-Placement share capital
Seah & Family	355,000,000	100.0	29,000,000	8.2	6.8	326,000,000	76.7

CORNERSTONE INVESTORS

At the same time as but separate from the Placement, the Cornerstone Investors have entered into the Cornerstone Subscription Agreements to subscribe for such number of Cornerstone Shares at the Placement Price to be determined by dividing an aggregate commitment amount of S\$3.25 million by the Placement Price (rounded down to the next whole number), conditional upon, among other things, the Placement Agreement having been entered into and not having been terminated on or prior to the date of Closing of the Application List. Details of the Cornerstone Investors are set out below.

Mr. Teo Kee Bock

Mr. Teo Kee Bock is the founder of the Super Group Ltd group of companies (“**Super Group**”) and is credited as the initiator of Super Group’s famous 3-in-1 beverage products. In 1994, upon the successful listing of Super Group on the SGX-ST, Mr. Teo Kee Bock was appointed Chairman and Managing Director of the Super Group. He also founded another public-listed company, Fuji Offset Plates Manufacturing Ltd, and currently serves as its Chairman. After the sale of Super Group, Mr. Teo Kee Bock incorporated Apricot Capital Pte Ltd, the private investment holding company of his own family, through which he has ventured into a diverse range of investments, namely, property development, commercial properties, fund management, offshore marine, education and entertainment/lifestyle industries.

Huan Yong Group Pte. Ltd.

Huan Yong Group Pte. Ltd. is a private company limited by shares incorporated in Singapore. It is an investment holding vehicle of the Te family. The patriarch of the Te family, Mr. Ronald Te was a co-founder of Super Group together with Mr. Teo Kee Bock. After the sale of Super Group, Mr. Ronald Te, through various holding companies including Huan Yong Group Pte. Ltd., ventured into a diverse range of investments including property development and fund management.

MORATORIUM

As at the date of this Offer Document, Seah & Family directly holds 355,000,000 Shares. Following the sale of the Vendor Shares, Seah & Family will hold 326,000,000 Shares.

Seah & Family has given moratorium undertakings in respect of the Shares which it legally and/or beneficially owns, as at the date of its undertakings and which it will own immediately after the Placement (“**Moratorium Shares**”).

SHAREHOLDERS

Seah & Family, has given an undertaking to our Company, the Issue Manager and Full Sponsor and the Joint Placement Agents that it will not, in respect of any or all of its Moratorium Shares, for a period of six (6) months commencing from the Date of Listing ("**First Moratorium Period**"), directly or indirectly:

- (a) reduce its effective shareholding interest in our Company below the level of such effective interest which it will own as at the date of admission of our Company to Catalist;
- (b) sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option or right to purchase, sell any option or contract to purchase, purchase any option or contract to sell, grant any security over, encumber (such as by way of mortgage, assignment of rights, charge, pre-emption rights, rights of first refusal or otherwise) or otherwise transfer or dispose of any or all of its respective Moratorium Shares or any other securities of our Company or any subsidiary of our Company (including any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any or all of its respective Moratorium Shares or any other securities of the Company or any subsidiary of the Company), whether such transaction is settled by delivery of such Moratorium Shares or such other securities, in cash or otherwise;
- (c) enter into any agreement, transaction or arrangement (including any swap, hedge or derivative transaction) that will directly or indirectly constitute or will be deemed as a disposal of or transfer (in whole or in part) with a similar effect (economic or otherwise) to the foregoing, including any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any or all of its respective Moratorium Shares or any other securities of our Company or any subsidiary of our Company (including any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any or all of its respective Moratorium Shares or any other securities of our Company or any subsidiary of our Company), whether such swap, hedge, agreement, transaction or arrangement is settled by delivery of such Moratorium Shares or such other securities, in cash or otherwise;
- (d) deposit any or all of its respective Moratorium Shares or any other securities of our Company or any subsidiary of our Company (including any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any or all of its respective Moratorium Shares or any other securities of our Company or any subsidiary of our Company) in any depository receipt facilities, whether any such transaction described above is to be settled by the delivery of such Moratorium Shares or such other securities, in cash or otherwise;
- (e) enter into any transaction or arrangement which is designed or which may reasonably be expected to result in or have the same effect (economic or otherwise) as (in whole or in part) any of the above; or
- (f) offer or agree to make any announcement with respect to any of the foregoing transactions or publicly disclose any intention to do any of the above,

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

Seah & Family has also undertaken to comply with the Restrictions in respect of 50.0% of its respective Moratorium Shares for the next six (6) month period after the First Moratorium Period.

Each of Mr. Seah Boon Lock, Mr. Seah Qin Quan, Ms. Wee Lay Teng and Ms. Seah Kun Miao being the shareholders of Seah & Family, has given an undertaking to our Company, the Issue Manager and Full Sponsor and the Joint Placement Agents that he/she, will not, in respect of any or all of his/her shares in Seah & Family, for a period of 12 months commencing from the date of admission of our Company to Catalist, directly or indirectly:

- (a) reduce his effective shareholding interest in Seah & Family below the level of such effective interest as at the date of admission of our Company to Catalist;

SHAREHOLDERS

- (b) sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option or right to purchase, sell any option or contract to purchase, purchase any option or contract to sell, grant any security over, encumber (such as by way of mortgage, assignment of rights, charge, pre-emption rights, rights of first refusal or otherwise) or otherwise transfer or dispose of any or all of his shares in Seah & Family or any other securities of Seah & Family (including any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any or all of his shares in Seah & Family or any other securities of Seah & Family), whether such transaction is settled by delivery of such shares in Seah & Family or such other securities, in cash or otherwise;
- (c) enter into any agreement, transaction or arrangement (including any swap, hedge or derivative transaction) that will directly or indirectly constitute or will be deemed as a disposal of or transfer (in whole or in part) with a similar effect (economic or otherwise) to the foregoing, including any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any or all of his shares in Seah & Family or any other securities of Seah & Family (including any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any or all of his shares in Seah & Family or any other securities of Seah & Family), whether such swap, hedge, agreement, transaction or arrangement is settled by delivery of such shares in Seah & Family or such other securities, in cash or otherwise;
- (d) deposit any or all of his shares in Seah & Family or any other securities of Seah & Family (including any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any or all of his shares in Seah & Family or any other securities of Seah & Family) in any depository receipt facilities, whether any such transaction described above is to be settled by the delivery of such shares in Seah & Family or such other securities, in cash or otherwise;
- (e) enter into any transaction or arrangement which is designed or which may reasonably be expected to result in or have the same effect (economic or otherwise) as (in whole or in part) any of the above; or
- (f) offer or agree to make any announcement with respect to any of the foregoing transactions or publicly disclose any intention to do any of the above.

Each of Mr. Seah Boon Lock, Mr. Seah Qin Quan, Ms. Wee Lay Teng and Ms. Seah Kun Miao has also acknowledged and confirmed that Seah & Family has provided a moratorium undertaking as described above ("**Seah & Family Undertaking**"). Each of Mr Seah Boon Lock, Mr. Seah Qin Quan, Ms. Wee Lay Teng and Ms. Seah Kun Miao has agreed and undertaken to procure that Seah & Family will comply with all the restrictions and obligations set out in the Seah & Family Undertaking (which include the Restrictions) and will not breach any of the undertakings provided by Seah & Family in the Seah & Family Undertaking.

SUMMARY OF OUR FINANCIAL INFORMATION

The following selected financial information of our Group should be read in conjunction with the full text of this Offer Document, including the “Independent Auditor’s Report and the Audited Combined Financial Statements for the Financial Years ended 31 December 2019, 2020 and 2021”, the “Independent Auditor’s Review Report and the Unaudited Interim Condensed Combined Financial Statements for the Six Months Period ended 30 June 2022” and the “Independent Auditor’s Assurance Report and the Compilation of Unaudited Pro Forma Combined Financial Information for the Financial Year ended 31 December 2022 and the Six Months Period ended 30 June 2022” as set out in Appendices A, B and C, respectively, of this Offer Document.

Selected items from the combined statements of comprehensive income

	Audited			Unaudited	
	FY2019	FY2020	FY2021	1H2021	1H2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	31,610	38,992	56,111	27,621	26,763
Other income	303	5,125	4,960	2,157	907
Expenses					
- Purchases and related costs	(8,990)	(9,607)	(16,512)	(7,983)	(6,646)
- Changes in inventories	368	(197)	621	342	(245)
- Employee benefits	(7,920)	(10,321)	(12,822)	(6,804)	(6,989)
- Depreciation of property, plant and equipment	(5,253)	(7,253)	(8,485)	(3,578)	(4,299)
- Other expenses	(8,249)	(10,447)	(13,711)	(7,403)	(6,629)
- Finance costs	(505)	(632)	(589)	(329)	(264)
Total expenses	(30,549)	(38,457)	(51,498)	(25,755)	(25,072)
Profit before income tax	1,364	5,660	9,573	4,023	2,598
Income tax expense	(174)	(622)	(511)	(211)	(190)
Net profit, representing total comprehensive income for the financial year/period	1,190	5,038	9,062	3,812	2,408
Net profit attributable to:					
Equity holders of the Company	1,040	4,920	8,924	3,717	2,357
Non-controlling interests	150	118	138	95	71
	1,190	5,038	9,062	3,812	2,408
Earnings per share (“EPS”) for net profit attributable to equity holders of the Company (Cents per share)					
Before the Placement and the issue of the Cornerstone Shares ⁽¹⁾	0.29	1.39	2.51	1.05	0.66
After the completion of the Placement and the issue of the Cornerstone Shares ²	0.24	1.16	2.10	0.87	0.55

Notes:

- (1) For comparative purposes, our pre-Placement EPS for the Period Under Review has been computed based on the net profit for the financial year/period attributable to equity holders of our Company and our share capital immediately before the Placement and the issue of the Cornerstone Shares of 355,000,000 Shares.
- (2) For comparative purposes, our post-Placement EPS for the Period Under Review has been computed based on the profit for the financial year/period attributable to equity holders of our Company and our share capital of 425,000,000 Shares after the completion of the Placement and the issue of the Cornerstone Shares.

SUMMARY OF OUR FINANCIAL INFORMATION

Selected items from the combined statements of financial position

	Audited As at 31 December 2021 S\$'000	Unaudited As at 30 June 2022 S\$'000	Unaudited pro forma As at 31 December 2021 S\$'000	Unaudited pro forma As at 30 June 2022 S\$'000
Current assets	18,579	20,902	9,473	13,277
Non-current assets	13,245	10,877	13,245	10,877
Total assets	31,824	31,779	22,718	24,154
Current liabilities	11,728	11,086	18,703	18,061
Non-current liabilities	3,706	3,376	3,706	3,376
Total liabilities	15,434	14,462	22,409	21,437
Capital and reserves attributable to equity holders of the Company				
- Share Capital	1,890	1,891	1,890	1,891
- Retained profits	13,963	14,979	(1,758)	599
	15,853	16,870	132	2,490
NAV per share (cents) ¹	4.47	4.76	0.04	0.70

(1) The NAV per Share as at 31 December 2021 and 30 June 2022 has been computed based on our share capital of 355,000,000 Shares immediately before the Placement and the issue of the Cornerstone Shares.

Selected items from the combined statements of cash flows

	Audited	Unaudited	Unaudited pro forma
	FY2019 S\$'000	FY2020 S\$'000	FY2021 S\$'000
Net cash provided by operating activities	5,865	10,535	15,633
Net cash (used in)/ provided by investing activities	(2,291)	(1,586)	(1,709)
Net cash used in financing activities	(2,232)	(5,800)	(10,128)
Net increase/(decrease) in cash and bank balances	1,342	3,149	3,796
Cash and bank balances			
Beginning of the financial year/period	5,313	6,655	9,804
End of the financial year/period	6,655	9,804	13,600

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

The following discussion of our results of operations and financial position has been prepared by our management and should be read in conjunction with the "Independent Auditor's Report and the Audited Combined Financial Statements for the Financial Years ended 31 December 2019, 2020 and 2021", the "Independent Auditor's Review Report and the Unaudited Interim Condensed Combined Financial Statements for the Six Months Period ended 30 June 2022" and the "Independent Auditor's Assurance Report and the Compilation of Unaudited Pro Forma Combined Financial Information for the Financial Year ended 31 December 2022 and the Six Months Period ended 30 June 2022" as set out in Appendices A, B and C, respectively, of this Offer Document.

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

OVERVIEW

We are an established home-grown brand with a track record of more than 30 years. We own and operate a diverse portfolio of non-Halal and Halal brands including Yew Kee Duck Rice, XO Minced Meat Noodles, My Kampung Chicken Rice, PastaGo and Victoria Bakery. Our principal business activities are (i) F&B operations, (ii) food court management and (iii) franchising and sub-franchising. Our operations are currently based in Singapore. As at the date of this Offer Document, we operate one (1) central kitchen and 43 Food Outlets, manage four (4) food courts, and are the exclusive franchisee of all 30 CHICHA San Chen tea shops in Singapore.

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

Revenue

Our revenue is generated from the following business segments:

- (i) Food Court Business;
- (ii) F&B Operations Business; and
- (iii) Franchise Business.

The breakdown of our revenue by business segments for FY2019, FY2020, FY2021, 1H2021 and 1H2022 are set out below.

	FY2019		FY2020		FY2021		1H2021		1H2022	
	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%
Food Court Business	6,747	21.3	4,923	12.6	5,099	9.0	2,744	9.9	3,088	11.5
F&B Operations Business	21,193	67.1	19,826	50.8	24,328	43.4	11,871	43.0	13,019	48.7
Franchise Business	3,670	11.6	14,243	36.6	26,684	47.6	13,006	47.1	10,656	39.8
Total	31,610	100.0	38,992	100.0	56,111	100.0	27,621	100.0	26,763	100.0

Please refer to the section entitled "Risk Factors" of this Offer Document for other factors which may affect our revenue.

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

Other income

Other income in FY2019, FY2020, FY2021, 1H2021 and 1H2022 was S\$0.3 million, S\$5.1 million, S\$5.0 million, S\$2.2 million and S\$0.9 million respectively, and accounted for approximately 1.0%, 13.1%, 8.8%, 7.8% and 3.4% of our total revenue for FY2019, FY2020, FY2021, 1H2021 and 1H2022 respectively.

Other income comprises mainly:

	FY2019		FY2020		FY2021		1H2021		1H2022	
	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%
Government grants	174	57.5	2,293	44.7	2,685	54.1	1,494	69.3	458	50.5
Rental concession income	—	—	2,257	44.0	1,622	32.7	385	17.9	172	18.9
Gain on disposal of property, plant and equipment	—	—	—	—	201	4.1	160	7.4	202	22.3
Gain on termination lease	—	—	27	0.5	—	—	—	—	—	—
Others	129	42.5	548	10.8	452	9.1	118	5.4	75	8.3
Total	303	100.0	5,125	100.0	4,960	100.0	2,157	100.0	907	100.0

Government grants relate to wages subsidies scheme, special government credit and spring government grant received by our Group. Wages subsidies scheme includes Jobs Support Scheme ("JSS"), a temporary scheme introduced by the government in response to COVID-19 to help enterprises retain local employees. JSS received in FY2020, FY2021, 1H2021 and 1H2022 amount to approximately S\$2.1 million, S\$2.3 million, S\$1.2 million and S\$0.2 million respectively.

The rental concession income was in relation to the practical expedient which our Group has applied to all leases in accordance with the requirements of SFRS(I) 16 *Leases*.

Included in others in FY2020 was income from waiver of non-trade payables to related parties of approximately S\$0.3 million in relation to closure of Food Outlets entities outside our Group.

Expenses

Expenses of our Group comprise:

(i) Purchases and related costs

Purchases and related costs relate to purchases of raw materials and ancillary products needed by our Group to produce the food products we offer for sale to our customers. Purchases and related costs accounted for 28.4%, 24.6%, 29.4%, 28.9% and 24.8% of our total revenue in FY2019, FY2020, FY2021, 1H2021 and 1H2022 respectively.

(ii) Changes in inventories

Changes in inventories reflect the fluctuations in the balance of our inventories as at the end of the respective financial periods. We do not maintain a high level of inventories due to the perishable nature of most of the food ingredients. In addition, most of our raw materials and consumables are readily available from the market which reduces the need to hold substantial quantities of these raw materials and ancillary products.

(iii) Employee benefits

Employee benefits expense comprises mainly salaries and wages, statutory contributions, as well as other short-term benefits. Employee benefits accounted for 25.1%, 26.5%, 22.9%, 24.6% and 26.1% of our total revenue in FY2019, FY2020, FY2021, 1H2021 and 1H2022 respectively.

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

(iv) Depreciation of property, plant and equipment

Depreciation expenses relating to property, plant and equipment is due to the depreciation of our cold room and equipment, computers, furniture and fittings, leasehold properties, motor vehicles, office equipment, renovation, and drink and food stalls. Depreciation of property, plant and equipment in FY2019, FY2020, FY2021, 1H2021 and 1H2022 accounted for approximately 16.6%, 18.6%, 15.1%, 13.0% and 16.1% of our total revenue in FY2019, FY2020, FY2021, 1H2021 and 1H2022 respectively.

(v) Other expenses

Other expenses in FY2019, FY2020, FY2021, 1H2021 and 1H2022 accounted for approximately 26.1%, 26.7%, 24.4%, 26.8% and 24.8% of our total revenue in FY2019, FY2020, FY2021, 1H2021 and 1H2022 respectively.

Other expenses comprised mainly:

	FY2019		FY2020		FY2021		1H2021		1H2022	
	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%
Amortisation of intangible assets	16	0.2	25	0.2	25	0.2	12	0.2	12	0.2
Advertising and promotion	305	3.7	142	1.4	430	3.1	209	2.8	144	2.2
Cleaning fees	1,406	17.0	1,167	11.2	1,218	8.9	645	8.7	605	9.1
Franchise and royalty fees	170	2.1	373	3.6	550	4.0	287	3.9	218	3.3
Foreign worker levies	530	6.4	350	3.4	639	4.7	330	4.5	450	6.8
License fees	885	10.7	919	8.8	1,321	9.6	699	9.4	602	9.1
Rental expenses – variable rental and short-term leases	1,229	14.9	1,746	16.6	1,599	11.7	1,420	19.2	1,158	17.5
Repair and maintenance	931	11.3	841	8.1	806	5.9	418	5.6	219	3.3
Transaction and service charges	301	3.6	2,331	22.3	4,112	30.0	1,825	24.7	1,798	27.1
Utilities	1,317	16.0	1,393	13.3	1,570	11.4	751	10.1	917	13.8
Others ⁽¹⁾	1,159	14.1	1,160	11.1	1,441	10.5	807	10.9	506	7.6
Total	8,249	100.0	10,447	100.0	13,711	100.0	7,403	100.0	6,629	100.0

Note:

- (1) Others as stated in Note 7 of Appendix A and Appendix B to this Offer Document relates to operating expenditures that are individually not material (accounted for approximately 5.0% or lesser of total other expenses). They include for example, bank charges, compilation and secretarial fee, entertainments, insurance, professional fees, pest control fee, recruitment fee, telephone charges, transportation fees and training fees.

(vi) Finance costs

Finance costs comprise mainly of interest expenses for our term loans and lease liabilities. Finance costs in FY2019, FY2020, FY2021, 1H2021 and 1H2022 accounted for approximately 1.6%, 1.6%, 1.0%, 1.2% and 1.0% of our total revenue in FY2019, FY2020, FY2021, 1H2021 and 1H2022 respectively.

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

Taxation

Overall effective tax rate was 12.7%, 11.0%, 5.3%, 5.2% and 7.3% for FY2019, FY2020, FY2021, 1H2021 and 1H2022 respectively. The Singapore statutory corporate tax rate in FY2019, FY2020, FY2021, 1H2021 and 1H2022 was 17.0%.

REVIEW OF RESULTS OF OPERATIONS

FY2019 vs FY2020

Revenue

Our Group's revenue increased by approximately S\$7.4 million or 23.4% from S\$31.6 million in FY2019 to S\$39.0 million in FY2020. This increase was mainly attributed to:

- (i) S\$10.6 million contribution from our Franchise Business as 11 more stores were opened in FY2020. There were 20 stores in operation at the end of FY2020 compared to nine (9) stores in operation at the end of FY2019. This is in line with our Group's strategy to expand into and grow our Franchise Business from FY2019.
- (ii) offset by a decrease in revenue generated from our F&B Operations Business by S\$1.4 million due to the temporary closure of the stores during the peak of COVID-19 pandemic in FY2020 and a decrease in revenue generated from our Food Court Business by S\$1.8 million due to the temporary closure of two (2) food courts during the peak of COVID-19 epidemic in FY2020 with revenue reduction of S\$3.8 million although there was one (1) new food court opened in FY2020 which contributed additional revenue of S\$2.0 million.

Other income

Other income increased by S\$4.8 million or 1,590.3% from S\$0.3 million in FY2019 to S\$5.1 million in FY2020. This was due to an increase in government grants of S\$2.0 million, such as JSS, Spring Singapore Grant, Wage Credit Scheme, Special Employment Credit, which increased from S\$0.2 million in FY2019 to S\$2.2 million in FY2020 and rental concession income of S\$2.3 million, which was non-existent in FY2019 as well as an increase in others of S\$0.4 million, which increased from S\$0.1 million in FY2019 to S\$0.5 million in FY2020 mainly due to one-time income from waiver of non-trade payables to related parties of S\$0.3 million in relation to closure of Food Outlets entities outside our Group recognised in FY2020. These Food Outlets entities had ceased operations in FY2019 for various commercial reasons such as less than optimal performance or expiry of their lease terms.

Expenses

- (i) Purchases and related costs

Purchases and related costs increased by S\$0.6 million or 6.9% from S\$9.0 million in FY2019 to S\$9.6 million in FY2020 due to the increase in demand for our food products, which led to an increase in the purchases of raw materials and ancillary products needed by our Group to produce these products.

- (ii) Changes in inventories

Closing balance of inventories decreased marginally from S\$0.6 million in FY2019 to S\$0.4 million in FY2020. The minor fluctuation in the balance of our inventories was due the timing of purchases and consumption of inventories.

- (iii) Employee benefits

Employee benefits increased by S\$2.4 million or 30.3% from S\$7.9 million in FY2019 to S\$10.3 million in FY2020 mainly because of the increase in headcount due to the ramping up of our Franchise Business as more stores were in operation in FY2020.

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

(iv) Depreciation of property, plant and equipment

Depreciation expenses increased by S\$2.0 million or 38.1% from S\$5.3 million in FY2019 to S\$7.3 million in FY2020 mainly due to the more equipment purchased and recognition of additional right-of-use assets for leased stalls for the new stores set up in relation to our Franchise Business.

(v) Other expenses

Other expenses increased by S\$2.2 million or 26.6% from S\$8.2 million in FY2019 to S\$10.4 million in FY2020 mainly due to an increase in franchise and royalty fees of S\$0.2 million; rental expenses of S\$0.5 million, and transaction and service charges of S\$2.0 million; offset by decreases in advertising and promotion expenses of S\$0.2 million; cleaning fees of S\$0.2 million and other expenses of S\$0.2 million. Transaction and service charges mainly relates to the service fees paid to delivery platforms such as Grab, Foodpanda, Deliveroo which have increased due to an increase in our sales through these platforms, partly attributable to the increase in customers purchasing food and beverage online during the COVID-19 pandemic.

(vi) Finance costs

Finance costs remained approximately constant from FY2019 to FY2020.

Total expenses

On an aggregate basis, total expenses increased by S\$7.9 million or 25.9% from S\$30.5 million to S\$38.4 million, in line with the increase in revenues of 23.4%.

Profit before income tax

Profit before income tax increased by approximately S\$4.3 million or 314.8% from S\$1.4 million in FY2019 to S\$5.7 million in FY2020 as a result of the above.

Income tax expense

In line with the increase in profit before income tax, income tax expense increased by approximately S\$0.4 million or 257.4% from S\$0.2 million in FY2019 to S\$0.6 million in FY2020.

Net profit for the financial year and net profit attributable to equity holders of the Company

Consequently, net profit for the financial year and net profit attributable to equity holders of our Company increased by S\$3.8 million or 323.4% and S\$3.9 million or 373.1% respectively from S\$1.2 million and S\$1.0 million in FY2019 to S\$5.0 million and S\$4.9 million in FY2020. The increase in net profit margin from approximately 3.8% in FY2019 to 12.9% in FY2020 is mainly due to the increase in government grants of S\$2.0 million which were introduced by the government in response to the COVID-19 pandemic and rental concession income of S\$2.3 million in FY2020 which was non-existent in FY2019, partially offset by the negative impact of the COVID-19 pandemic on our F&B Operations Business and Food Court Business.

FY2020 vs FY2021

Revenue

Our Group's revenue increased by approximately S\$17.1 million or 43.9% from S\$39.0 million in FY2020 to S\$56.1 million in FY2021. This increase was mainly attributed to:

- (i) an increase of S\$12.4 million contribution from our Franchise Business due to more stores were in operation in FY2021. Nine (9) new stores were opened in FY2021 and there were 29 stores in operation at the end of FY2021 compared to 20 stores in operation at the end of FY2020; and

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

- (ii) an increase of S\$4.5 million contribution from our F&B Operations Business due to increase in the same store sales with the easing of Community Safe Management Measures in FY2021 as well as the replacement of lower-income Food Outlets with higher-income ones. As an illustration, 10 Food Outlets with average annual sales of S\$0.3 million per store were closed in FY2021 and four (4) new Food Outlets with an average annual sales of S\$0.7 million per store were opened in FY2021. This is in line with our Group's strategy to increase the efficiency and profitability of our Food Outlets. The revenue from our F&B Operations Business was influenced by the number, scale, and the location of the Food Outlets.
- (iii) a marginal increase of S\$0.2 million contribution from our Food Court Business due to higher management service income from tenants with the easing of Community Safe Management Measures in FY2021 although one (1) food court was closed in FY2021 which caused a S\$0.4 million decrease in revenue as compared to FY2020.

Other income

Other income decreased marginally by S\$0.2 million in FY2021 compared to FY2020.

Expenses

- (i) Purchases and related costs
Purchases and related costs increased by S\$6.9 million or 71.9% from S\$9.6 million in FY2020 to S\$16.5 million in FY2021 due to the increase in demand for our food products, which led to an increase in the purchases of raw materials and ancillary products needed by our Group to produce these products.
- (ii) Changes in inventories
Closing balance of inventories increased from S\$0.4 million in FY2020 to S\$1.0 million in FY2021. The fluctuation in the balance of our inventories was due the timing of purchases and consumption of inventories.
- (iii) Employee benefits
Employee benefits increased by S\$2.5 million or 24.2% from S\$10.3 million in FY2020 to S\$12.8 million in FY2021 mainly because of the increase in headcount due to the ramping up of our Franchise Business and F&B Operations Business as more stores were in operation in FY2021.
- (iv) Depreciation of property, plant and equipment
Depreciation expenses increased by S\$1.2 million or 17.0% from S\$7.3 million in FY2020 to S\$8.5 million in FY2021 mainly due to more equipment purchased and recognition of additional right-of-use assets for leased stalls for the new stores set up in relation to our Franchise Business and F&B Operations Business.
- (v) Other expenses
Other expenses increased by S\$3.3 million or 31.2% from S\$10.4 million in FY2020 to S\$13.7 million in FY2021 mainly due to an increase in advertising and promotion expenses of S\$0.3 million; franchise and royalty fees of S\$0.2 million, foreign worker levies of S\$0.3 million, license fees of S\$0.4 million; transaction and service charges of S\$1.8 million and others of S\$0.3 million offset by a decrease in rental expenses of S\$0.1 million. The significant increase in transaction and service charges of S\$1.8 million was due to more online sales made during the COVID-19 Community Safe Management Measures period.
- (vi) Finance costs
Finance costs remained approximately constant from FY2020 to FY2021.

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

Total expenses

On an aggregate basis, total expenses increased by S\$13.1 million or 33.9% from S\$38.4 million to S\$51.5 million, in line with the increase in revenues of 43.9%.

Profit before income tax

Profit before income tax increased by approximately S\$3.9 million or 69.1% from S\$5.7 million in FY2020 to S\$9.6 million in FY2021 as a result of the above.

The material change in profit margin before income tax of our Franchise Business from 24.5% in FY2020 to 16.8% in FY2021 is mainly due to more online sales made during the COVID-19 Community Safe Management Measures period and lower fixed operating costs incurred in FY2020.

Income tax expense

Income tax expense decreased by approximately S\$0.1 million or 17.9% from S\$0.6 million in FY2020 to S\$0.5 million in FY2021, due to income tax concessions given to newly incorporated companies of our Group.

Net profit for the financial year and net profit attributable to equity holders of the Company

Consequently, net profit for the financial year and net profit attributable to equity holders of our Company increased by S\$4.1 million or 79.9% and S\$4.0 million or 81.4% respectively from S\$5.0 million and S\$4.9 million in FY2020 to S\$9.1 million and S\$8.9 million in FY2021. The increase in net profit margin from approximately 12.92% in FY2020 to 16.15% in FY2021 is mainly due to increase in the same store sales with the easing of Community Safe Management Measures in FY2021 as well as the increase in efficiency and profitability of our Food Outlets.

1H2021 vs 1H2022

Revenue

Our Group's revenue decreased by approximately S\$0.8 million or 3.1% from S\$27.6 million in 1H2021 to S\$26.8 million in 1H2022. This decrease was mainly attributed to:

- (i) a decrease of S\$2.4 million contribution from our Franchise Business due to decrease in the online sales and store sales for stores located in the heartlands with the further easing of Community Safe Management Measures leading to larger proportion of the population returning to work in the central business district and travelling overseas.
- (ii) offset by an increase of S\$1.1 million contribution from our F&B Operations Business due to two (2) more stores being in operation in 1H2022 in line with our business strategy to expand our F&B Operations Business; and an increase of S\$0.3 million in our Food Court Business.

Other income

Other income decreased by S\$1.2 million or 57.9% from S\$2.1 million in 1H2021 to S\$0.9 million in 1H2022. This decrease was due to the tapering off of the government grants received by our Group in relation to COVID-19.

Expenses

- (i) Purchases and related costs

Purchases and related costs decreased by S\$1.4 million or 16.8% from S\$8.0 million in 1H2021 to S\$6.6 million in 1H2022 due to the decrease in sales of our food products, which led to a decrease in the purchases of raw materials and ancillary products needed by our Group to produce these products.

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

(ii) Changes in inventories

Changes in inventories of S\$0.2 million in 1H2022 was due to lower inventories as at 30 June 2022 compared to 31 December 2021, as compared to higher inventories of S\$0.3 million in 1H2021. The minor fluctuation in the balance of our inventories was due to timing of purchases and consumption of inventories.

(iii) Employee benefits

Employee benefits increased by S\$0.2 million or 2.7% from S\$6.8 million in 1H2021 to S\$7.0 million in 1H2022 mainly because of the increase in headcount due to the ramping up of our Franchise Business and F&B Operations Business as more stores were in operation in 1H2022.

(iv) Depreciation of property, plant and equipment

Depreciation expenses increased by S\$0.7 million or 20.2% from S\$3.6 million in 1H2021 to S\$4.3 million in 1H2022 mainly due to more equipment purchased and recognition of additional right-of-use assets for leased stalls for the new stores set up in relation to our Franchise Business and F&B Operations Business.

(v) Other expenses

Other expenses decreased by S\$0.8 million or 10.5% from S\$7.4 million 1H2021 to S\$6.6 million in 1H2022 mainly due to an decrease in: rental expenses of S\$0.3 million; repair and maintenance of S\$0.2 million and others of S\$0.3 million. There is a slight drop in transaction and service charges in 1H2022 compared to 1H2021 which is due to the drop in online sales with the further easing of Community Safe Management Measures.

(vi) Finance costs

Finance costs remained approximately constant from 1H2021 to 1H2022.

Total expenses

On an aggregate basis, total expenses decreased only marginally by S\$0.7 million or 2.7% from S\$25.8 million to S\$25.1 million.

Profit before income tax

Profit before income tax decreased by approximately S\$1.4 million or 35.4% from S\$4.0 million in 1H2021 to S\$2.6 million in 1H2022 as a result of the above.

The decrease in profit before income tax of our Franchise Business from S\$2.9 million in 1H2021 to S\$0.6 million in 1H2022 is due to decrease in the online sales and store sales for stores located in the heartlands with the further easing of Community Safe management Measures leading to larger proportion of the population returning to work in the central business district and travelling overseas and higher fixed costs as our Group continued to expand the number of stores during FY2021. The other income for our Franchise Business also decreased by S\$0.4 million from S\$0.6 million in 1H2021 to S\$0.2 million in 1H2022 due to the tapering off of the government grants received by our Franchise Business in relation to COVID-19.

Net profit for the financial year and net profit attributable to equity holders of the Company

Consequently, net profit for the financial year and net profit attributable to equity holders of our Company decreased by S\$1.4 million or 36.8% and S\$1.3 million or 36.6% respectively from S\$3.8 million and S\$3.7 million in 1H2021 to S\$2.4 million and S\$2.4 million in 1H2022. The decrease in net profit margin from approximately 13.80% in 1H2021 to 9.00% in 1H2022 is mainly due to the tapering off of the government grants received by our Group in relation to COVID-19 as well as a decrease of revenue from our Franchise Business due to decrease in the online sales and store sales for stores located in the heartlands with the further easing of Community Safe Management Measures leading to larger proportion of the population returning to work in the central business district and travelling overseas.

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

REVIEW OF FINANCIAL POSITION

Changes in Group's financial position as at 31 December 2019, 2020 and 2021 and 30 June 2022

Current assets

The change in our Group's current assets from S\$10.5 million in FY2019 to S\$15.0 million in FY2020 was due mainly to increase in cash and bank balances by S\$3.1 million as our Group recorded a higher profit, offset by the reduction in the working capital during FY2020. The reduction in working capital in FY2020 were mainly due to higher trade and other receivables by S\$1.5 million as a result of an advance payment to a supplier for the purchase of raw materials of S\$1.0 million as at 31 December 2020 and an increase in refundable deposits of S\$0.4 million in relation to the deposits placed with landlords for the rental of outlets by our Group, which had increased in FY2020 compared to FY2019.

The change in our Group's current assets from S\$15.0 million in FY2020 to S\$18.5 million in FY2021 was due mainly to an increase in cash and bank balances by S\$3.8 million as our Group recorded a higher profit and the decrease in trade and other receivables, which were offset by increase in inventories.

Non-current assets

The change in our Group's non-current assets from S\$13.7 million in FY2019 to S\$14.9 million in FY2020 was due mainly to additions to property, plant and equipment amounting to S\$9.1 million offset by the depreciation charged for FY2020 of S\$7.3 million. The change in our Group's non-current assets from S\$14.9 million in FY2020 to S\$13.2 million in FY2021 was due mainly to the depreciation charged for FY2021 of S\$8.5 million, offset by additions to property, plant and equipment amounting to S\$8.2 million for new stores operated.

Current liabilities

The change in our Group's current liabilities from S\$13.4 million in FY2019 to S\$16.7 million in FY2020 was due mainly to an increase in bank borrowings of S\$0.9 million and an increase in lease liabilities of S\$2.2 million due to the increased number of rented outlets of our Group in FY2020 compared to FY2019. The change in our Group's current liabilities from S\$16.7 million in FY2020 to S\$11.7 million in FY2021 was due mainly to the repayment of all secured bank borrowings and the reduction of short term lease liabilities in FY2021 compared to FY2020 and the repayment of amount owing to directors of our Company of S\$2.0 million.

Non-current Liabilities

The change in our Group's non-current liabilities from S\$5.8 million in FY2019 to S\$5.0 million in FY2020 was due mainly to the reduction in non-current lease liabilities as part of these liabilities were reclassified into short term liabilities due to the maturity profile of the leases. Similarly, the change in our Group's non-current liabilities from S\$5.0 million in FY2020 to S\$3.7 million in FY2021 was due mainly to the reduction in non-current lease liabilities as part of these liabilities were reclassified into short term liabilities due to the maturity profile of the leases.

As at 31 December 2021

Current assets

As at 31 December 2021, our Group's current assets of S\$18.6 million accounted for approximately 58.4% of our Group's total assets. Our Group's current assets consisted of cash and bank balances, trade and other receivables and inventories.

As at 31 December 2021, cash and bank balances amounted to approximately S\$13.6 million or 73.2% of total current assets. Trade and other receivables amounted to approximately S\$4.0 million or 21.5% of total current assets which is mainly made up of refundable deposits related to the deposits placed with landlords for the rental of outlets by our Group.

The remaining current assets is made up of inventories maintained by our Group.

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

Non-current assets

As at 31 December 2021, our Group's non-current assets of approximately S\$13.2 million accounted for approximately 41.6% of our Group's total assets. Our Group's non-current assets comprise property, plant and equipment and intangible assets.

Property, plant and equipment as at 31 December 2021 amounted to approximately S\$13.1 million or 98.6% of total non-current assets. It comprises mainly cold room and equipment, computers, furniture and fittings, leasehold property, motor vehicles, office equipment, renovation and drinks and food stalls.

Current liabilities

As at 31 December 2021, our current liabilities of S\$11.7 million accounted for 76.0% of our total liabilities. Our current liabilities consisted of trade and other payables, lease liabilities and current income tax liabilities.

Trade and other payables comprised: trade payables; non-trade payables to directors, an associated company of our Group and non-related parties; goods and services tax payables; accrued expenses and deposits from tenants. Trade and other payables amounted to S\$5.4 million or approximately 45.7% of total current liabilities as at 31 December 2021. Non-trade payables to directors mainly relate to amounts due to closed entities arising from one (1) entity within our Group making payments and receipt on behalf of such closed entities. These amounts have been settled in full. Non-trade payables to an associated company of our Group related to overpayments of dividends by such associated company to our Group. This amount has been waived in full by such associated company.

As at 31 December 2021, our Group's current lease liabilities amounting to approximately S\$5.7 million, or 48.7% of our Group's total current liabilities as at 31 December 2021.

Current income tax liabilities amounted to approximately S\$0.7 million and amounted to approximately 5.6% of our total current liabilities respectively.

Non-current liabilities

As at 31 December 2021, our Group's non-current liabilities of S\$3.7 million accounted for approximately 24.0% of our Group's total liabilities. Our Group's non-current liabilities consist of lease liabilities and provisions.

As at 31 December 2021, our Group's non-current lease liabilities amounting to approximately S\$2.9 million, or 78.0% of total non-current liabilities as at 31 December 2021.

Provisions for reinstatement costs, amounted to S\$0.8 million or approximately 22.0% of total non-current liabilities as at 31 December 2021.

Shareholders' equity

As at 31 December 2021, shareholders' equity of our Group amounted to S\$15.9 million comprising mainly S\$1.9 million of issued share capital and S\$14.0 million of retained profits. Non-controlling interests in our Group's equity amounted to S\$0.5 million.

As at 30 June 2022

Current assets

As at 30 June 2022, our Group's current assets of S\$20.9 million accounted for approximately 65.8% of our total assets. Our Group's current assets consisted of cash and bank balances, trade and other receivables and inventories.

As at 30 June 2022, cash and bank balances amounted to approximately S\$14.9 million or 71.0% of total current assets. Trade and other receivables amounted to approximately S\$5.3 million or 25.5% of total current assets, which is mainly made up of refundable deposits related to the deposits placed with landlords for the rental of outlets by our Group.

The remaining current assets is made up of inventories maintained by our Group.

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

Non-current assets

As at 30 June 2022, our Group's non-current assets of approximately S\$10.9 million accounted for approximately 34.2% of our Group's total assets. Our Group's non-current assets comprise property, plant and equipment and intangible assets.

Property, plant and equipment as at 30 June 2022 amounted to approximately S\$10.7 million or 98.5% of total non-current assets. It comprises mainly cold room and equipment, computers, furniture and fittings, leasehold property, motor vehicles, office equipment, renovation and drinks and food stalls.

Current liabilities

As at 30 June 2022, our Group's current liabilities of S\$11.1 million accounted for 76.7% of our Group's total liabilities. Our Group's current liabilities consisted of trade and other payables, lease liabilities and current income tax liabilities.

Trade and other payables comprised: trade payables; non-trade payables to directors, an associated company of our Group and non-related parties; goods and services tax payables; accrued expenses and deposits from tenants. Trade and other payables amounted to S\$5.9 million or approximately 52.8% of our total current liabilities as at 30 June 2022.

As at 30 June 2022, our Group's current lease liabilities amounting to approximately S\$4.4 million, or 39.7% of total current liabilities as at 30 June 2022.

Current income tax liabilities amounted to approximately S\$0.8 million and amounted to approximately 7.5%, of our total current liabilities respectively.

Non-current liabilities

As at 30 June 2022, our Group's non-current liabilities of S\$3.4 million accounted for approximately 23.3% of our Group's total liabilities. Our Group's non-current liabilities consist of lease liabilities and provisions.

As at 30 June 2022, our Group's non-current lease liabilities amounting to approximately S\$2.6 million, or 75.8% of total non-current liabilities as at 30 June 2022.

Provisions for reinstatement costs, amounted to S\$0.8 million or approximately 24.2% of our total non-current liabilities as at 30 June 2022.

Shareholders' equity

As at 30 June 2022, shareholders' equity of our Group amounted to S\$16.9 million comprising mainly S\$1.9 million of issued share capital and S\$15.0 million of retained profits. Non-controlling interests in our Group's equity amounted to S\$0.4 million.

LIQUIDITY AND CAPITAL RESOURCES

During the Period Under Review, our Group has been financed through a combination of: (a) net cash generated from operations; and (b) shareholders' equity (including retained earnings). Our Group's principal uses of cash have been for: (a) financing of working capital; (b) capital expenditures; (c) repayment of loans and bank borrowings with the incurred interest expenses; and (d) lease payments.

Based on the unaudited interim condensed combined financial statements for the six months period ended 30 June 2022, our Group has generated cash from operations of S\$6.4 million. Our shareholders' equity amount to S\$16.9 million. Our Group's current assets amount to S\$20.9 million, with S\$14.9million in cash and bank balances, S\$5.3 million in trade and other receivables and S\$0.7 million in inventories. Our Group's current liabilities amount to S\$11.1 million, with S\$5.9 million in trade and other payables, S\$4.4 million in current lease liabilities and S\$0.8 million in current income tax liabilities. Our Group's net current asset position amount to S\$9.8 million.

In 1H2022, our Group generated approximately S\$1.1 million in free operating cash flow per month.

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

As at the Latest Practicable Date, our Group has cash and bank balances of approximately S\$10.6 million, trade and other receivables of approximately S\$5.4 million and inventories of approximately S\$0.7 million. Our Group's current liabilities as at the Latest Practicable Date amount to approximately S\$9.0 million as well as a remaining net dividend payable of S\$7.0 million, which has been declared but remains unpaid. Our Group's net current asset position amount to approximately S\$0.8 million as at the Latest Practicable Date. Adjusting for the S\$7.0 million net dividend payable to be paid, our Group's adjusted cash and bank balances as at the Latest Practicable Date is approximately S\$3.6 million.

As at the date of this Offer Document, our Group also has credit facilities of approximately S\$5.5 million from OCBC Bank for its working capital purposes, of which, our Group has drawn down S\$4.0 million. Accordingly, our Group has unutilised credit facilities amounting to S\$1.5 million on standby for its working capital purposes.

Our Directors are of the reasonable opinion that, after taking into account: (a) the cash flow generated from our Group's operations which amount to approximately S\$1.1 million per month in 2022; (b) our Group's cash and bank balances as at the Latest Practicable Date of S\$10.6 million; (c) the payments of the declared dividends of S\$14.6 million; (d) the current and committed credit facilities available to our Group as at the date of this Offer Document of S\$1.5 million; (e) the capital expenditure incurred by our Group up to the Latest Practicable Date and expected to be incurred by our Group for the next 12 months after Listing; and (f) amounts payable under our credit facilities that are due in the next 12 months after Listing, the working capital available to our Group as at the date of this Offer Document is sufficient for the present requirements and for at least 12 months after Listing. For the avoidance of doubt, our Directors have not taken into account the proceeds from the Listing in arriving in their opinion.

The Issue Manager and Full Sponsor is of the reasonable opinion that, after taking into account: (a) the cash flow generated from our Group's operations which amount to approximately S\$1.1 million per month in 1H2022; (b) our Group's cash and bank balances as at the Latest Practicable Date of S\$10.6 million; (c) the payments of the declared dividends of S\$14.6 million; (d) the current and committed credit facilities available to our Group as at the date of this Offer Document of S\$1.5 million; (e) the capital expenditure incurred by our Group up to the Latest Practicable Date and expected to be incurred by our Group for the next 12 months after Listing; and (f) amounts payable under our credit facilities that are due in the next 12 months after Listing, the working capital available to our Group as at the date of this Offer Document is sufficient for their present requirements and for at least 12 months after Listing. For the avoidance of doubt, our Issue Manager and Full Sponsor has not taken into account the proceeds from the Listing in arriving in its opinion.

The following table sets out a summary of our Group's cash flows for FY2019, FY2020, FY2021, 1H2021 and 1H2022.

(S\$'000)	← Audited →			← Unaudited →	
	FY2019	FY2020	FY2021	1H2021	1H2022
Net cash provided by operating activities	5,865	10,535	15,633	4,667	6,368
Net cash (used in)/provided by investing activities	(2,291)	(1,586)	(1,709)	(988)	360
Net cash used in financing activities	(2,232)	(5,800)	(10,128)	(5,332)	(5,492)
Net increase/(decrease) in cash and bank balances at the end of the financial year/period	1,342	3,149	3,796	(1,653)	1,236
Cash and bank balances at the beginning of the financial year/period	5,313	6,655	9,804	9,804	13,600
Cash and bank balances at the end of the financial year/period	6,655	9,804	13,600	8,151	14,836

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

REVIEW OF CASH FLOWS

FY2019

In FY2019, our Group recorded a net cash generated from operating activities of S\$5.9 million, which was a result of operating profit before reinvestment in working capital of S\$7.1 million, adjusted for working capital outflows of S\$1.2 million and income tax paid of S\$0.1 million. The net cash used in working capital of S\$1.2 million was mainly due to an increase in inventories of S\$0.4 million; an increase in trade and other receivables of S\$1.0 million; and offset by an increase in trade and other payables of S\$0.2 million.

Net cash used in investing activities amounted to S\$2.3 million was mainly attributable to additions of property, plant and equipment of S\$2.0 million.

Net cash used in financing activities amounted to S\$2.2 million was mainly attributable to repayment of lease liabilities and borrowings, interest paid and payments to directors.

As at 31 December 2019, our Group's cash and bank balances were S\$6.7 million.

FY2020

In FY2020, our Group recorded a net cash generated from operating activities of S\$10.5 million, which was a result of operating profit before reinvestment in working capital of S\$11.3 million, adjusted for working capital outflows of S\$0.6 million and income tax paid of S\$0.2 million. The net cash used in working capital of S\$1.1 million was mainly due to an increase trade and other receivables of S\$1.5 million and a decrease in trade and other payables of S\$0.8 million; offset by a decrease in inventories of S\$0.2 million.

Net cash used in investing activities amounted to S\$1.6 million was attributable to additions of property, plant and equipment.

Net cash used in financing activities amounted to S\$5.8 million was mainly attributable to repayment of lease liabilities and borrowings, interest paid and payments to directors.

The changes in cash outflow for leases by S\$0.2 million from S\$5.3 million in FY2019 to S\$5.5 million in FY2020 was mainly due to the opening of 11 drink stalls of CHICHA San Chen tea shops under our Franchise Business towards mid and end of FY2020 which contributed increase in cash outflows for leases by S\$1.1 million. There were also increases in cash outflow for leases under our Food Court Business by S\$0.3 million due to the opening of a new food court during FY2020 and under our F&B Operations Business by S\$1.1 million which has increased the number of food stalls by five (5) in FY2020 and full year rental for eight (8) food stalls opened towards mid and end of FY2019 . These increases were offset by rental concession income 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 recognised by our Group in FY2020 of S\$2.3 million.

As at 31 December 2020, our Group's cash and bank balances were S\$9.8 million.

FY2021

In FY2021, our Group recorded a net cash generated from operating activities of S\$15.6 million, which was a result of operating profit before reinvestment in working capital of S\$17.8 million, adjusted for working capital outflows of S\$1.7 million and income tax paid of S\$0.5 million. The net cash used in working capital of S\$1.7 million was mainly due to an increase in inventories of S\$0.6 million; and a decrease in trade and other payables of S\$2.0 million; offset by a decrease in trade and other receivables of S\$0.9 million.

Net cash used in investing activities amounted to S\$1.7 million was mainly attributable to additions of property, plant and equipment of S\$2.0 million.

Net cash used in financing activities amounted to S\$10.1 million was mainly attributable to repayment of lease liabilities, interest paid and payments to directors.

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

The material changes in cash outflow for leases by S\$2.8 million from S\$5.5 million in FY2020 to S\$8.3 million in FY2021 was mainly contributed by opening of nine (9) drink stalls of CHICHA San Chen tea shops under Franchise Business in FY2021 and the full year rental for 11 drink stalls opened towards mid and end of FY2020, which contributed total increase in cash outflow for leases by S\$1.8 million. The remaining increase was contributed by higher cash outflow for leases of F&B operations by S\$0.5 million due to the opening and closure of some of the food outlets during FY2020 and FY2021 and lower rental concession income of S\$0.5 million recognised in FY2021.

As at 31 December 2021, our Group's cash and bank balances were S\$13.6 million.

1H2021

In 1H2021, our Group recorded a net cash generated from operating activities of S\$4.6 million, which was a result of operating profit before reinvestment in working capital of S\$7.4 million, adjusted for working capital outflows of S\$2.3 million and income tax paid of S\$0.5 million. The net cash used in working capital of S\$2.3 million was mainly due to an increase in inventories of S\$0.3 million; an increase in trade and other receivables of S\$1.9 million; and a decrease in trade and other payables of S\$0.1 million.

Net cash used in investing activities amounted to S\$1.0 million was mainly attributable to additions of property, plant and equipment of S\$1.2 million.

Net cash used in financing activities amounted to S\$5.3 million was mainly attributable to repayment of lease liabilities and borrowings, interest paid and payments to directors.

As at 30 June 2021, our Group's cash and bank balances were S\$8.2 million.

1H2022

In 1H2022, our Group recorded a net cash generated from operating activities of S\$6.4 million, which was a result of operating profit before reinvestment in working capital of S\$7.0 million, adjusted for working capital outflows of S\$0.6 million and income tax paid of S\$0.1 million. The net cash used in working capital of S\$0.6 million was mainly due to an increase in trade and other receivables of S\$1.3 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\$0.4 million was attributable to additions of property, plant and equipment of S\$0.2 million and offset by proceeds from disposal of property, plant and equipment of S\$0.6 million.

Net cash flow used in financing activities amounted to S\$5.5 million, which was attributable to repayment of lease liabilities and borrowings, dividends and interest.

As at 30 June 2022, our Group's cash and bank balances were S\$14.8 million.

INFLATION

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

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

CAPITAL EXPENDITURE AND DIVESTMENTS AND COMMITMENTS

Capital Expenditure

The capital expenditures made by our Group during the Period Under Review were as follows:

(S\$'000)	FY2019	FY2020	FY2021	1H2022	1 July 2022 up to the Latest Practicable Date
Cold room and equipment	790	619	877	64	322
Computers	27	—	2	—	36
Furniture and fittings	105	43	22	—	—
Leasehold property	—	—	—	—	—
Motor vehicles	—	—	1,039	455	—
Office equipment	—	32	47	8	—
Renovation	1,456	1,116	910	148	331
Drink and food stalls	2,945	7,269	5,305	1,646	2,237
Total	5,323	9,079	8,202	2,321	2,926

The above capital expenditures were primarily financed by internally generated resources and were all made in Singapore.

Divestments

The divestments made by our Group during the Period under Review were as follows:

(S\$'000)	FY2019	FY2020	FY2021	1H2022	1 July 2022 up to the Latest Practicable Date
Cold room and equipment	—	—	9	—	44
Computers	—	—	—	—	—
Furniture and fittings	—	—	5	—	—
Leasehold property	—	—	—	—	—
Motor vehicles	—	—	56	377	—
Office equipment	—	—	—	—	—
Renovation	—	—	2	—	66
Drink and food stalls	—	—	—	—	215
Total	—	—	72	377	325

Capital Commitments

No material capital commitment was made by our Group during the Period under Review except for renovation works conducted in FY2022 financed by internally generated resources.

Contingent Liabilities

As at the Latest Practicable Date, we do not have any material contingent liabilities.

GENERAL INFORMATION ON OUR GROUP

HISTORY OF OUR GROUP

Our Company was incorporated in Singapore as a private limited company under the Companies Act on 8 August 2022 under the name YKGI Pte. Ltd.. Please refer to the sections entitled “General Information on our Group – Our Group Structure” and “General Information on our Group – Our Subsidiaries”, respectively, of this Offer Document for further details of our group structure and our subsidiaries following the completion of the Restructuring Exercise. Subsequently, on 23 December 2022, our Company was converted into a public company and our name was changed to YKGI Limited. Please refer to the section entitled “Restructuring Exercise” of this Offer Document for further details on the Restructuring Exercise.

Our Group’s origins can be traced to the 1950s when Mr. Seah Teck Yew, the father of our founder, Executive Chairman and Executive Director, Mr. Seah Boon Lock, commenced operations of a pushcart selling braised duck in Nee Soon. 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, our founder, Executive Chairman and Executive Director, Mr. Seah Boon Lock, together with our Chief Administrative Officer, Ms. Wee Lay Teng registered a partnership under the name “Yu 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 Pte. Ltd.”. Since then, our Group has continued to establish numerous Yew Kee Duck Rice Food Outlets in various locations across Singapore. In 2003, we opened our first Yew Kee Duck Rice standalone food shop at Liang Seah Street.

In 2002, we leased a factory in Woodlands to establish our headquarters and central kitchen to support the operations of our Food Outlets through the procurement, processing and preparation of key ingredients and products. As our operations expanded, our headquarters and central kitchen were relocated in 2006 to their current location at 32 Woodlands Terrace, Singapore 738452.

From 2006, our Group expanded our F&B offerings beyond our flagship brand Yew Kee Duck Rice. For instance, we established our Food Outlets under the brands XO Minced Meat Noodles in 2006, My Kampung Chicken Rice in 2017, PastaGo in 2022 and Victoria Bakery in 2022. As at the date of this Offer Document, we operate a total of 43 Food Outlets under our diverse portfolio of brands including our flagship brand Yew Kee Duck Rice.

Building on our experience in F&B operations, we diversified our business into food court management. We commenced management of our first food court in 2017 under the Kampung brand at the Singapore Institute of Management. We have since ceased the use of the Kampung brand and our food courts are currently operated under the My Kampung and Fine Food brands. We operate our My Kampung brand of food courts in commercial complexes and commercial malls and operate our Fine Food brand of food courts in educational institutions.

In 2019, we entered into our Master Franchise Agreement with Fang Yuan, and became the exclusive franchisee of the CHICHA San Chen brand of tea shops in Singapore. As at the date of this Offer Document, we operate all 30 CHICHA San Chen tea shops in Singapore through our subsidiaries.

In 2022, we undertook a group-wide rebranding exercise to more accurately align our brand identity with our history and heritage, and renamed our flagship brand from “Yu Kee” to “Yew Kee”. Our Group’s name “Yew Kee” was coined by combining the words “Yew” (“友”) and “Kee” (“記”). The word “Yew” (“友”) represents the name of Mr. Seah Teck Yew, the father of our Executive Chairman and Executive Director, Mr. Seah Boon Lock, and the word “Kee” (“記”) is typically used in the Chinese culture to indicate a food business.

Our strong history and heritage in this family-grown business is seen through the involvement of our Executive Chairman and Executive Director, Mr. Seah Boon Lock, since our inception, as well as our CEO and Executive Director, Mr. Seah Qin Quan, since 2019. They have played an active role in the strategic direction of our Group’s business, spearheading key development milestones including the expansion of our core business in F&B operations, commencement of our food court management and franchising businesses, as well as our Group’s rebranding exercise.

GENERAL INFORMATION ON OUR GROUP

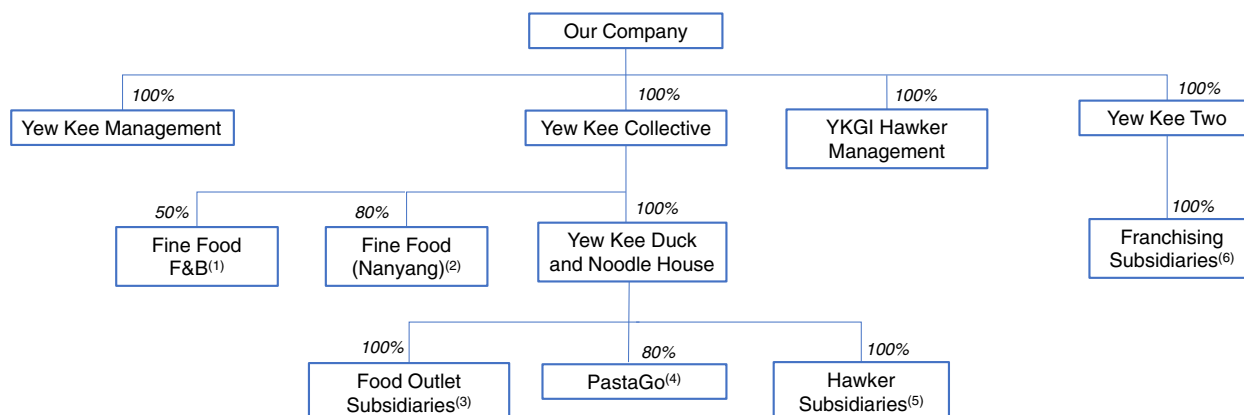
A summary of the significant milestones in our history is set out below:

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
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)
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
2017	Opening of our first Kampung food court at the Singapore Institute of Management Opening of our first My Kampung Chicken Rice Food Outlet 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 Opening of our first CHICHA San Chen tea shop at 313 Somerset Opening of our first Fine Food food court at the National University of Singapore
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 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

GENERAL INFORMATION ON OUR GROUP

OUR GROUP STRUCTURE

The following diagram summarises our group structure as at the date of this Offer Document:



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, WPTCC, HGMCC, STARCC, JEWCC, TAKACC, CACC, SUNCC, NUSCC, JPCC, NOVCC, HILLCC, NEXCC, YISCC, LOTCC, EASTCC, KWMCC, CPOCC and CNPCC.

GENERAL INFORMATION ON OUR GROUP

OUR SUBSIDIARIES

The table below sets forth details of our subsidiaries as at the date of this Offer Document⁽¹⁾⁽²⁾:

No.	Company Name	Date of Incorporation	Country of Incorporation and Principal Place of Business	General Nature of Business ⁽³⁾	Ownership Interest
1.	Yew Kee Duck and Noodle House	22 July 2002	Singapore	Letting and operating of self-owned or leased food courts, coffee shops and canteens (with mainly rental income); Food caterers ⁽⁴⁾	100.0%
2.	Yew Kee Management	29 July 2002	Singapore	Manufacture of cooked-food preparations (e.g frozen dinners); Food caterers	100.0%
3.	Yew Kee Three	31 August 2005	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
4.	Yew Kee Two	31 August 2005	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
5.	Ubi 179 Food House	8 September 2005	Singapore	Cafes – coffee shops (including eating house); Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers)	100.0%
6.	SM30 Simei	5 March 2009	Singapore	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	100.0%

GENERAL INFORMATION ON OUR GROUP

No.	Company Name	Date of Incorporation	Country of Incorporation and Principal Place of Business	General Nature of Business ⁽³⁾	Ownership Interest
7.	108 Sembawang	6 April 2009	Singapore	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	100.0%
8.	207 (Duck Rice)	22 April 2009	Singapore	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	100.0%
9.	10 (XO Noodle)	22 April 2009	Singapore	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	100.0%
10.	480 Local Delight	19 May 2010	Singapore	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	100.0%
11.	Admiralty Local Delight	19 July 2013	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%

GENERAL INFORMATION ON OUR GROUP

No.	Company Name	Date of Incorporation	Country of Incorporation and Principal Place of Business	General Nature of Business ⁽³⁾	Ownership Interest
12.	51 Hougang	4 August 2015	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
13.	2 Bukit Panjang	27 October 2015	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
14.	Punggol WP83	6 January 2016	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
15.	Yew Kee Collective	5 April 2017	Singapore	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) ⁽⁴⁾	100.0%
16.	Ying's Traditional Food	28 August 2017	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Letting and operating of self-owned or leased food courts, coffee shops and canteens (with mainly rental income) ⁽⁴⁾	100.0%
17.	Fine Food F&B	29 September 2017	Singapore	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) ⁽⁴⁾	50.0%

GENERAL INFORMATION ON OUR GROUP

No.	Company Name	Date of Incorporation	Country of Incorporation and Principal Place of Business	General Nature of Business ⁽³⁾	Ownership Interest
18.	Fine Food (Nanyang)	19 September 2019	Singapore	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) ⁽⁴⁾	80.0%
19.	TAKACC	1 November 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
20.	CACC	1 November 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
21.	SUNCC	1 November 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
22.	NUSCC	1 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
23.	JPCC	1 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
24.	NOVCC	1 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%

GENERAL INFORMATION ON OUR GROUP

No.	Company Name	Date of Incorporation	Country of Incorporation and Principal Place of Business	General Nature of Business ⁽³⁾	Ownership Interest
25.	HILLCC	1 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
26.	102CR Food	4 December 2020	Singapore	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)	100.0%
27.	NEXCC	24 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
28.	YISCC	24 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
29.	MSQCC	28 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
30.	WLPCC	28 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
31.	NTUCC	28 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%

GENERAL INFORMATION ON OUR GROUP

No.	Company Name	Date of Incorporation	Country of Incorporation and Principal Place of Business	General Nature of Business ⁽³⁾	Ownership Interest
32.	WPTCC	28 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
33.	HGMCC	28 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
34.	STARCC	28 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
35.	JEWCC	28 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
36.	313CC	29 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
37.	JEMCC	29 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
38.	PASCC	29 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
39.	AMKCC	29 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%

GENERAL INFORMATION ON OUR GROUP

No.	Company Name	Date of Incorporation	Country of Incorporation and Principal Place of Business	General Nature of Business ⁽³⁾	Ownership Interest
40.	CTRCC	29 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
41.	WSCC	29 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
42.	TPCC	29 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
43.	PLQCC	29 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
44.	CWPCC	29 December 2020	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
45.	LOTCC	17 February 2021	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
46.	KWMCC	28 May 2021	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
47.	CPOCC	28 May 2021	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%

GENERAL INFORMATION ON OUR GROUP

No.	Company Name	Date of Incorporation	Country of Incorporation and Principal Place of Business	General Nature of Business ⁽³⁾	Ownership Interest
48.	EASTCC	3 June 2021	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100.0%
49.	YK Food (One)	27 December 2021	Singapore	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)	100.0%
50.	YK Food (Two)	27 December 2021	Singapore	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)	100.0%
51.	YK Food (Three)	1 April 2022	Singapore	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)	100.0%
52.	YK Food (Four)	6 May 2022	Singapore	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)	100.0%
53.	YK Food (Five)	1 August 2022	Singapore	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)	100.0%

GENERAL INFORMATION ON OUR GROUP

No.	Company Name	Date of Incorporation	Country of Incorporation and Principal Place of Business	General Nature of Business ⁽³⁾	Ownership Interest
54.	CNPCC	1 June 2022	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); food caterers	100.0%
55.	PastaGo	1 November 2021	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); food caterers	80.0%
56.	Yew Kee Bakery	6 July 2022	Singapore	Retail sale of confectionary and bakery products (not manufactured on site); Manufacture of bakery products	100.0%
57.	YKGI Hawker Management	20 December 2022	Singapore	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)	100.0%

Notes:

- (1) Our subsidiary, Tong Fong Fatt YK Pte. Ltd., was struck off on 18 August 2021.
- (2) Our subsidiary, YTP (Yew Tee) Pte. Ltd., was struck off on 5 December 2022.
- (3) The description of the general nature of business is based on the principal activities set out in the respective subsidiary's business profile issued by the accounting and corporate regulatory authority of Singapore.
- (4) The businesses of such subsidiaries do not include operating coffee shops and any rental income such subsidiaries may derive is from the tenants of the food courts we manage under our business of food court management.

There are no subsidiaries for which the latest audited consolidated pre-tax profits (excluding the minority interest relating to that subsidiary) as compared with the latest audited consolidated pre-tax profits of our Group (excluding the minority interest relating to that subsidiary) accounts for 20.0% or more of such pre-tax profits of our Group.

GENERAL INFORMATION ON OUR GROUP

BUSINESS OVERVIEW

We are in the business of F&B operations, food court management and franchising in Singapore. Our principal business activities are (i) F&B operations, (ii) food court management and (iii) franchising and sub-franchising. Our operations are currently based in Singapore. As at the date of this Offer Document, we operate one (1) central kitchen and 43 Food Outlets, manage four (4) food courts, and are the exclusive franchisee of all 30 CHICHA San Chen tea shops in Singapore.

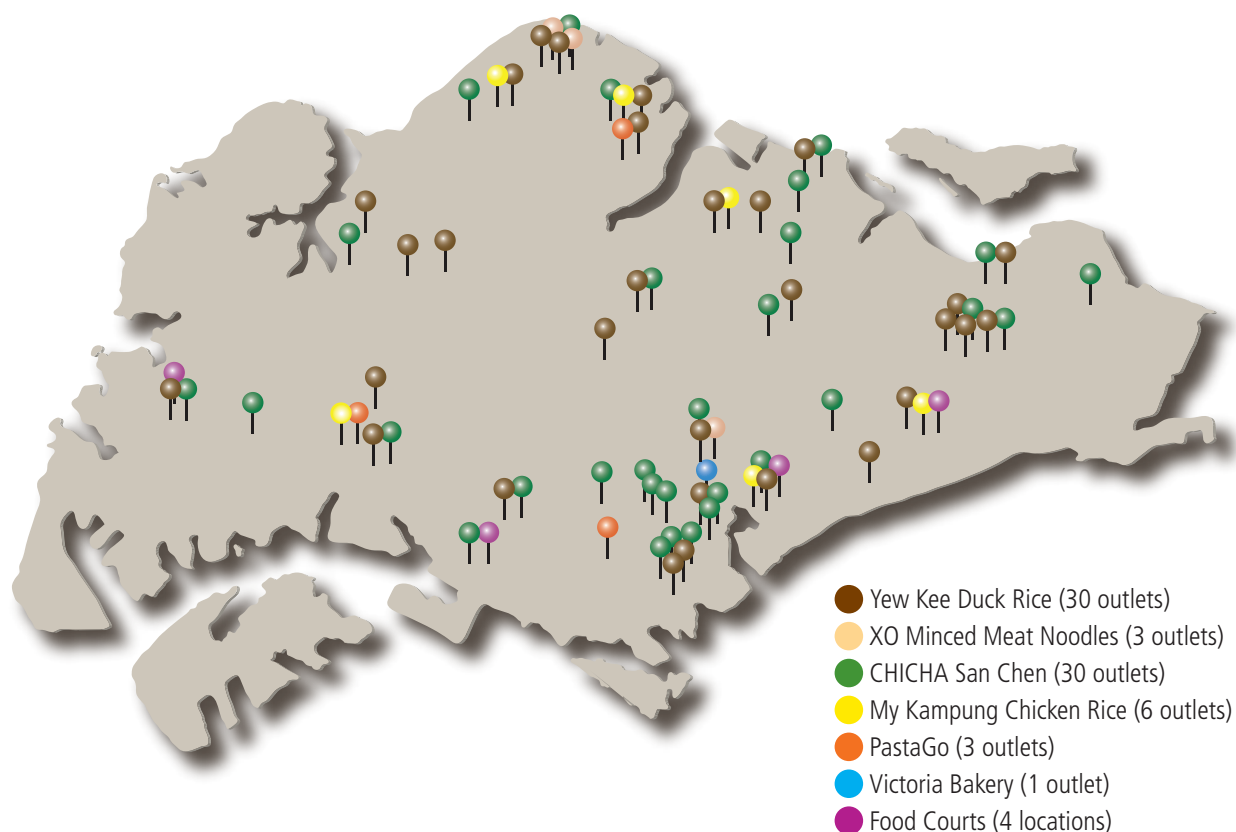
We are an established home-grown brand with a track record of more than 30 years. Our decades of experience in the F&B industry have allowed us to develop an understanding of the tastes and preferences of local consumers. Since the inception of our Group, our mission has been to serve quality food to different groups of customers. As testament to this ethos, our Group owns and operates a diverse portfolio of non-Halal and Halal brands including Yew Kee Duck Rice, XO Minced Meat Noodles, My Kampung Chicken Rice, PastaGo and Victoria Bakery.

The operations of our Food Outlets are supported by our central kitchen, which procures, processes and prepares key ingredients and products for supply to the Food Outlets operating under our Yew Kee Duck Rice and XO Minced Meat Noodles brands, as well as our CHICHA San Chen tea shops. We also sell food products online.

Building on our experience in F&B operations, our Group has diversified into the management of four (4) food courts located across Singapore under the My Kampung and Fine Food brands.

In addition, since 2019, our Group has been the exclusive franchisee of the CHICHA San Chen brand of tea shops in Singapore. As at the date of this Offer Document, we operate all 30 CHICHA San Chen tea shops in Singapore through our subsidiaries.

The following diagram sets out an overview of our Food Outlets and CHICHA San Chen tea shops in Singapore, as well as the food courts that we manage:



GENERAL INFORMATION ON OUR GROUP

Going forward, we intend to expand our business overseas, expand and upgrade our central kitchen, expand our franchise and sub-franchise network, strengthen our presence and market position in Singapore and overseas, expand the scope of our F&B offerings and engage in strategic acquisitions and joint venture partnerships. Please refer to the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document for further information on our future plans. We are also in the process of implementing a new budgeting system to manage our business in a more cost-effective way, to ensure that we perform and document price evaluations on our high volume purchase items (such as duck and cooking oil) which are documented, as well as ensuring that all purchase orders and price review for other items such as vegetables and sauces are signed off by our Chief Executive Officer and Executive Director, Mr. Seah Qin Quan. In addition, we will prepare a yearly budget which will be coordinated by our Group Financial Controller and approved by our Board, which will also include the planning and opening of new Food Outlets.



The breakdown of the number of stalls for each of our business segments during the Period Under Review and as at the date of this Offer Document is set out below:

	FY2019	FY2020	FY2021	1H2022	As at the date of this Offer Document
Food Court Business	4	5	4	4	4
F&B Operations Business	37	42	36	39	43
Franchise Business	9	20	29	29	30
Total	50	67	69	72	77

GENERAL INFORMATION ON OUR GROUP

F&B Operations

Our Group has roots as an F&B operator and our flagship brand, Yew Kee Duck Rice, has a history dating back to the 1950s, when Mr. Seah Teck Yew, the father of our Executive Chairman and Executive Director, Mr. Seah Boon Lock, commenced operations of a pushcart selling braised duck in Nee Soon. In 2022, we undertook a group-wide rebranding exercise to more accurately align our brand identity with our history and heritage, and renamed our flagship brand from “Yu Kee” to “Yew Kee”. Since the inception of our Group, our mission has been to serve quality food to different groups of customers. As testament to this ethos, our Group owns and operates a diverse portfolio of non-Halal and Halal brands including Yew Kee Duck Rice, XO Minced Meat Noodles, My Kampung Chicken Rice, PastaGo and Victoria Bakery. F&B offerings from our diverse portfolio of brands, together with beverages from our CHICHA San Chen tea shops, are available on all major food delivery platforms. As at the date of this Offer Document, we operate a total of 43 Food Outlets under our diverse portfolio of brands.

The operations of our Food Outlets are supported by our central kitchen which procures, processes and prepares key ingredients and products for supply to the Food Outlets operating under our Yew Kee Duck Rice and XO Minced Meat Noodles brands, and our CHICHA San Chen tea shops.

Our procurement team maintains a list of approved suppliers which are assessed and admitted based on quality, reputation, price and our past dealings with such suppliers. Our procurement team orders ingredients and products for our central kitchen from suppliers on our approved list. Upon delivery of such ingredients and products to our central kitchen, our central kitchen staff who take delivery of such items conduct a quality check and any items found to fall short of our quality standards are rejected and returned to the relevant supplier. Our central kitchen staff provide regular feedback on the quality of ingredients and products received to our procurement team, who update the list of approved suppliers on an ongoing basis.

Central Kitchen

Our central kitchen is located at 32 Woodlands Terrace, Singapore 738452 and has a total floor area of approximately 936.81m². Our central kitchen is responsible for procuring, processing and preparing key ingredients and products for supply to the Food Outlets operating under our Yew Kee Duck Rice and XO Minced Meat Noodles brands, our CHICHA San Chen tea shops and certain third-party Food Outlets. These key ingredients include duck, intestines, tea leaves, flavourings and sauces and frozen pork. The supply of ingredients and products to our Halal-certified My Kampung Chicken Rice Food Outlets is outsourced to a third-party Halal-certified central kitchen. The preparation of ingredients and products by our central kitchen enables our Group to reduce the time required for food preparation on site at our Yew Kee Duck Rice and XO Minced Meat Noodles Food Outlets and our CHICHA San Chen tea shops, enables our staff at such outlets to focus on other aspects of our F&B offerings, and allows us to reap costs savings in the preparation of our ingredients and products through economies of scale.

Staff who work at our central kitchen are required to undergo training and adhere to our standard operating procedures on matters relating to, among others, our quality control policies with an emphasis on the handling, preparation and cooking of food, including the observance of good practices such as the sanitisation of food preparation areas and equipment.

Our central kitchen is also used for the warehousing of our ingredients, which facilitates the efficient supply of ingredients to, and operations of, our central kitchen. Such ingredients stored at our central kitchen include tea leaves, sugar syrup, flavourings and sauces which are centrally purchased by our purchasing and factory managers. Other perishable items necessary for our day-to-day operations such as rice, noodles and oil are ordered daily from approved suppliers by the respective food outlet supervisors at our Food Outlets. We conduct stock-take exercises on a monthly basis in respect of the inventory held at our central kitchen.

Business Process of our Central Kitchen

The business process of our central kitchen is set out below.

1. **Ordering and delivery of ingredients**

Taking into account the level of demand from our Yew Kee Duck Rice Food Outlets, XO Minced Meat Noodles Food Outlets and our CHICHA San Chen tea shops, our purchasing and factory managers centrally purchase ingredients for delivery to our central kitchen. Frozen pork and other ingredients, including duck and intestines are delivered to our central kitchen daily. Dried ingredients such as tea leaves, flavourings and sauces are delivered weekly.

GENERAL INFORMATION ON OUR GROUP

2. Preparation of ingredients and products

Our central kitchen staff prepare the ingredients in accordance with our standard operating procedures, including the washing, cutting and peeling of vegetables and the preparation of spices. Our signature braised duck and chilli sauce are prepared with strict adherence to our in-house recipes, by staff who have received special training. All our central kitchen staff are required to observe good practices such as the sanitisation of food preparation areas and equipment.

3. Packaging and delivery of ingredients and products

The ingredients and products are packed by our central kitchen staff who will also help load such ingredients and products onto our delivery vans. Food and ingredients prepared by our central kitchen are dispatched daily based on a regular schedule to our Yew Kee Duck Rice Food Outlets and XO Minced Meat Noodles Food Outlets and our CHICHA San Chen tea shops across Singapore by our network of drivers. Our delivery fleet consists of four (4) vans and all deliveries of ingredients and products are securely packed to preserve their quality during the course of the delivery.

Production Capacity and Facility

Our central kitchen is located at 32 Woodlands Terrace, Singapore 738452 and has a floor area of approximately 936.81m². We currently use the central kitchen to prepare sauces and marinades, process certain fresh food ingredients, and prepare semi-finished food products, which are supplied to our Food Outlets. Our capacity to process the ingredients and prepare our packaged sauces and spice mixes is dependent on the number of staff employed at our central kitchen. Accordingly, information on production capacity and the extent of utilisation of production facility is not available.



Food Outlets

As at the date of this Offer Document, we operate 43 Food Outlets across Singapore under the Yew Kee Duck Rice, XO Minced Meat Noodles, My Kampung Chicken Rice, PastaGo and Victoria Bakery brands. We engage a third-party delivery partner for delivery of products sold under each of these brands, which are also available on all major delivery platforms.

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The details of our Food Outlets as at the date of this Offer Document are set out below.

Brand	Location	Number of outlets as at the date of this Offer Document
Yew Kee Duck Rice	53 Ang Mo Kio Avenue 3 AMK Hub #B2-46	30
	Block 443 Pasir Ris Drive 6 #01-02	
	15 Petir Road Hillion Mall #01-56	
	2 Tampines Central 5 Century Square #B1-23	
	50 Nanyang Avenue South Spine Foodcourt Canteen B	
	50 Jurong Gateway Road JEM #B1-K13	
	33 Sengkang West Avenue The Seletar Mall #B2-13/14	
	11 Canberra Road Sembawang MRT Station #01-05 ⁽¹⁾	
	3 Simei Street 6, Eastpoint Mall #02-K1 ⁽¹⁾	
	417 Yishun Avenue 111 #01-351	
	Block 823A Tampines Street 81, #01-02	
	1 Bukit Batok Central Link #04-01 West Mall	
	83 Punggol Central #02-20/21 Waterway Point	
	21 Choa Chu Kang North 6 Yew Tee Point #01-21	
	3 Temasek Boulevard #B1-169A Suntec City Mall	
	1 Vista Exchange Green, #B1-31 The Star Vista	
	920 Yishun Avenue 2 #01-12 Yishun Bus Interchange	
	604 Sembawang Road, #01-05 Sembawang Shopping Centre	
	Amoy Street Food Centre #01-32 7 Maxwell Road	
	Bedok Interchange Hawker Centre #01-28 Block 208B New Upper Changi Road	
	Bukit Panjang Hawker Centre And Market #01-10 2 Bukit Panjang Ring Road	
	Ci Yuan Hawker Centre #01-12 51 Hougang Avenue 9	
	Kampung Admiralty Hawker Centre #02-15 Block 676 Woodlands Drive 71	
	Kovan Market & Food Centre #01-03 Block 209 Hougang St 21	
	Marine Parade Food Centre #01-10 84 Marine Parade Central	
	Newton Food Centre #01-09 500 Clemenceau Avenue North	
	1 Tampines Walk #01-37 Our Tampines Hub Hawker Centre	
	People's Park Food Centre #01-1108 Block 32 New Market Road	
	1 Stadium Place Kallang Wave Mall #02-12	
	301 Upper Thomson Road Thomson Plaza #01-96	

GENERAL INFORMATION ON OUR GROUP

Brand	Location	Number of outlets as at the date of this Offer Document
XO Minced Meat Noodles	Sembawang MRT Station #01-05 11 Canberra Road ⁽²⁾	3
	Newton Food Centre #01-10 500 Clemenceau Avenue North	
	Sembawang Shopping Centre #01-03 604 Sembawang Road	
My Kampung Chicken Rice	2 Jurong East Central 1 #B1-K04 Jcube	6
	11 Bedok North Street 1 #01-28/29 Heartbeat @Bedok	
	1 Stadium Place #02-16/K6 Kallang Wave Mall	
	33 Sengkang West Avenue #B2-07 The Seletar Mall	
	676 Woodlands Drive 71 #02-39 Kampung Admiralty	
	920 Yishun Avenue 2 #01-13 Yishun Bus Interchange	
PastaGo	Jcube Shopping Mall, 2 Jurong East Central 1, #B1-K07	3
	302 Tiong Bahru Road #B1-123 Tiong Bahru Plaza	
	598 Yishun Ring Road #01-20, Wisteria Mall	
Victoria Bakery	6 Raffles Boulevard Marina Square #02-302/303	1

Notes:

- (1) We operate both our Yew Kee Duck Rice Food Outlet and CHICHA San Chen tea shop at these premises.
- (2) We operate both our Yew Kee Duck Rice and XO Minced Meat Noodles Food Outlets at these premises.

Yew Kee Duck Rice

In 2022, we undertook a group-wide rebranding exercise to more accurately align our brand identity with our history and heritage, and renamed our flagship brand from “Yu Kee” to “Yew Kee”. Our Group’s name “Yew Kee” was coined by combining the words “Yew” (“友”) and “Kee” (“記”). The word “Yew” (“友”) represents the name of Mr. Seah Teck Yew, the father of our founder, Executive Chairman and Executive Director, Mr. Seah Boon Lock, and the word “Kee” (“記”) is typically used in the Chinese culture to indicate a food business. We believe that our flagship brand, Yew Kee Duck Rice, is recognised nationally for our signature braised duck rice and chilli sauce. Other offerings at our Yew Kee Duck Rice Food Outlets include duck noodles, duck kway teow, duck porridge and kway chap⁽¹⁾. Our braised duck, sauce, chilli and seasoning are supplied by our central kitchen, enabling us to maintain our signature flavour profile consistently across all the dishes sold at our Yew Kee Duck Rice Food Outlets, from our duck rice to our kway chap⁽¹⁾. Our signature chilli sauce is bottled for sale at our Yew Kee Duck Rice Food Outlets, which also take in pre-orders for braised duck ahead of festive occasions such as the lunar new year. Our signature braised duck noodles is recognised by the Health Promotion Board as a healthier choice under its Healthier Choice Symbol Programme.

Note:

- (1) kway chap is a dish of Teochew origin comprising broad sheets of rice noodles served in hot broth with an array of pork offal and other sides.

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XO Minced Meat Noodles

Our XO Minced Meat Noodles Food Outlets offer a variety of noodle dishes, including XO minced meat noodles, handmade meatball noodles, fish ball noodles, mini wok noodles and chicken laksa. Our signature XO minced meat noodles food comprise springy noodles tossed with our signature chilli sauce and handmade meatballs.

My Kampung Chicken Rice

Our My Kampung Chicken Rice Food Outlets offer Halal-certified Chinese style chicken rice. Our specialty product under this brand is roasted chicken rice. All the chicken sold at our My Kampung Chicken Rice Food Outlets are specially selected within a prescribed weight range and are freshly roasted on site. The recipes for the sauce and rice at our My Kampung Chicken Rice Food Outlets have been developed in-house and are unique to our Group.

PastaGo

Our PastaGo Food Outlets offer our very own in-house-made pasta with a smooth and springy texture freshly made from scratch, with each shape selected so as to hold an ideal amount of sauce and to provide a good mouthfeel. The pasta offerings at our PastaGo outlets include aglio olio, chicken and beef bolognese, marinara, al limone and carbonara.

Victoria Bakery

Victoria Bakery is our premium Hong Kong-inspired bakery which marries elements of a classic Hong Kong tea house with modern touches through the use of premium ingredients. Victoria Bakery serves classic Hong Kong pastries such as pineapple buns and egg tarts made using traditional baking techniques and updated with modern and innovative flavours. Our Victoria Bakery Food Outlet boasts a laid-back atmosphere with western-style furnishing where our customers are able to enjoy light bites, freshly baked goods and freshly-ground artisanal coffee.

Sales at our Food Outlets and CHICHA San Chen tea shops are settled by cash or cashless payments including NETS, GrabPay or PayNow. We have implemented various security measures including the installation of CCTV systems, regular cash float spot checks by our area managers, and the adoption of cash management controls and cash and inventory handling policies for our Food Outlets to mitigate the risk of theft. Please refer to the risk factor entitled “We may experience pilferage and theft by our employees or outsiders” of this Offer Document for the possible risk of pilferage and theft by our employees.

Food Court Management

As at the date of this Offer Document, our Group manages four (4) food courts located across Singapore under the My Kampung and Fine Food brands. Our Group leases the food courts and in turn sub-leases stalls to individual Food Court Tenants.

The Food Court Management Services provided by our 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. In consideration for the Food Court Management Services provided by our Group, the Food Court Tenants each pay our Group a monthly management fee comprising the higher of a prescribed fixed amount or a percentage of their revenue for the month in accordance with the terms of their respective sub-lease agreements.

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The details of the food courts managed by our Group as at the date of this Offer Document are set out below.

Brand	Location
My Kampung	Kallang Wave Mall 1 Stadium Place #02-16 Singapore 397628
My Kampung	Heartbeat@Bedok 11 Bedok North Street 1 #01-28/29 Singapore 469662
Fine Food	50 Nanyang Avenue Singapore 639798
Fine Food	1 Create Way University Town (NUS) Singapore 138602

Business Process of our Food Court Management

The business process of our food court management is set out below.

1. Management of lease agreements and sub-lease agreements

Our food court management team manages the lease and sub-lease agreements in respect of our food courts. Six (6) months to one (1) year before the expiry of the relevant lease or sub-lease agreement, our food court management team will contact the landlord or the Food Court Tenant (as the case may be) to commence discussions on the extension of such lease or sub-lease. Our food court management team identifies opportunities for the leasing of new food courts as and when such opportunities arise and by tapping on its network within the F&B industry. Leasing opportunities are then assessed based on factors such as the location and footfall of the venue. For our food courts located within public institutions, we monitor the online government portal GeBiz to identify opportunities for new food court outlets. For locations identified as suitable, our food court management team will then prepare a tender for the lease of such premises.

2. Management of tenant mix and monitoring of food quality

We seek to maintain a variety of offerings at our food courts. In managing our food courts, we generally avoid an overlap of offerings between Food Court Tenants and aim to provide a variety of food choices to our customers. Our food court manager monitors the quality of food served at our food courts by conducting food tastings on a regular basis.

3. Operation of drinks stalls

We operate the drinks stall at each food court that we manage, offering an assortment of beverages including bottled and canned drinks, hot and cold drinks which are made-to-order. Our drinks stalls also sell fruits and snacks, such as sandwiches.

4. Provision of cleaning services

We oversee the cleaning of the common areas and toilets at our food courts, which includes the clearing of trays and the washing of dishes. We outsource such cleaning services to a third-party cleaning company. In consideration for the provision of such cleaning services, each Food Court Tenant pays our Group a fixed monthly cleaning fee, which is included as a component of its monthly rent, in accordance with the terms of its sub-lease agreement.

5. Collection of the daily takings of our Food Court Tenants

As part of our Food Court Management Services, we manage the daily takings of our Food Court Tenants. We collect such takings upfront by way of cash or electronic payments such as NETS, GrabPay or PayNow. Cash takings are collected directly from our food court customers through a secure cash deposit machine and such cash takings are not handled by our Food Court Tenants. Our food court management team collects cash takings from the secure cash deposit machine at the end of each day, while electronic payments are made directly to our Group's accounts. At the end of each month, our food court management team tallies the daily takings collected in respect of each Food Court Tenant. From such amount, we deduct the monthly rent payable by the Food Court Tenant and disburse the remaining amount to such tenant. The monthly rent payable by each Food Court Tenant to our Group comprises the aggregate of a prescribed fixed amount, a variable amount representing a percentage of its revenue for the month, and a fixed management and cleaning fee, in accordance with the terms of its sub-lease agreement.

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Please refer to the risk factor entitled “We may experience pilferage and theft by our employees or outsiders” of this Offer Document for the possible risk of pilferage and theft by our employees. Notwithstanding this, we have put in place measures to mitigate such risk, including requiring the transfer of such cash collections to our headquarters’ safe box via locked bags. Our finance team in our head office would then retrieve these bags and count the cash in secured room to ensure these tally to ‘POS sales summary’ statements. The counted cash is then stored in a safe till these are collected by Cisco. We have also purchased insurance to cover the risk of any loss of such monies in transit.

6. Renovations and upgrading

In accordance with our lease agreements, we generally arrange for minor improvement works to be made to our food courts every three (3) years in order to maintain the appeal of our food courts to both Food Court Tenants and to our customers. Such minor improvement works are overseen by our Group’s project manager who is responsible for the renovations of all the Food Outlets operating under our diverse portfolio of brands and our CHICHA San Chen tea shops.

Franchising and Sub-Franchising

Business Process for our Franchising Arrangements

1. Market research

Our management team conducts market research on developments in the tastes and preferences of local consumers, paying attention to the latest F&B concepts overseas and making assessments as to their feasibility in Singapore. Factors considered by our Group when conducting such market research include local tastes and preferences, barriers to entry, competition and the costs of procuring the necessary ingredients locally.

2. Identification of brands

Upon identifying an F&B concept feasible for the local market, our management team evaluates specific brands which have an established presence within such F&B concept, including a comparative assessment of the local market in which the brand has gained acceptance.

3. Negotiations with franchisor and entry into master franchise agreement

Once a suitable brand has been identified, our management team will approach the franchisor to negotiate a master franchise agreement granting exclusive franchise rights and an exclusive license to the brand in Singapore, including the ability to sub-franchise the brand.

CHICHA San Chen Master Franchise Agreement

Pursuant to a master franchise agreement entered into between our subsidiary, Yew Kee Two, and Fang Yuan on 14 January 2019 (“**Master Franchise Agreement**”), our Group was granted a franchise and exclusive licence to operate outlets under the “CHICHA 3000” brand in Singapore for a term of ten (10) years from 14 January 2019, including an exclusive licence to use the trade mark designated under the Master Franchise Agreement, Fang Yuan’s brand manual and any secret technology and knowhow provided by Fang Yuan as well as the right to adopt the decoration designs and layout of the store provided by Fang Yuan. The Master Franchise Agreement is renewable by negotiation between the parties thereto based on criteria prescribed therein. In consideration for the franchise and licence granted by the franchisor, we had paid a one-off initial franchise fee in full, and are 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. Yew Kee Two is permitted to sublicense our rights under the Master Franchise Agreement, provided that Yew Kee Two enters into sublicense agreements with such third party sublicensees which must contain certain prescribed terms and be in a form approved by Fang Yuan. The Master Franchise Agreement also imposes certain obligations on our Group, including routine evaluations, setting up a training unit, complying with the store decoration and manpower guidelines set by Fang Yuan, a minimum order quantity as well as to purchase from approved suppliers. We were also required to maintain insurance of a general commercial liability policy with a minimum coverage of US\$1.0 million, which was not obtained in a timely manner, and we have since obtained insurance coverage in connection with the Master Franchise Agreement. We have notified Fang Yuan of this and

GENERAL INFORMATION ON OUR GROUP

Fang Yuan did not take any action against us nor did they require us to take any corrective action in this regard to cure this breach. Notwithstanding this, as failure to maintain such insurance may result in forfeit of the franchise under the Master Franchise Agreement and additional financial liabilities, we have, as at the Latest Practicable Date, obtained insurance coverage in connection with the Master Franchise Agreement.

The Master Franchise Agreement also requires us to fulfill an expansion plan, failing which the parties shall meet at least twice in a year and if we still fail to achieve the adjusted goal of the expansion plan indicated by the franchisor, the exclusive right that we have been granted in Singapore shall be terminated automatically upon notice of the franchisor in writing. We have fulfilled all the requirements of the expansion plan for the first three (3) years. As at the Latest Practicable Date, we have also already fulfilled the requirement to open at least 15 outlets in 10 years, within the first four (4) years of having been granted the franchise. The remaining requirements relate to commencing our subfranchising business, expanding regionally as well as being recognized as one of the top (3) brands in Singapore for such hand held drinks. Please refer to the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Documents for more details on our plans to expand our CHICHA San Chen operations, our intention to enter into sub-franchise agreements with third parties to further expand our network of CHICHA San Chen tea shops in Singapore, as well as our plan to generate a higher awareness of our existing diverse portfolio of brands.

Yew Kee Two is also subject to non-competition and non-solicitation covenants under the Master Franchise Agreement. The non-competition covenants restrict Yew Kee Two, its directors, supervisors, managers, 10.0% or more shareholders, partners, guarantors and all others who hold or control any ownership interest in Yew Kee Two along with their spouses and family members, during the term of the Master Franchise Agreement and for a period of two (2) years thereafter, from directly or indirectly by itself or on behalf of any person, owning, managing, operating, maintaining, engaging in, consulting with or having any interest in any business within Singapore where 50.0% or more of its sales is generated from the sale of coffee, tea, bubble tea, juice or other beverage, save where authorised in writing by Fang Yuan. The non-solicitation covenants provide that Yew Kee Two shall not during the term of the Master Franchise Agreement and for a period of two (2) years thereafter, directly or indirectly, employ any person who is at such time or was within the six (6) months preceding employed by Fang Yuan or any of its affiliates or any other franchisee or otherwise induce such person to leave or terminate their employment.

The Master Franchise Agreement may be terminated by either party if, among others, the other party ceases operations, closes business, applies for dissolution or liquidation, declares bankruptcy, merges with another entity, divides into separate entities, transfers its business, has a variation in the control rights of its shareholders, if Yew Kee Two materially breaches certain provisions of the Master Franchise Agreement or breaches the Master Franchise Agreement causing Fang Yuan to be subject to investigations conducted by a government authority or judicial agency or, in the event of a breach or non-performance of the Master Franchise Agreement by either party, such party fails to cure the breach within a prescribed period or where Yew Kee Two breaches the Master Franchise Agreement three (3) times within a calendar year. In the event of a material breach by Yew Kee Two of the Master Franchise Agreement, Fang Yuan may claim against Yew Kee Two for a penalty in the amount of US\$30,000 (which penalty may be accumulated for the same occurrence of each breach not cured) as well as compensation to Fang Yuan for its losses and expenses. In respect of each breach by Yew Kee Two of any other provision of the Master Franchise Agreement, where Yew Kee Two fails to cure such breach with a time period specified by Fang Yuan in writing, Fang Yuan may claim against Yew Kee Two for a penalty in the amount of US\$15,000 which penalty may be accumulated for the same occurrence for each breach not cured as well as compensation to Fang Yuan for its losses and expenses. In the event of a material breach or non-performance by Fang Yuan of the Master Franchise Agreement where such breach is not cured within 30 calendar days within receiving written notice from Yew Kee Two, or such longer period as local laws provide for, Fang Yuan shall be liable for damages suffered by Yew Kee Two. In accordance with the terms of the Master Franchise Agreement, Yew Kee Two has paid a cash deposit to Fang Yuan from which it may set off any amounts due to it in the event of any breach by us of the Master Franchise Agreement. This deposit may be refunded to Yew Kee Two without interest upon expiration or termination of the Master Franchise Agreement. As at the Latest Practicable Date, Fang Yuan has not set off any amounts against the deposit we have paid to them. We have also notified Fang Yuan of all breaches under the Master Franchise Agreement and Fang Yuan has not taken any action against us, nor have they required us to take any corrective action to cure any breach. We have also informed Fang Yuan of the Restructuring Exercise and the Listing, and Fang Yuan has not raised any issues in this regard.

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The Master Franchise Agreement is governed by the laws of Taiwan and any dispute arising out of or in relation to the Master Franchise Agreement is subject to the exclusive jurisdiction of the Taiwan Taichung District Court.

We have implemented various measures to monitor and ensure compliance with our obligations under the Master Franchise Agreement. These include ensuring that the relevant departments are aware of our responsibilities under the Master Franchise Agreement and matters that require approval from Fang Yuan, requiring our employees to consult with their heads of department when they are uncertain about the terms of the Master Franchise Agreement or when there are matters arising that require approval from Fang Yuan, as well as holding a compliance meeting every quarter where the relevant heads of department will report on any compliance issues encountered during such period. All such matters are monitored and supervised by our Chief Marketing Officer, Ms. Seah Kun Miao.

Please also refer to the risk factor entitled “We rely on our Master Franchise Agreement” of this Offer Document for more details on the risks relating to the Master Franchise Agreement.

Sub-Franchise Agreements

As at the date of this Offer Document, our Group operates all 30 CHICHA San Chen tea shops in Singapore through our subsidiaries. However, in accordance with the terms of the Master Franchise Agreement, we may enter into sub-franchise agreements with third parties pursuant to which such parties will pay our Group a sub-franchise fee in consideration for the right to operate a CHICHA San Chen tea shop in Singapore. As at the Latest Practicable Date, we have not entered into any sub-franchise agreements with third parties.

Operations of our CHICHA San Chen tea shops

CHICHA San Chen originates from Taiwan and has a history dating back to 1998, with a mission to make high quality freshly brewed teas accessible to discerning tea drinkers. We operate all 30 CHICHA San Chen tea shops in Singapore, which we believe has the largest number of CHICHA San Chen tea shops in the world⁽¹⁾. At our CHICHA San Chen tea shops, each cup of tea is freshly brewed one cup at a time, using our custom “teaspresso” technology which allows for three-stage temperature control to bring out the tea’s best flavour and aroma and which enables us to maintain consistency in the quality and taste profile of our teas. The tea leaves used at our CHICHA San Chen tea shop are imported from Taiwan and our green tea and cassia black tea are recognised for their quality.

We believe each cup of CHICHA San Chen tea is made with true quality and craftsmanship. All employees at our CHICHA San Chen tea shops undergo a training programme to equip them with the knowledge and skills required to maintain our quality standards. Our training programme is comprehensive and includes tea leaf knowledge and measurement, an introduction to our teaspresso machine, tea brewing, product knowledge, fruit cutting, mousse preparation and a tasting session, among others.

Note:

- (1) The website “<https://www.chichasanchen.com/en/store/map.php>”, last accessed on 19 January 2023, sets out the countries where CHICHA San Chen tea shops have opened, and each country’s page further set out the list of the CHICHA San Chen tea shops in each such country. While our Directors have not independently verified such information, they have taken care to ensure that it has been accurately and correctly extracted from the source and reproduced in this Offer Document in its proper form and context.

Our CHICHA San Chen beverages

Menu

The menu at our CHICHA San Chen tea shop allows our customers to customise their tea to their preferences. Our customers begin placing their orders by first selecting a variety of tea from among green tea, osmanthus oolong tea, high mountain pouchong tea, black tea, dong ding oolong tea and cassia black tea. Customers then opt whether or not to add flavouring to their tea from among choices including honey, green lemon, passion fruit, mango, cream, fresh milk or mousse. We also offer a selection of toppings for each cup of tea, which include bubbles, coconut jelly, grass jelly, konjac jelly and sakura konjac jelly. All beverages at our CHICHA San Chen tea shops can be ordered at varying levels of sweetness, hot or cold and with our customers’ preferred quantity of ice.

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Classic menu items at our CHICHA San Chen tea shops include bubble milk tea, fresh milk with brown sugar bubble tea, creamy lemon tart, green tea with honey, dong ding oolong fresh milk tea and fruit tea. From time to time, we offer, in conjunction with our franchisor, limited edition seasonal items which have been popular with our customers.

Process

The business process for our CHICHA San Chen tea shops is set out below.

Our procurement team will review on a monthly basis the movement of inventory required for our CHICHA San Chen tea shops from our warehouse and will forecast quantities of such supplies to be ordered each month. Each purchase order is submitted to our Chief Operating Officer, Mr. Eric Seow for approval before it is sent to our franchisor, Fang Yuan. The entire process from placing a purchase order to receipt of supplies at our warehouse takes about three (3) months.

Each of our CHICHA San Chen tea shops places orders with our warehouse on alternate days and delivery of such supplies is made from our warehouse to the relevant CHICHA San Chen tea shop by our in-house delivery team.

The locations of our CHICHA San Chen tea shops as at the date of this Offer Document are set out below.

Location of CHICHA San Chen tea shop
313 Orchard Road #03-41 313@Somerset
50 Jurong Gateway Road, JEM, #01-17
53 Ang Mo Kio Avenue 3, #B1-65A/65B, AMK Hub
50 Nanyang Avenue, Fine Food @ South Spine Foodcourt Canteen B
6 Eu Tong Sen Street, #B1-K9, The Central
10 Tampines Central 1, #B1-32
10 Paya Lebar Road, Paya Lebar Quarter, #02-27
6 Raffles Boulevard, #02-208, Marina Square
501 Orchard Road, Wheelock Place, #B1-05
83 Punggol Central, Waterway Point, #01-42
90 Hougang Avenue 10, Hougang Mall #01-25
1 Vista Exchange Green, The Star Vista, #02-28B
78 Airport Boulevard, Jewel Changi Airport, #B2-213
30 Raffles Place, #B1-20/21 Change Alley Mall
391 Orchard Road, Ngee Ann City, #B2-03
63 Jurong West Central 3, Jurong Point, #03-32/33
238 Thomson Road, #01-07, Novena Square
23 Serangoon Central, NEX, #02-13A
930 Yishun Avenue 2, #B2-01, Northpoint City
21 Choa Chu Kang Avenue 4, Lot One Shoppers' Mall, #01-05
17 Petir Road, Hillion Mall, #B2-17
3 Simei Street 6, Eastpoint Mall, #02-K1

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Location of CHICHA San Chen tea shop
1 Stadium Place, Kallang Wave Mall #01-52
1 Sengkang Square, Compass One, #B1-10
30 Woodlands Avenue 2, Woodlands MRT Station, #01-33
68 Orchard Road, #B1-K7 Plaza Singapura
133 New Bridge Road, Chinatown Point, #B1-50B
3 Temasek Boulevard, #B1-169 Suntec City Mall
1 Pasir Ris Central Street 3, #01-39B White Sands
1 Create Way, #01-04 University Town (NUS)

Our Operations Management Structure



Our commitment to serve quality food to different groups of customers is reflected in our operations management structure.

Each of our Food Outlets and CHICHA San Chen tea shops is managed by a supervisor, who reports to an area manager. These supervisors are responsible for the day-to-day operations of each Food Outlet, including the daily management of our Food Outlet workers, ordering perishable items such as rice, noodles and oil, ensuring compliance with health and safety regulations, and resolving customer complaints.

Our area managers each oversee the operations of five (5) to six (6) Food Outlets or CHICHA San Chen tea shops, which are generally located within the same geographical area. They are responsible for overseeing the operations of the Food Outlets or CHICHA San Chen tea shops under their management, including the monitoring of sales and revenue, and management of our Food Outlet supervisors and food outlet workers. To ensure the smooth operations of our Food Outlets and CHICHA San Chen tea shops, our area managers make weekly visits to the Food Outlets or CHICHA San Chen tea shops under their management. Customer complaints which are unable to be resolved by Food Outlet supervisors are escalated to the respective area managers.

Our area managers report directly to our CEO and Executive Director, Mr. Seah Qin Quan on a weekly basis.

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Impact of COVID-19 on our Business

During the course of the COVID-19 pandemic the Singapore Government instituted Circuit Breaker Measures included the closure of non-essential physical workplace premises and, save for limited exceptions, requiring residents to stay at home. Other Circuit Breaker Measures instituted include a prohibition against dining in at F&B establishments and a subsequent limiting of group sizes permitted to dine in at such establishments.

Our Group is an F&B operator, which is classified under the relevant regulations as “essential services” and which were permitted to be provided notwithstanding the Circuit Breaker Measures. Our Food Outlets and food courts have therefore been permitted to continue operations, but upon institution of the Circuit Breaker Measures, were initially restricted to being provided either by takeaway or delivery. Subsequently, the relevant regulations were revised to permit dining in at F&B establishments, subject to a limit on the number of people permitted to dine in within a group. As at the Latest Practicable Date, there is currently no limit on the number of people permitted to dine in within a group at eating establishments. Pursuant to the Circuit Breaker Measures, our CHICHA San Chen tea shops were not permitted to operate between 22 April 2020 and 19 June 2020. However, during such period, we were able to leverage our varied product offerings to provide food delivery packages comprising drinks from CHICHA San Chen and products from our Yew Kee Duck Rice Food Outlets and our central kitchen remained operating.

Notwithstanding such restrictions, our Group was able to mitigate the impact of such restrictions through satisfying more takeaway and delivery orders placed by our customers, both directly at our Food Outlets as well as ensuring that our products are available on all major food delivery platforms. Between 7 April 2020 and 1 June 2020, all workplaces in Singapore, save for those providing essential services and those which could operate through telecommuting, were required to close. The percentage of workers permitted to return to the workplace continued to be restricted between 2 June 2020 and 25 April 2022. During such period when many workers in Singapore were required to work from home, as our Food Outlets and CHICHA San Chen tea shops are located in a variety of locations, the decrease in footfall in malls was mitigated by the increase in takeaway and delivery orders experienced by our Food Outlets located in the heartland and residential areas which made it convenient for our customers to place takeaway or delivery orders for our F&B offerings.

The Circuit Breaker Measures have also had an impact on our expansion plans. In the past two (2) years, the majority of our newly-opened Food Outlets and CHICHA San Chen tea shops have been located in residential areas.

As at the Latest Practicable Date, we have 632 employees of which approximately 25.5% are foreign workers from countries including Malaysia and China. Since the onset of the COVID-19 pandemic, we have faced difficulties in hiring workers due to border measures and a general shortage of manpower in Singapore. In connection with the Circuit Breaker Measures, Singapore stopped accepting new entry applications for work pass holders from all countries and regions except Australia, Brunei, Mainland China, New Zealand, Taiwan, Hong Kong and Macau between 7 May 2021 and 10 August 2021. The implementation of such measures resulted in a shortage of foreign workers and during such period our Group faced difficulty in hiring foreign workers. Concurrently, due to a general shortage of manpower in Singapore, in part exacerbated by the shortage of foreign workers, we faced increased competition for local workers and have had to offer higher compensation packages to attract more local workers.

MAJOR CUSTOMERS

Due to the nature of our business, our customers comprise walk-in and regular customers as well as Food Court Tenants. There are no individual customers who each accounted for 5.0% or more of our Group’s revenue during the Period Under Review.

To the best of our Directors’ knowledge and belief, there are no arrangements or understandings with any customers pursuant to which any of our Directors and Executive Officers were appointed. Our Directors are of the view that we are not materially dependent on any of our customers.

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MAJOR SUPPLIERS

The following are the suppliers which accounted for 5.0% or more of our purchases and related costs and other expenses and operating expenses during the Period Under Review:

Supplier	Product / service supplied	As a percentage of purchases and related costs and other expenses and operating expenses (%)			
		FY2019	FY2020	FY2021	1H2022
Fang Yuan	Franchise fees and tea ingredients	8.62%	8.13%	10.42%	8.75%
Kendo Trading Pte Ltd	Duck	5.31%	4.51%	3.47%	4.55%
GrabCar Pte. Ltd.	Delivery platform services	–	0.67%	5.01%	7.53%

Save as disclosed above, there is no other supplier who accounted for 5.0% or more of our purchases and related costs and other expenses and operating expenses during the Period Under Review.

Purchases from our suppliers vary from year to year due to the introduction by our Group of new concepts of Food Outlets. The volume and type of products and ingredients used may vary from Food Outlet to Food Outlet and year to year, depending on the new Food Outlets opened during a particular year, whether Halal, non-Halal, food or beverage.

Save for the Master Franchise Agreement with Fang Yuan, we believe that our business and profitability will not be materially and adversely affected by the loss of any single supplier nor is it dependent on any particular industrial, commercial or financial contract with any supplier.

Save for the Master Franchise Agreement with Fang Yuan, we do not enter into agreements or arrangements with our major suppliers of more than one (1) year as this provides us with the flexibility to evaluate and select suppliers based on, among others, their track record, their pricing and ability to meet our requirements and our past working experience with them. Please refer to the section entitled “General Information on our Group – Business Overview” of this Offer Document for further information on the services covered under the Master Franchise Agreement.

To the best of our Directors’ knowledge and belief, as at the Latest Practicable Date, we are not aware of any information or arrangement, which would lead to a cessation or termination of our relationship with any of our major suppliers.

As at the Latest Practicable Date, none of our Directors, Substantial Shareholders or Executive Officers or their respective Associates has any interest, direct or indirect, in, and/or are involved in the management of, any of the above major suppliers.

To the best of our Directors’ knowledge and belief, there are no arrangements or understandings with any suppliers pursuant to which any of our Directors and Executive Officers were appointed.

PROPERTIES AND FIXED ASSETS

Properties

We have one (1) material property, which is our office, central kitchen and warehouse space which has a gross floor area of approximately 1,296.3 m² and is located at 32 Woodlands Terrace Singapore 738452 and which we own. Save for the property at 32 Woodlands Terrace Singapore 738452, we currently lease all of the other properties that we use to operate our business.

The details of the property owned by our Group are set out below:

Owner	Location	Tenure	Approximate gross area (m ²)	Usage	Encumbrance
Yew Kee Management	32 Woodlands Terrace Singapore 738452	30 years from 1 February 1995 ⁽¹⁾	1296.3m ²	Office, central kitchen and warehouse	Mortgage in favour of Oversea-Chinese Banking Corporation Limited

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Note:

- (1) In consideration for an agreed minimum investment by Yew Kee Management on building and civil works and on plant and machinery, Jurong Town Corporation (“JTC”) covenants with Yew Kee Management that it shall grant to Yew Kee Management a lease of the demised premises for a further term of 30 years from the expiry of the original term set out above (“**original term**”) upon the same terms and conditions and at the agreed revised rent, provided amongst others that (a) at the expiry of the original term, there be no existing breaches or non-observances of any of the covenants and conditions contained on the part of Yew Kee Management to be observed or performed, (b) if required by JTC, Yew Kee Management shall within four (4) months from the commencement of the further term and at its own cost and expense carry out and complete such improvements to the landscaping at the demised premises as may be stipulated in writing by JTC, (c) Yew Kee Management shall six (6) months before the expiry of the original term submit for the approval of JTC and the relevant governmental and statutory authorities, plans for the upgrading of the exterior of buildings on the demised premises to the same highest quality of new buildings which JTC will be building at that time and Yew Kee Management shall expeditiously do all acts and things necessary to obtain the required approvals at the cost and expense of Yew Kee Management, and (d) Yew Kee Management shall at its own cost and expense complete, within 18 months from the commencement of the further term, the upgrading of the exterior of the buildings in accordance with the approved plans and to the satisfaction of JTC.

We do not consider any of the leased premises of our Food Outlets or CHICHA San Chen tea shops on its own to be material to our business. These properties are generally food shop or food stalls leased on a short term basis of between one (1) to three (3) years depending on our needs. Some of these leases may contain provisions whereby the lessor has the right to terminate the lease unilaterally under certain circumstances. Notwithstanding this, our Directors are of the view that no single one of our leases comprise material tangible fixed assets of our Group and therefore any unilateral termination by any one lessor is unlikely to have a material and adverse impact on our Group’s business or operations as we believe that we will be able to secure leases for alternative premises in such event.

As at the Latest Practicable Date, our Directors are not aware of any existing breach of any of the terms and conditions of, or any obligations under our lease agreements that would result in the termination by the lessors.

Fixed Assets

As at the Latest Practicable Date, we had fixed assets comprising a fleet of seven (7) vehicles, cold room and equipment, computers, furniture and fittings, leasehold property, office equipment, renovation and drink and food stalls which amounted to an aggregate carrying amount of S\$9.1 million. Please refer to “Appendix A – Independent Auditor’s Report and the Audited Combined Financial Statements for the Financial Years ended 31 December 2019, 2020 and 2021” and “Appendix B – Independent Auditor’s Review Report and the Unaudited Interim Condensed Combined Financial Statements for the Six Months Period ended 30 June 2022” of this Offer Document for further information on our fixed assets.

To the best of our Directors’ knowledge and belief, there are no regulatory requirements or environmental issues that may materially affect our utilisation of the above properties and fixed assets.

As at the Latest Practicable Date, and save as set out above, none of the properties owned or leased by our Group and none of our fixed assets was subject to any mortgage, pledge or any other encumbrances or otherwise used as security for any bank borrowing.

AWARDS, ACCREDITATIONS AND GRANTS

Our subsidiary, Yew Kee Duck and Noodle House, was awarded the “Tasty Singapore Brand Ambassador” award by International Enterprise Singapore, Singapore Food Manufacturers’ Association, Singapore Manufacturing Federation and Restaurant Association of Singapore in 2016, 2017, 2019, 2020 and 2021 with each award being valid until 31 October of the following year. Tasty Singapore ambassadors personify the best of Singapore food culture and are recognised as having an internationally competitive product that combines the best of taste and modern technology.

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). On 24 August 2022, our CHICHA San Chen tea shops were ranked one (1) by The Straits Times for best customer service in the catering, restaurants and leisure industry.

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In addition, our Yew Kee Duck Rice brand has been recognised by the following awards:

- (a) Food Masters award for Top 10 outstanding Singapore food masters in the central zone in 2016 from SPH Newspapers;
- (b) Top 10 braised duck rice award from Shin Min Daily News in 2017;
- (c) Heritage Brands award in recognition of our outstanding achievement in branding from the Association of Small and Medium Enterprises in 2017; and
- (d) Hawker Heritage Award from the Federation of Merchants' Association of Singapore in 2022.

RESEARCH AND DEVELOPMENT

In connection with our F&B operations, we have developed our own recipes and flavour profiles for certain dishes within our diverse portfolio of brands. The recipes for the braised duck and chilli sauce at our Yew Kee Duck Rice Food Outlets, and for the sauce and rice at our My Kampung Chicken Rice Food Outlets, have been developed in-house and are unique to our Group. To expand our F&B offerings, we have developed and introduced new products including ready-to-eat braised duck and braised spice.

Due to the nature of our business, we have not incurred any expenses in connection with any research and development activities. We may allocate appropriate resources, and apply for relevant government grants, to conduct research and development in the future.

INVENTORY

Some of the ingredients necessary for our operations such as tea leaves, sugar syrup, flavourings and sauces are centrally purchased by our purchasing and factory managers and warehoused at our central kitchen, which is located at 32 Woodlands Terrace Singapore 738452. Other perishable items necessary for our day-to-day operations such as rice, noodles and oil are ordered daily from approved suppliers by the respective food outlet supervisors at our Food Outlets. To ensure the freshness and quality of our food products we generally do not carry substantial inventory in particular for food which is perishable in nature. We conduct stock-take exercises on a monthly basis in respect of the inventory held at our central kitchen. There was no provision made for stock obsolescence during the Period Under Review.

CREDIT POLICY

Credit Terms to our Customers

Transactions at our Food Outlets are conducted on a cash basis (including credit card and electronic payments) and have no credit terms. For our Food Court Tenants, we also do not generally extend credit terms. At the end of each month, our food court management team tallies the daily takings collected in respect of each Food Court Tenant. From such amount, we deduct the monthly rent payable by the Food Court Tenant and disburse the remaining amount to such tenant. The monthly rent payable by each Food Court Tenant to our Group comprises the aggregate of a prescribed fixed amount, a variable amount representing a percentage of its revenue for the month, and a fixed management and cleaning fee, in accordance with the terms of its sub-lease agreement. However, where the daily takings are insufficient to cover the monthly rent payable for that month, such Food Court Tenants will be required to pay us the difference.

GENERAL INFORMATION ON OUR GROUP

Our Group has put in place credit control policies and procedures to manage our credit exposure and our management periodically evaluates the creditworthiness of our customers. Our finance team monitors the sales receipts from customers of our Food Court Tenants to ensure that the daily takings will be sufficient to cover the monthly rent payable for that month. Otherwise, we will send a reminder letter to such Food Court Tenants that they are required to pay us the difference, and follow up with such Food Court Tenants on any overdue amounts of rent. For Food Court Tenants who have such overdue amounts, we will decide, on a case-by-case basis, on the actions to be taken to recover the debt. Such actions include, but are not limited to, escalating the issue of non-payment to their management, discussing with our Food Court Tenants on any measures they may take to increase their daily takings, sending letters of demand and taking formal legal action including repossessing the relevant food court stall or forfeiting the deposit paid by such Food Court Tenants. Please refer to the risk factor entitled “We may be exposed to credit risk from our Food Court Tenants” of this Offer Document for more details on our credit risk.

We review and assess the need to make allowance for our overdue debts periodically. Specific allowance or write-off will be made when we are of the view that our customer is in severe financial difficulty and there is no realistic prospect of recovery. This is assessed on a case-by-case basis, based on, among others, the customer’s current financial position and the past default experience of the customer. For the Period Under Review, we have not made any allowance for doubtful debts or written off any bad debts arising from trade receivables.

Our average trade receivables’ turnover days for the Period Under Review were as follow:

	FY2019	FY2020	FY2021	1H2022
Average trade receivables’ turnover days	7	7	3	1

Note:

- (1) The trade receivables’ turnover days for FY2019, FY2020, FY2021 and 1H2022 is calculated on the basis of average trade receivables (net of allowance for doubtful debts, if any) divided by revenue multiplied by 365 days. For 1H2022, we have multiplied by 183 days.

Our trade receivables as at the Latest Practicable Date amounted to S\$221,100. The aging schedule for our trade receivables as at the Latest Practicable Date was as follows:

Age of trade receivables	Percentage of total trade receivables (%)
Not past due	81.5
Less than 30 days overdue	5.6
30 to 60 days overdue	6.4
More than 60 days overdue	6.5
	<u>100.0</u>

From time to time, we may issue credit notes to our Food Court Tenants for one-off adjustments and/or waiver of fees charged. These are usually due to exceptional circumstances such as cessation of operations of such Food Court Tenants, government-related rebates passed on to such Food Court Tenants and/or long-standing debts that our Group has assessed to be unrecoverable especially during the COVID-19 pandemic. We ensure that all credit notes issued are documented with the basis for such issue.

Credit Terms from our Suppliers

Our purchases and related costs and other expenses and operating expenses are recognised based on the time when goods are delivered or service provided to our Group. Trade payables are recorded when invoices are received from suppliers in accordance with the purchase order or contract as agreed between ourselves and our suppliers.

The payment terms granted by our suppliers vary and are dependent on various factors, such as the contract value, past transactions with the suppliers and the length of our relationship with them. Generally, the credit terms granted by our suppliers range from 30 to 50 days.

GENERAL INFORMATION ON OUR GROUP

Our average trade payables' turnover days for the Period Under Review were as follow:

	FY2019	FY2020	FY2021	1H2022
Average trade payables' turnover days	29	24	15	17

Note:

- (1) The trade payables' turnover days for FY2019, FY2020, FY2021 and 1H2022 is calculated on the basis of average trade payables divided by purchases and related costs and other expenses and operating expenses less staff cost multiplied by 365 days. For 1H2022, we have multiplied by 183 days.

The decrease in payables' turnover days in FY2021 was mainly due to the rapid growth of the Group's franchise business during such period for which there are shorter payables turnover days.

PERSONAL DATA PROTECTION

Due to the nature of our business, we routinely collect, process and retain information pertaining to our employees, and transmit personal, confidential and proprietary information belonging to our customers and suppliers. In connection with our Group's loyalty programme, the personal information of the customers of our CHICHA San Chen tea shops is collected by a third-party vendor on our Group's behalf. Our Group also collects the personal information of our employees via physical forms, which are then securely stored in our office premises. Access to such all such personal information is restricted to our managers and supervisors. Our Group has in place a personal data protection policy to safeguard the personal data and confidential information in our possession against accidental or unlawful loss or modification, unauthorised access or use, in compliance with our obligations under the PDPA. Third-parties who collect the personal information of our customers on our Group's behalf are also required to comply with our personal data protection policy. Our personal data protection measures include:

- (a) appointment of a data protection officer ("DPO") who, among others, directs and coordinates the data protection activities of our Group, including the formulation, implementation and updating of data protection and related policies. Our DPO is also responsible for handling queries or complaints on matters relating to data protection;
- (b) restriction of access to, and methods of transmission of, personal data;
- (c) implementation of disciplinary consequences for breaches of our data protection policy;
- (d) destruction of personal data after a reasonable period from the time when it becomes outdated or is no longer required for the purpose for which it was collected; and
- (e) establishment of defined parameters for which personal data collected by our Group can be used.

Our Group was in breach of our obligations under the PDPA prior to the appointment of our data protection officer in June 2022. Notwithstanding this, Section 48K of the PDPA provides that before giving any direction for non-compliance or imposing any financial penalty, the Commission must give written instructions to the organisation concerned stating, amongst others, that it intends to take action, and where a financial penalty is contemplated, allowing the organisation to make written representations to the Commission with respect to the proposed action. As such, given that we have already rectified this breach by appointing a data protection officer and further given that as at the Latest Practicable Date, we have not received any notice from the Commission, our Group does not expect any penalties to be imposed or any regulatory actions to be taken. In addition, while the maximum financial penalty imposed is S\$1.0 million, Section 48J(6) of the PDPA provides that the Commission must, when determining the amount of financial penalty imposed, have regard to all of the matters set out in the PDPA, including, amongst others, whether the organisation as a result of the non-compliance gained any financial benefit or avoided any financial loss, and whether the organisation took any action to mitigate the effects and consequences of the non-compliance and the timeliness and effectiveness of that action. As our Group did not gain any financial benefit or avoid any financial loss and took steps to appoint a data protection officer as soon as the breach was identified and raised with the management, even if any penalties were to be imposed, to the best of our knowledge and belief, we do not expect such penalties to have a material and adverse impact on our Group's business, financial condition and results of operations.

GENERAL INFORMATION ON OUR GROUP

HEALTH AND SAFETY

Our human resources team, assisted by our area managers, bears overall responsibility for ensuring adherence to our health and safety management policies. Our Group has set the operational health and safety objectives of recording zero accidents. Our operational health and safety measures include:

- (a) periodic risk assessments conducted by our risk assessment team to identify and evaluate hazards, and the preparation and maintenance of a list of occupational health and safety hazards associated with our work activities and operations, based on job safety analyses, inspection reports, incident rates and professional judgment;
- (b) regular meetings conducted by our management to identify and address health and safety issues;
- (c) establishment of emergency preparedness and response procedures for the identification of, and quick response to, emergency situations including internal and external notification, and follow-up procedures;
- (d) safety monitoring, corrective actions, investigations and briefings conducted by our supervisors/managers on site;
- (e) training, instruction and guidance, including first aid training, conducted to improve the safety competencies of our employees; and
- (f) monitoring our occupational health and safety performance by identifying key performance characteristics and proactive and reactive monitoring indicators.

As a testament to our commitment to high safety standards, we have received the following certification:

Certificate	Scope	Certifying Authority	Entity	Expiry Date
ISO 22000:2018	Manufacture of braised duck and processing of raw pork belly	SOCOTEC Certification Singapore Pte Ltd	Yew Kee Management	7 August 2024

QUALITY ASSURANCE AND QUALITY CONTROL

We believe that our brand is built on our reputation and track record of providing both quality food products and high standards of service at our Food Outlets, including our CHICHA San Chen tea shops operated under the Master Franchise Agreement, and therefore quality assurance is a key area of focus for our Group. Our quality assurance policies are applicable at all levels throughout our Group from our management to our area managers, food outlet supervisors, food outlet workers, and administrative staff.

In working towards our quality objectives, our Group has taken following measures at our Food Outlets and our CHICHA San Chen tea shops operated under the Master Franchise Agreement:

- (a) establishment of our central kitchen to procure, process and prepare key ingredients and products for supply to the Food Outlets operating under our Yew Kee Duck Rice and XO Minced Meat Noodles brands and our CHICHA San Chen tea shops;
- (b) establishment of standard operating procedures and education and training of staff on matters relating to, among others, our quality control policies with an emphasis on the handling, preparation and cooking of food and food safety, including the observance of good practices such as the sanitisation of food preparation areas and equipment, and the provision of quality service to our customers;
- (c) monthly monitoring of quality outcomes and adapting operational procedures to facilitate quality performance;

GENERAL INFORMATION ON OUR GROUP

- (d) monitoring feedback from our customers through online channels such as social media;
- (e) evaluation of the quality and consistency of the products of new suppliers and the timeliness of their deliveries prior to engagement of their services;
- (f) inspections as to the freshness, appearance and expiry date of the ingredients delivered by our suppliers to our central kitchen and our Food Outlets; and
- (g) monthly scheduled and unscheduled site inspections by our management to ensure that our standard operating processes and any brand-specific processes are adhered to.

INTELLECTUAL PROPERTY RIGHTS




We believe that our brands and trademarks are one of the key elements of the success of our business, and we depend on their increased recognition for the continuing success in branding and marketing our services to our customers. Save for the Master Franchise Agreement and as otherwise disclosed in this Offer Document, our business or profitability is not materially dependent on any patent or licence, industrial, commercial or financial contract (including a contract with a customer or supplier) or new manufacturing process.

As at the Latest Practicable Date, our Company has registered and/or is licensed to use the following trademarks which are material to our business:

Trademark	Registered Proprietor	Class Code	Country of Registration	Expiry Date	Trade Mark Number
	Yew Kee Collective	43	Singapore	29 November 2023	T1319303F
	Yew Kee Collective	43	Singapore	17 July 2027	T0715642F
友記 友記	Yew Kee Collective	07, 29, 30, 32, 35, 40, 43	Singapore	20 March 2028	40201805253V
友 記	Yew Kee Collective	07, 29, 30, 32, 35, 40, 43	Singapore	20 March 2028	40201805244S
My Kampung™	Yew Kee Duck and Noodle House	43	Singapore	24 November 2026	40201620091R
	Yew Kee Duck and Noodle House	43	Singapore	16 November 2026	40201619556W
吃茶子	Fang Yuan F&B International Co., Ltd.	30, 35, 43	Singapore	27 December 2028	40201826789T

GENERAL INFORMATION ON OUR GROUP

As at the Latest Practicable Date, our Company has applied to use the following trademarks:

Trademark	Registered Proprietor	Class Code	Application Date	Country of Application	Status	Application Number
	Yew Kee Collective	43	1 June 2022	Singapore	Pending (Under Examination)	40202250712T
	Yew Kee Collective	07, 29, 30, 32, 35, 40, 45	1 June 2022	Singapore	Pending (Under Examination)	40202250710M
YEW KEE	Yew Kee Collective	43	1 June 2022	Singapore	Pending (Under Examination)	40202250711J
YEW KEE	Yew Kee Collective	07, 29, 30, 32, 35, 40, 45	1 June 2022	Singapore	Pending (Under Examination)	40202250625J
YU KEE Yu Kee	Yew Kee Collective	07, 29, 30, 32, 35, 40	20 March 2018	Singapore	Pending (Under Examination)	40201805222V-01
YU KEE Yu Kee	Yew Kee Collective	43	20 March 2018	Singapore	Pending (Under Examination)	40201805222V-02
	PastaGo	43	21 February 2022	Singapore	Pending (Under Examination)	40202203878S

In addition, we have been granted consent by Fang Yuan to use the following logos in connection with our franchising business:



MATERIAL LICENCES, PERMITS, REGISTRATIONS AND APPROVALS

As at the Latest Practicable Date, our Group is subject to regulation by applicable laws, regulations and government agencies in Singapore which require us to possess various licences or approvals. Licences obtained by our Group from the Singapore Food Agency include licences to operate a food shop, and to operate a food stall. These are renewed on an annual basis. Some of our Food Outlets have also obtained Halal certifications from MUIS. Save as set out below, we do not consider any one of our licences on its own to be material to our business and we do not foresee any difficulties in renewing any one the abovementioned licences when they expire.

Licence Name / Authority / Reference Number	Licence Holder	Effective Date	Expiry Date
Licence to Operate a Food Processing Establishment / Singapore Food Agency / PM06C0005	Yew Kee Management	1 April 2022	31 March 2023
Licence to Operate a Foodshop (Food Caterer) / Singapore Food Agency / NW06197A000	Yew Kee Duck and Noodle House	11 August 2022	10 August 2023

GENERAL INFORMATION ON OUR GROUP

As at the Latest Practicable Date, our Directors, confirm that, to the best of their knowledge, our Group has all requisite licences, permits, registrations and approvals which are material for our current operations. As at the Latest Practicable Date, none of the aforesaid licences, permits, registrations and approvals have been suspended or revoked and to the best of our knowledge and belief, there are at present no facts or circumstances which would cause such licences, permits, registrations and approvals to be suspended or revoked, or for any applications for, or for the renewal of, any of these licences, permits, registrations and approvals to be rejected by the relevant authorities.

INSURANCE

As at the Latest Practicable Date, our Group maintains insurance to cover our operational, human resource and fixed asset risks, including, among others, insurance for loss or damage to our properties by fire, public liability insurance, work injury compensation, group hospitalisation and surgical insurance for our foreign employees, and motor vehicle insurance. The above insurance policies are reviewed annually to ensure that our Group has sufficient insurance coverage.

As at the Latest Practicable Date, our subsidiary Yew Kee Management is involved as second defendant in a litigation suit relating to a motor accident for which the total estimated value of the unliquidated claim is S\$600,000. The claim arose from a motor accident involving an employee of our Group who is a delivery man and who was at the material time driving a van to make deliveries in his capacity as an employee of our Group. Such claim is being handled through our insurer.

Save as set out above, there have been no material insurance claims made by us, and our Group has not been subject to any material insurance claims or liabilities arising from our operations in FY2019, FY2020, FY2021 and 1H2022 and up to the Latest Practicable Date. To the best of our Directors' knowledge and belief, our Group's insurance policies are adequate for the present operations of our Group and are in line with market practice. We will procure the necessary additional coverage for our business operations, properties and assets as and when the need arises.

SALES AND MARKETING

The overall business development, including our sales and marketing activities are headed by our Chief Marketing Officer, Ms. Seah Kun Miao. She formulates our Group's overall business strategies, expansion plans and long-term marketing policies and will follow up with our sales and marketing team to launch marketing campaigns on a periodic basis. She is assisted by our sales and marketing team.

Our sales and marketing team is responsible for executing our marketing campaigns. Such campaigns are centred on increasing awareness of our existing diverse portfolio of brands through channels such as social media, in-store promotions and the display of posters and advertising boards in the shopping malls in which our Food Outlets and CHICHA San Chen tea shops are located. While the majority of our sales and marketing activities are conducted in-house, on occasion, our Group engages the services of advertising and public relations consultants for the launch of new products or a new brand.

Our Group has in place a loyalty programme for customers of our CHICHA San Chen tea shops, pursuant to which participating customers who have accumulated a certain number of purchases are entitled to one (1) free cup of tea. In addition, participants of our loyalty programme earn one (1) loyalty point for every dollar spent at our CHICHA San Chen tea shops, and are able to redeem free beverages using such loyalty points. Our sales and marketing team connects with members of our loyalty programme based on their indicated drink preferences to raise awareness of and generate interest in both new and existing products offered by our CHICHA San Chen tea shops.

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Our Group's loyalty programme is monitored by a third-party vendor on our behalf for each participating customer. The loyalty programme is considered as a separate performance obligation arising from transactions with customers based on SFRS(I) 15 Revenue from Contracts with Customers. Our Group estimates the value of the future redemption obligation based on the estimated value of the products for which the loyalty points are expected to be redeemed based on historical redemption patterns, including an estimate of the breakage for points that will not be redeemed and accounts for these as contract liability. For each of FY2019, FY2020 and FY2021, our Group has assessed the amounts to be insignificant and no adjustment was made for the estimated value of the unexpired loyalty points. There has also not been any abnormal changes on the increase and redemption of the member points and coupons during the Period Under Review and up to the Latest Practicable Date. The Independent Auditor and Reporting Accountant, CLA Global TS, has also reviewed our management's assessment of the contract liability in relation to the value of future redemption of unexpired loyalty points as at 31 December 2021, 30 June 2022 and at the Latest Practicable Date, and agreed and concurred with our assessment that the value of the future redemption obligations arising from the past sales of the drinks and the points accrued to be insignificant to our Group's combined financial statements for FY2021, 1H2022 and as at the Latest Practicable Date. However, given the growth of the franchise business, the materiality of this future redemption obligations arising from future sales of the drinks and points to be awarded for future sales may become material. As such, our external auditors will continue to monitor and evaluate the redemption obligations in future audits and assess the materiality at the appropriate juncture.

F&B offerings from our diverse portfolio of brands, together with beverages from our CHICHA San Chen tea shops, are available on all major food delivery platforms. Our customers are also able to place orders from our Yew Kee Duck Rice Food Outlets and our CHICHA San Chen tea shops on our website. Bulk purchases of our F&B offerings may also be made through our website or via direct enquiry with our Group through email.

COMPETITION

The F&B industry in Singapore is highly competitive and has relatively low barriers to entry. We compete on various factors, such as pricing and quality of food products and services, particularly in the price-sensitive hawker and food court segments.

We believe our key competitors include Fei Siong Group and Select Group in the area of F&B operations that have multiple brand offerings, Food Republic and Kopitiam in the area of food court management and Koi, Gong Cha and Li Ho in the area of franchising and sub-franchising of our CHICHA San Chen tea shops. Information relating to the turnover and profitability of our competitors is generally not publicly available. As such, it is not possible to determine on a comparative basis the market share of our Group and our major competitors.

None of our Directors or Controlling Shareholder or their respective associates has any interest, direct or indirect, in any of the abovementioned competitors.

COMPETITIVE STRENGTHS

Our Group believes that we have the following competitive strengths:

We are an established household name with a track record of more than 30 years

We have operated in the F&B industry for more than 30 years and believe we are an established household name. Our decades of experience in the F&B industry have allowed us to develop an understanding of the tastes and preferences of local consumers. We believe that our reputation among our customers is built on our track record in providing quality food and service, and that our reputation for providing quality F&B offerings gives us a business advantage over our competitors. Since the inception of our Group, our mission has been to serve quality food to different groups of customers. As testament to this ethos, our Group owns and operates a diverse portfolio of non-Halal and Halal brands including Yew Kee Duck Rice, XO Minced Meat Noodles, My Kampung Chicken Rice, PastaGo and Victoria Bakery. We believe that we have established a reputation for offering quality food and service, and that our diverse portfolio of brands is recognised and well regarded by consumers.

GENERAL INFORMATION ON OUR GROUP

We serve quality product offerings through a diverse portfolio of brands that we operate

We operate a diverse portfolio of brands across our principal business activities of F&B operations, food court management and franchising and sub-franchising, leveraging on our expertise and deep experience in the F&B industry. As at the date of this Offer Document, we operate a total of 43 Food Outlets under our diverse portfolio of brands.

Since the inception of our Group, our mission has been to serve quality food to different groups of customers. As testament to this ethos, our Group owns and operates a diverse portfolio of non-Halal and Halal brands including Yew Kee Duck Rice, XO Minced Meat Noodles, My Kampung Chicken Rice, PastaGo and Victoria Bakery which allows us to widen the reach of our customer base. Building on our experience in F&B operations, our Group has strategically diversified into the management of four (4) food courts located across Singapore under the My Kampung and Fine Food brands. Pursuant to our Master Franchise Agreement, as at the date of this Offer Document, we operate all 30 CHICHA San Chen tea shops in Singapore through our subsidiaries. Halal offerings within our portfolio of brands include our My Kampung Chicken Rice Food Outlets and our My Kampung food courts. Please refer to the section entitled “General Information on our Group – Business Overview” of this Offer Document for more information on the brands we operate.

Our decades of experience in the F&B industry have allowed us to develop an understanding of the tastes and preferences of local consumers. Our flagship brand, Yew Kee Duck Rice, has a history dating back to the 1950s and our XO Minced Meat Noodles brand was established by our Group in 2006. Save for our CHICHA San Chen tea shops, which we operate pursuant to our Master Franchise Agreement, our diverse portfolio of brands has been developed in-house by our Group, based on our Group’s understanding on developments in the tastes and preferences of local consumers.

We have a vertically integrated supply chain consisting of strong procurement capabilities, central kitchen and self-operated / franchise stalls that positions us for growth

As part of our standardised business operations, we offer a curated selection of food offerings, operate our central kitchen, implement standardised operating procedures and provide training to our staff.

Leveraging on our experience in the F&B industry and our market knowledge, we curate our food offerings to create products catering to the tastes and preferences of our customers. In order to maintain a consistent standard of taste and quality and services across each Food Outlet operating under our portfolio of brands, we have implemented standardised operating procedures. Such operating procedures cover aspects of our operations including the presentation of products, pricing, food preparation procedures, hygiene, cleaning and staff conduct. Such standardised operating procedures enable us to provide a consistent standard of food and services across all our Food Outlets.

Our central kitchen is responsible for procuring, processing and preparing key ingredients and products for supply to the Food Outlets operating under our Yew Kee Duck Rice and XO Minced Meat Noodles brands, and our CHICHA San Chen tea shops. The preparation of ingredients and products by our central kitchen enables our Group to reduce the time required for food preparation on site at our Yew Kee Duck Rice and XO Minced Meat Noodles Food Outlets and our CHICHA San Chen tea shops, enables our staff at such outlets to focus on other aspects of our F&B offerings, and allows us to reap costs savings in the preparation of our ingredients and products through economies of scale.

Staff who work at our central kitchen are required to undergo training and adhere to our standard operating procedures on matters relating to, among others, our quality control policies with an emphasis on the handling, preparation and cooking of food, including the observance of good practices such as the sanitisation of food preparation areas and equipment. Ingredients and products at our central kitchen are prepared in accordance with our standard operating procedures and with strict adherence to our in-house recipes, enabling us to maintain a consistent standard of taste and quality.

We adopt a centralised procurement policy for our procurement team which is responsible for ordering food ingredients from a list of our approved suppliers for our central kitchen and Food Outlets. This allows us to have better control and to secure a stable supply of quality ingredients at stable prices which enables us to manage our costs and maintain consistency in the taste of our food.

GENERAL INFORMATION ON OUR GROUP

We believe that our central kitchen and strong procurement capabilities enable our business to scale up more easily, allow us to offer new product offerings and replicate in other new markets.

Please refer to the section entitled “General Information on our Group – Business Overview - F&B Operations – Central Kitchen” of this Offer Document, for further details of the operations of our central kitchen.

We have a resilient business model with steady streams of income through staple food offerings

We have consistently remained profitable during the Period Under Review, notwithstanding the highly competitive nature of the F&B industry and the economic downturns during such period. We believe that our business model is resilient due to our understanding of the local F&B industry, the flexibility of our F&B offerings, the vertical integration of our production process, and the competitive pricing of our F&B offerings.

Our F&B offerings which include our signature braised duck rice, XO minced meat noodles, chicken rice, pasta dishes and our Halal F&B offerings from our My Kampung Chicken Rice Food Outlets and My Kampung food courts comprise staple food products consumed regularly by Singaporeans and reflects our strong understanding of the tastes and preferences of local consumers. We believe that our F&B offerings, being staple food products, enable us to weather the outbreak of food-related diseases, such as the avian flu, and provide us more scope to adapt to the changing tastes and preferences of our customers.

The flexibility of our F&B offerings and their suitability for takeaway or delivery has enabled our business model to remain adaptable and resilient during the COVID-19 pandemic. Our F&B offerings have been available on delivery platforms for seven (7) years and during the Circuit Breaker Period, our Group was able to leverage such services to provide island-wide delivery to our customers. This adaptability has enabled our Group to remain profitable throughout the COVID-19 pandemic and we experienced an overall increase in revenue from our F&B operations notwithstanding the Circuit Breaker Measures, bolstered by a larger number of takeaway and delivery orders placed by our customers.

The flexibility of our food offerings is further supported by our control over our value chain through the vertical integration of our production process allowing us to effectively adapt during the COVID-19 pandemic and reap operational and cost efficiencies through economies of scale.

Our F&B offerings are competitively priced, and most of our Food Outlets and CHICHA San Chen tea shops are located in the residential areas of Singapore, making our outlets easily accessible by our customers and enhancing our delivery capabilities which enable our F&B operations to remain resilient in times of economic uncertainty such as the COVID-19 pandemic.

We have food outlets located in premises which are accessible to and frequented by our large customer base

Most of our Food Outlets and CHICHA San Chen tea shops are located across the residential areas of Singapore and provide a variety of F&B offerings across our diverse portfolio of brands. We believe that the strategic locations of our Food Outlets and CHICHA San Chen tea shops are easily accessible by our customer base and that the accessibility and variety of our F&B offerings appeal to our customer base. The locations of our Food Outlets and CHICHA San Chen tea shops are strategically located near transport hubs and residential estates across Singapore, which benefit from substantial and regular foot traffic from a diverse crowd and are conveniently accessible by our customers. Our Directors believe that our signature braised duck rice is a comfort food among Singaporeans and our CHICHA San Chen beverages are popular among locals.

GENERAL INFORMATION ON OUR GROUP

We have an experienced and competent management team

Our management team possesses extensive experience and business relationships within the F&B industry. Our Executive Chairman and Executive Director, Mr. Seah Boon Lock has more than 30 years of relevant experience in the F&B industry and has been with our Group since its inception. Our CEO and Executive Director, Mr. Seah Qin Quan has more than three (3) years of relevant experience in the F&B industry and provides our Group with strategic leadership. As CEO and Executive Director of our Group, he is committed to the development of our business, and will continue to spearhead our business operations and future plans and to drive the growth of our Group. Our Directors are supported by our Executive Officers, and an experienced and dedicated team of financial staff, sales and marketing staff, and employees who are committed to fostering strong relationships with our customers and suppliers.

Our Executive Chairman and Executive Director, Mr. Seah Boon Lock and our CEO and Executive Director, Mr. Seah Qin Quan have played an active role in the strategic direction of our Group's business, spearheading key development milestones including the commencement of our food court management and franchising businesses and our Group's rebranding exercise. We believe that our employees are an invaluable resource and strive to cultivate long-standing relationships with them. Please refer to the section entitled "Directors, Executive Officers and Staff" of this Offer Document for further information on the experience of our Directors and Key Executive Officers.

ORDER BOOK

Due to the nature of our business operations, we do not maintain an order book.

CORPORATE SOCIAL RESPONSIBILITY

Our Group is committed to making a positive impact on society by supporting a variety of causes and organisations. We believe in giving back to society by helping the community and the environment at large. Our corporate social responsibility initiatives have included visits to nursing homes to participate in social-recreational activities with the elderly residents and the donation of packed meals to nursing homes and hospitals during the COVID-19 pandemic.

We recognise that our corporate and social responsibility initiatives will continue to evolve as we manage our business and operating activities, and we will continuously assess the corresponding impact to society, the environment, our Shareholders and other stakeholders. As such, we strive to continuously develop and improve our corporate and social responsibility initiatives.

SEASONALITY

Due to the nature of our business, we have not observed any significant seasonal trends during the Period Under Review.

GENERAL INFORMATION ON OUR GROUP

BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans for the growth and expansion of our businesses are as described below:

Expand and strengthen our presence through opening of new outlets in Singapore and expanding our footprint in new markets overseas

We intend to leverage our track record and the experience of our management team to expand our existing business in Singapore by establishing new outlets, increasing our business development activities, and attracting new customers to further broaden and diversify our customer base. We intend to establish new outlets in strategic locations, where available, with a focus on our upcoming Food Outlets, CHICHA San Chen tea shops and food courts. In particular, over the next two (2) years, we intend to develop cleanliness as a hallmark of the brand identity of our food courts. In addition, we intend to increase our sales and marketing activities to generate a higher awareness of our existing diverse portfolio of brands among consumers through channels such as social media, in-store promotions and the display of posters and advertising boards in the shopping malls in which our Food Outlets are located. We also intend to leverage on our established branding and market presence in Singapore to expand our operations overseas, with an initial focus on expanding our CHICHA San Chen operations to Macau and expanding our Yew Kee Duck Rice brand to other countries within Southeast Asia in the next five (5) years. In tandem with such expansion, we intend to expand digital access by our customers through the adoption of a mobile application for rewards points and e-commerce. We intend to use part of the proceeds from the Placement and the issue of the Cornerstone Shares to fund such plans and additional funds required will be financed through our internal resources and/or bank borrowings.

Continue to expand into more market segments by pursuing a multi-brand and multi-concept strategy

While we believe that our flagship brand, Yew Kee Duck Rice, is recognised nationally for our signature braised duck rice and chilli sauce, we have established a diverse portfolio of brands to provide a variety of quality food products to our customers. Since the inception of our Group, our mission has been to serve quality food to different groups of customers. We intend to expand our F&B offerings into various complementary products to provide our customers with a wider variety of options within our portfolio of brands. Leveraging on the success of our Group's operation of the CHICHA San Chen franchise in Singapore, we intend to seek additional franchise opportunities to further enhance our current portfolio. In line with our plans to expand our scope of F&B offerings, we intend to provide our workers with the relevant skills through training and to engage in strategic acquisitions of, and joint venture partnerships with, parties who have a strong track record in such areas. We also intend to acquire the appropriate equipment and technology to enable us to efficiently and cost effectively produce such new F&B offerings. We intend to use part of the proceeds from the Placement and the issue of the Cornerstone Shares to fund such plans and additional funds required will be financed through our internal resources and/or bank borrowings.

Strengthen our supply chain capabilities

We intend to expand and upgrade our central kitchen and warehouse to increase its capacity and improve operational and cost efficiencies. In line with our Group's plans to establish new Food Outlets in Singapore and to expand the scope of our F&B offerings, we intend to establish a larger central kitchen to support our existing F&B operations and our plans for future business expansion. The establishment of a larger central kitchen would enable us to increase the quantity of key ingredients and products which are procured, processed and prepared by our central kitchen for supply to our Food Outlets. Being able to produce a larger quantity of key ingredients at our central kitchen will also help to reduce the manpower requirements for establishing new Food Outlets. We expect the expansion and upgrade of our central kitchen and warehouse to be completed within the next three (3) to five (5) years. Notwithstanding this, as at the date of this Offer Document, our Company is still finalising the expansion and upgrading plans of our central kitchen and warehouse and we are currently unable to estimate the amount of expenditure required. We intend to use part of the proceeds from the Placement and the issue of the Cornerstone Shares to fund such plans and additional funds required will be financed through our internal resources and/or bank borrowings. Our Company will make the appropriate announcements on the SGX-ST's website as and when any of the net proceeds are materially disbursed.

The expansion of our central kitchen would also provide us with the capacity to offer central kitchen services to third parties, as an additional source of revenue for our Group. To improve the operational and cost efficiencies of our central kitchen, we intend to acquire new commercial grade equipment and machinery to automate certain food production and packaging processes.

GENERAL INFORMATION ON OUR GROUP

In conjunction with our plans to expand and upgrade our central kitchen, we intend to continue to source for fresh, quality ingredients from a wider range of reliable supply sources to ensure that we will have consistent supply of key ingredients. To achieve this objective, we will focus on deepening our relationship with key supplier partners and continue to explore potential strategic partnerships with such suppliers to ensure a stable supply of high-quality ingredients. This will help us to reduce procurement costs and enable us to better control the supply of key ingredients.

We believe that the expansion and upgrading of our central kitchen coupled with the strengthening of our supply chain capabilities will allow us to expand in a more swift and cost-effective manner, thereby increasing our operational efficiency and further supporting our growth strategy.

Expand our franchising and sub-franchising operations

We believe that our diverse portfolio of brands is recognised and well regarded by consumers. We intend to leverage our existing market presence and brand recognition to franchise our diverse portfolio of brands to third parties. The franchising of our brands would enable our Group to expand our network of Food Outlets, leverage on our central kitchen capabilities, and to grow our presence in a cost-effective manner, while enabling our management team to focus on developing other aspects of our business. Additionally, pursuant to the terms of our Master Franchise Agreement, we intend to enter into sub-franchise agreements with third parties to further expand our network of CHICHA San Chen tea shops in Singapore. We also intend to grow our franchising business by expanding our portfolio of brands, both by securing new franchise rights for existing brands from third parties and developing new brands of our own to franchise to third parties. We intend to use part of the proceeds from the Placement and the issue of the Cornerstone Shares to fund such plans and additional funds required will be financed through our internal resources and/or bank borrowings.

Expand our business through strategic acquisitions and joint venture partnerships

We intend to accelerate the growth of our business operations and expand the scope of our F&B offerings by taking advantage of market opportunities to selectively engage in strategic acquisitions and joint venture partnerships with existing companies. Depending on the available opportunities, feasibility and market conditions, we will leverage on our network and explore strategic acquisition and joint venture opportunities with parties in complementary businesses. To expand our business, we would acquire companies who already have an established brand and market presence offering complementary food products. When evaluating such opportunities, we will consider factors such as the acquisition of capabilities, skills, technology and/or operational processes which are synergistic to our business. As at the Latest Practicable Date, we have not entered into any agreements for the acquisition of any specific targets. We intend to use part of the proceeds from the Placement and the issue of the Cornerstone Shares to fund such plans and additional funds required will be financed through our internal resources and/or bank borrowings.

PROSPECTS

Growth in Singapore's population

As at end-June 2021, Singapore had a population of 5.45 million people, comprising Singapore citizens, permanent residents and non-resident foreigners who work, study or live in Singapore⁽¹⁾. It is estimated that by 2030, Singapore's population could range between 6.5 million and 6.9 million people⁽²⁾. As food is a basic human need, we believe that the projected growth in Singapore's population will translate into a higher demand for F&B products and services. Since the inception of our Group, our mission has been to serve quality food to different groups of customers. As testament to this ethos, our Group owns and operates a diverse portfolio of non-Halal and Halal brands including Yew Kee Duck Rice, XO Minced Meat Noodles, My Kampung Chicken Rice, PastaGo, and Victoria Bakery. As part of our future plans, we intend to expand our existing business in Singapore by increasing our business development activities, establishing new Food Outlets within our diverse portfolio of brands, and attracting new customers to further broaden and diversify our customer base. We also intend to expand our portfolio of brands, both by securing new franchise rights for existing brands from third parties and developing new brands of our own. As such, our Directors believe that we are well-placed to capitalise on the projected increase in demand for F&B products.

GENERAL INFORMATION ON OUR GROUP

Rise in household incomes and expenditure on food

Between 2010 and 2021, Singapore recorded a growth in gross domestic product (“GDP”) from S\$327 billion to S\$533.4 billion⁽³⁾. In 2021, the gross GDP per capita in Singapore was S\$97,798⁽⁴⁾ and the median monthly household income from work among resident employed households increased from S\$8,846 in 2016 to S\$9,520 in 2021⁽⁵⁾. In tandem with the increase in GDP and household income in Singapore, the average monthly household expenditure on food among resident households (comprising both food and non-alcoholic beverages and food serving services) has increased through the years from S\$949 in 2007 - 2008 to S\$1,199 in 2017 - 2018. In 2018, expenditure on food constituted approximately 20.3% of the total average monthly household expenditure in Singapore, forming the second largest category of expenditure, behind just housing and related expenditure. Total F&B sales have also increased significantly by 40.1% year on year and 7.9% month on month as of May 2022 which was attributed to the period of low sales in 2021 due to COVID-19 restrictions⁽⁶⁾. This points towards positive tailwinds for our Group’s portfolio of brands and outlets due to the favourable consumption growth moving forward as a result of COVID-19 restrictions having largely ended as of April 2022⁽⁷⁾.

Specifically, consumers in Singapore spend US\$342 million per year on bubble tea, an average of US\$60 per capita. The average price of bubble tea in Singapore is double that of other countries in Southeast Asia, making the Singapore market a great entry point for premium brands⁽⁸⁾. This favourable macro environment presents attractive prospects for our Group with regard to our plans to expand our CHICHA San Chen franchise business given the popularity of bubble tea with consumers in Singapore.

Our Directors believe that the rising affluence of resident employed households and their increased willingness to spend on F&B are likely to result in a higher demand for a more diverse range of F&B offerings. We intend to further diversify our F&B product offerings to provide our customers with a wider variety of offerings and to expand our portfolio of brands, both by securing new franchise rights for existing brands from third parties and developing new brands of our own. We believe such diversification of our F&B offerings would enable us to cater to the changing tastes and preferences of our customers arising from their increasing affluence and willingness to spend on food.

Favourable Market Positioning

The mass-market segment of the F&B industry, which is defined based on spending per head spend of S\$20 or less and consists of cafes/kiosks, food courts/coffeeshops, fast food outlets and limited-service restaurants. This segment accounts for roughly 75.0% of Singapore’s F&B market and is a highly viable segment which grew by approximately 2.4% compound annual growth rate between 2008 and 2018, as compared to full-service restaurants which increased by 0.8% compound annual growth rate, and is forecasted to only grow by 0.4% until 2023⁽⁹⁾. Our Group’s portfolio of brands which comprises food courts and Food Outlets is well positioned to capture the forecasted growth in the mass-market segment’s demand for F&B products and services supported by the forecasted population growth.

In view of what we believe are encouraging prospects, we aim to further expand our F&B offerings to provide customers with a greater choice of dining options in order to capture greater market share in this competitive F&B environment. We plan to achieve this through securing new franchise rights from third parties, developing new in-house brands and further expanding the number of outlets in our existing brand portfolio.

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 19 January 2023.

The Singapore Department of Statistics has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

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- (2) This information is extracted from the report entitled “A Sustainable Population for a Dynamic Singapore – Population White Paper” dated January 2013, accessible at <https://www.strategygroup.gov.sg/media-centre/population-white-paper-a-sustainable-population-for-a-dynamic-singapore>, last accessed on 19 January 2023.

The Prime Minister's Office, Singapore has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

- (3) This information is extracted from the website entitled “Gross Domestic Product Dashboard”, accessible at <https://www.singstat.gov.sg/find-data/search-by-theme/economy/national-accounts/visualising-data/gross-domestic-product-dashboard>, last accessed on 19 January 2023.

The Singapore Department of Statistics has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

- (4) This information is extracted from the website entitled “National Accounts”, accessible at <https://www.singstat.gov.sg/find-data/search-by-theme/economy/national-accounts/latest-data>, last accessed on 19 January 2023.

The Singapore Department of Statistics has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

- (5) This information is extracted from the report entitled “Household Expenditure Survey 2017/2018” dated July 2019, accessible at https://www.singstat.gov.sg/-/media/files/visualising_data/infographics/households/household-expenditure-2017-2018.ashx#:~:text=In%202017%2F18%2C%20Singapore%20resident,from%20%2410%2C467%20in%202012%2F13.&text=Average%20monthly%20household%20income%20rose,%2F13%20and%202017%2F18, last accessed on 19 January 2023.

The Singapore Department of Statistics has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

- (6) This information is extracted from the report entitled “Retail Sales Index and Food & Beverage Services Index” dated May 2022, accessible at https://www.sgpc.gov.sg/sgpcmedia/media_releases/singstat/press_release/P-20220705-1/attachment/MRS%20May22.pdf, last accessed on 19 January 2023.

The Singapore Department of Statistics has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

- (7) This information is extracted from the Website entitled “COVID-19 PHASE ADVISORY” dated June 2022, accessible at <https://www.moh.gov.sg/covid-19-phase-advisory> last accessed on 19 January 2023.

The Ministry of Health, Singapore has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

- (8) This information is extracted from the report entitled “Southeast Asians spend US\$3.66 billion on bubble tea annually: Study” dated 17 August 2022, accessible at <https://www.channelnewsasia.com/singapore/bubble-tea-consumers-study-southeast-asia-singapore-markets-business-brands-2885486>, last accessed on 19 January 2023.

Channel News Asia has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

- (9) This information is extracted from the Report entitled “Singapore Downstream F&B” dated October 2019, accessible at https://www.dbs.com.sg/sme/aics/pdfController.page?pdfpath=/content/article/pdf/AIO/102019/191022_insights_fnb.pdf last accessed on 19 January 2023.

DBS has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

GENERAL INFORMATION ON OUR GROUP

TREND INFORMATION

The following discussion about our prospects and trends include forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those that may be projected in these forward-looking statements. Please also see the section entitled “Cautionary Note Regarding Forward-Looking Statements” of this Offer Document.

Based on the revenue and operations of our Group as at the Latest Practicable Date and barring unforeseen circumstances, our Directors have made the following observations for the current financial period ending 31 December 2022 and for the 12 months from the Latest Practicable Date:

- (a) We expect an increase in revenue mainly due to the opening of new Food Outlets in Singapore as well as increased contribution from our existing Food Outlets. We expect our growth to continue to be underpinned by consumer demand for dining out or food services due to the busy lifestyle of consumers in Singapore.
- (b) As with other businesses in Singapore, we expect to face inflationary pressures and a general trend of increase in the costs of our food ingredients and other overheads such as utilities.
- (c) We expect the costs of our manpower to increase with the reduction in the supply and/or quota of foreign employees that companies in Singapore are permitted to employ and the travel restrictions imposed as a result of the COVID-19 pandemic. Please also refer to the risk factor entitled “We are dependent on labour” of this Offer Document for further details.
- (d) Coupled with the ongoing compliance costs of a public listed company and our one-time listing expenses in connection with the Placement and the issue of the Cornerstone Shares, we expect our financial performance in FY2022 to be affected by additional compliance costs and expenses. Please refer to the section “Use of Proceeds and Listing Expenses” of this Offer Document for further details in relation to our listing expenses.

Save as disclosed above and in the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “General Information on our Group – Prospects” of this Offer Document, and barring any unforeseen circumstances, our Directors are not aware of any (i) significant recent trends in sales, and the costs and selling prices of our services since the end of 1H2022, or (ii) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenues, profitability, liquidity or capital resources for at least FY2022, or that may cause the financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial condition.

Please also refer to the section entitled “Cautionary Note Regarding Forward-Looking Statements” of this Offer Document.

GOVERNMENT REGULATIONS

Our Company is incorporated, and our operations are based, in Singapore and, therefore operates subject to Singapore law. The following description is a summary of material laws and regulations applicable to our Group. Our Group is in compliance with all the applicable laws and regulations that are material to our business operations as at the Latest Practicable Date. The regulations and policies set out below are not exhaustive and are only intended to provide general information to investors and are neither designed nor intended to be a substitute for professional advice. Prospective investors should consult their own advisers regarding the implication of the laws and regulations on our Group.

National Environment Agency (“NEA”)

The NEA is Singapore’s regulator responsible for ensuring a clean and sustainable environment for Singapore. Its key roles are to improve and sustain a clean environment, promote sustainability and resource efficiency, maintain high public health standards, provide timely and reliable meteorological information, and encourage a vibrant hawker culture. The NEA’s functions include hawker management, public cleanliness, pest control, pollution control and waste management.

Singapore Food Agency

The Singapore Food Agency aggregates food-related functions previously carried out by the Agri-Food & Veterinary Authority of Singapore, the NEA and the Health Sciences Authority. Its key roles are to oversee food safety and food security from farm-to-fork. The Singapore Food Agency’s functions include regulating and supporting retail food establishments, food import and export, food manufacturers, food farming and wholesale markets.

Environmental Public Health Act 1987 (“EPHA”)

The EPHA requires any person who operates or uses a food establishment to obtain a licence from the Singapore Food Agency (“**Food Shop Licence**”). Under the EPHA, “food establishment” includes retail food establishments where food is sold wholly by retail, including an eating establishment such as a restaurant. Accordingly, we are required to obtain the relevant licences from the Singapore Food Agency for the operation or use of all our Food Outlets, food courts and CHICHA San Chen tea shops. The Food Shop Licence is usually granted for a period of one year and is renewable at the discretion of the Singapore Food Agency and subject to such restrictions and conditions as the Singapore Food Agency may think fit.

The Singapore Food Agency has in place a Points Demerit System (“**PDS**”), a systematic approach in dealing with the suspension or cancellation of licences, which also applies to main operators of food courts, coffee shops and canteens. Under the PDS, demerit points are given for each hygiene offence that is convicted in court or compounded. The offences are categorised as follows:

- Minor offences - 0 demerit point
- Major offences - 4 demerit points
- Serious offences - 6 demerit points

Demerits points are used to categorise each hygiene offence according to its impact on food safety. With effect from 1 April 2020, higher penalties are imposed on lapses detected in the toilet.

If a licensee accumulates 12 demerit points or more within 12 months, its licence will either be suspended for two to four weeks, or be cancelled, depending on its past suspension record. If the main operator of a food court, coffee shop or canteen (being a main licensee) accumulates 12 demerit points or more within 12 months, its licence will be suspended for up to three days, depending on its past suspension records. During the period of suspension, all the individual stalls within the food court, coffee shop or canteen will also have to close.

As of the Latest Practicable Date, our Food Outlets, food courts and CHICHA San Chen tea shops have not had their licences suspended or cancelled, save as disclosed below.

GOVERNMENT REGULATIONS

Past Non-Compliance Incidents by our Group

During the Period Under Review, our subsidiaries have from time to time been issued warnings and been sanctioned by the NEA and the Singapore Food Agency for various offences committed in the ordinary course of business including but not limited to failing to keep appliances and equipment clean, failing to keep the premises of certain Food Outlets free of cockroach infestation, possessing for sale food which is unclean, using a dirty cloth to wipe the lid on a drink cup that was subsequently served to a customer, using chipped container covers, cockroach droppings being found among food items during an inspection, preparation of food by an unlicensed employee, failing to register a food handler, failing to provide a proper system for collection and removal of soiled utensils, damaged floor tiles and walls being found within the premises of a Food Outlet and failing to comply with COVID-19 safe distancing measures. As a result of such infringements, our Group has received demerit points, been issued summons, paid compounded fines, had food handlers and the operations of certain Food Outlets and CHICHA San Chen tea shops suspended and certain affected food handlers have been required to re-attend hygiene courses by the Singapore Food Agency. In order to prevent the recurrence of such infringements, we have implemented preventative measures including the engagement of pest control services, scheduling of daily housekeeping, engagement of a contractor to touch-up our Food Outlet premises, replacement of food container covers and marking of a one (1) metre distance between chairs. None of such sanctions had a material and adverse effect on our business during the Period Under Review.

Environmental Public Health (Food Hygiene) Regulations

The Environmental Public Health (Food Hygiene) Regulations (“**EPHR**”) requires a licensee holding a Food Shop Licence to exhibit such licence in a conspicuous and accessible position within the licensed premises at all times. The EPHR also provides that a licensee holding a Food Shop Licence must adhere to certain requirements in relation to, among others:

- registration of any assistants or employees who are engaged in the sale or preparation for sale of food with the Singapore Food Agency;
- storage and refrigeration, packaging, transportation, sale and preparation of food;
- cleanliness of equipment used in the licensed premises;
- upkeep of the licensed premises;
- proper maintenance of toilet facilities at licensed premises; and
- personal cleanliness of any persons who are engaged in the sale or preparation for sale of food.

Registration of Food Handlers

The EPHR requires every licensee holding a Food Shop Licence to register his employee who is engaged in the sale or preparation for sale of any food (“**food handler**”) with the Singapore Food Agency.

A food handler who wishes to be registered with the Singapore Food Agency is required to undergo and complete the training and assessment of the Food Safety Course Level 1 conducted by training providers approved by SkillsFuture Singapore (“**SSG**”). The Food Safety Course Level 1 is aligned to the Food & Beverage Workforce Skills Qualification (“**WSQ**”) system launched by the SSG (formerly known as the Workforce Development Agency) as the national qualifications system for the F&B industry. Under the Food Safety Course Level 1, participants will learn, and be assessed on their ability to apply, the knowledge and skills in following Food & Beverage Safety and Hygiene Policies and Procedures which include practising good personal hygiene, using safe ingredients, handling food safely, storing food safely and maintaining cleanliness of utensils, equipment and service/storage areas. Upon successful completion of the course and assessment, participants will be awarded a Statement of Attainment (“**SOA**”).

GOVERNMENT REGULATIONS

In addition, food handlers who have already passed the Food Safety Course Level 1 are required to attend a refresher training session by (a) the 5th year from the date of first being awarded their SOA, and (b) every 10th year from the date of passing the last refresher training.

Sale of Food Act 1973 (“SOFA”) and Sale of Food (Non-Retail Food Business) Regulations

The SOFA requires any person who carries on a non-retail food business to obtain a licence (“**Non-Retail Food Business Licence**”) from the Singapore Food Agency.

Under the SOFA, a “non-retail food business” means a business or an undertaking or activity that involves, in whole or in part, the handling of food intended for sale or the sale of food (on the Internet or otherwise) or primary food production, and that is (a) not carried out as a retail food establishment where food is sold wholly by retail or as a catering establishment providing a catering service and (b) not a primary food production business but includes a food business a component of which is a business, an undertaking or activity carried out as a retail food establishment or a catering establishment. Examples of non-retail food businesses under the SOFA include factories processing meat or fish products, central kitchens supplying food to retail food businesses, and warehouses or cold storage facility for the storage of food.

The Sale of Food (Non-Retail Food Business) Regulations (“**SOFA Regulations**”) requires a licensee holding a Non-Retail Food Business Licence to exhibit such licence in a conspicuous position within the licensed food establishment, which is defined under the SOFA Regulations to mean any place or premises or part thereof used for the sale, or for the preparation or manufacture for sale, or for the storage or packing for sale, of food, whether cooked or not, intended for human consumption, used by a licensee to carry on its non-retail food business. The SOFA Regulations also provides that a licensee holding a Non-Retail Food Business Licence must adhere to certain requirements, including ensuring that food is stored in such a way that it is protected from the likelihood of contamination and that the environmental conditions under which it is stored will not adversely affect the safety and suitability of the food and maintaining prescribed standards of personal cleanliness in relation to persons who are engaged in the preparation of food. The SOFA Regulations also stipulate that the licensee must ensure that no alteration or change is made to the buildings or premises of his licensed food establishment unless the plans of the alteration of change have been approved by the Singapore Food Agency.

More details on the Non-Retail Food Business Licence that our central kitchen holds are set out under the section entitled “General Information on our Group – Material Licences, Permits, Registrations and Approvals” of this Offer Document.

Grading of Food Establishments

As of the Latest Practicable Date, all licenced food establishments are given a grade by the Singapore Food Agency based on the overall hygiene, cleanliness and housekeeping standards of the premises. The Singapore Food Agency conducts annual on-site audit assessments on licensed food establishments to determine their grading status.

All licensed food establishments in Singapore are categorised into four (4) grades: A (a score of 85.0% or higher), B (a score of 70.0% to 84.0%), C (a score of 50.0% to 69.0%) and D (a score of 40.0% to 49.0%), based on their food hygiene and food safety standards. Each food establishment is graded annually. The areas of audit assessment of food establishments include personal hygiene of the food handlers, cleanliness of the food receiving area and food storage area, preparation and handling of raw and cooked foods and good condition of the toilets.

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With effect from July 2025⁽¹⁾, the Singapore Food Agency will implement a new licensing framework for retail and non-retail food establishments – Safety Assurance for Food Establishments (“**SAFE**”) where ‘Bronze’, ‘Silver’ or ‘Gold’ awards are given to the food establishments instead of a letter grade. Food establishments that have a good track record (no major food safety lapses over a period of time) as well as are able to fulfil the Food Hygiene Officer (“**FHO**”), Advanced FHO and Food Safety Management System (“**FSMS**”) requirements will qualify for either the ‘Gold’, ‘Silver’ or ‘Bronze’ awards, which correspond to a 10, five (5), or three (3)-year licence duration. Major lapses include causing a foodborne outbreak, being convicted in court for offences against the Singapore Food Agency’s regulations, or a suspension of the licence. Food establishments are grouped into three (3) categories, namely category A, category B and category C (category C establishments are not given Gold, Silver or Bronze awards). The framework can be summarised in a table form below:

Category of food establishments	1-year licence	3-year licence	5-year licence	10-year licence
Category A – food establishments involved in significant food handling practices with higher food safety risks (e.g. preparation, processing and storage of food under temperature-controlled conditions) <i>e.g. Caterers, restaurants, food manufacturers</i>	No award: New licensees or <2 years without major lapse. FHO appointed	Bronze: 2 years without major lapse FHO appointed	Silver: 5 years without major lapse FHO appointed FSMS requirements met	Gold: 10 years without major lapse Advanced FHO appointed FSMS certified by an accredited certification body
Category B – food establishments involved in moderate food handling and storage practices with lower food safety risks <i>e.g. bakeries, food shops, cold stores</i>	No award: New licensees or <2 years without major lapse.	Bronze: 2 years without major lapse	Silver: 5 years without major lapse	Gold: 10 years without major lapse
Category C – food establishments involved in minimal food handling and storage practices with negligible food safety risks <i>e.g. main operators of food courts, canteens, supermarkets</i>	–	<3 years without major lapse	3 years without major lapse	5 years without major lapse

Our Food Outlets and CHICHA San Chen tea shops fall under category B and our food courts fall under category C, while our central kitchen falls under category A of the SAFE framework.

Note:

- (1) Based on information available as at the date of this Offer Document, the SAFE framework will be implemented in July 2025, in view of feedback from the industry to allow more time to prepare for the transition. This information is extracted from “FAQs on SAFE framework” dated 26 October 2022, accessible at [https://www.sfa.gov.sg/docs/default-source/default-document-library/faqs-on-safe-framework-\(updated-26-oct-2022\)](https://www.sfa.gov.sg/docs/default-source/default-document-library/faqs-on-safe-framework-(updated-26-oct-2022)), last accessed 19 January 2023.

GOVERNMENT REGULATIONS

Wholesome Meat and Fish Act 1999 (“WMFA”)

The WMFA requires any person who uses any premises or permits any premises to be used as a processing establishment or a cold store for meat products or fish products to apply for a licence (“**Processing and Cold Store Licence**”) from the Director-General, Food Administration, Singapore Food Agency.

The WMFA also requires any person who imports any meat product or fish product into Singapore to apply for a licence (“**Import Licence**”) from the Director-General, Food Administration, Singapore Food Agency. In addition, any person who imports any meat products or fish products for sale, supply or distribution in Singapore must obtain a permit from Director-General, Food Administration, Singapore Food Agency for each consignment of meat products or fish products to be imported by him and the import of each such consignment must be carried out in accordance with the conditions of the permit.

Processing and Cold Store Licence holders and Import Licence holders must also comply with additional requirements set out in the relevant subsidiary legislation pursuant to the WMFA.

MUIS

MUIS (also known as the Islamic Religious Council of Singapore), which is established under the Administration of Muslim Law Act 1966, administers the issuance of Halal certificates to, among others, eating establishments, storage facilities and food preparation areas. Under the MUIS eating establishment certification scheme, MUIS may, at its discretion, impose conditions on the holders of Halal certificates to ensure that the requirements of Islamic laws are complied with in the operation of the retail food establishment.

Administration of Muslim Law Act 1966 (“AMLA”)

The AMLA provides for the grant of Halal certificates in relation to any product, service or activity and the regulation of the holders of such certificates to ensure that the requirements of Muslim law are complied with in the production, processing, marketing or display of that product, the provision of that service or the carrying out of that activity.

A “Halal certificate” is defined in the AMLA to mean, in relation to any product, service or activity, a certificate to the effect that the requirements of Muslim law are complied with in the production, processing, marketing, display or carrying out, as the case may be, of that product, service or activity. The relevant regulatory body that issues Halal certificates is the MUIS.

Based on the Halal Certification Conditions for the Eating Establishment Scheme, which apply to our Food Outlets under our My Kampung Chicken Rice brand, all raw materials, processing aids and additives used shall be Halal and there shall be no cross-mixing of Halal and non-Halal or doubtful products. An applicant will have to undergo an assessment process that includes, among other things, a site audit by MUIS before a Halal certificate is issued. The holder of a Halal certificate is required to comply with the Halal Certification Conditions. The Halal certificate may be suspended or revoked by MUIS in the event of, among other things, breach of the Halal Certification Conditions.

The holder of a Halal certificate is permitted to use the MUIS Halal certification mark on the certified products in accordance with the Halal Certification Conditions. The display of the MUIS Halal certification mark on the products will signify that the products are Halal certified and therefore permitted for Muslim consumption.

Ministry of Manpower (“MOM”)

The MOM is the ministry of the Singapore Government responsible for all labour and workforce-related matters in Singapore. Divisions of the MOM include the occupational health and safety division, which promotes workplace safety and health; the work pass division, which oversees the employment of foreign nationals in Singapore; and the labour relations and workplaces division, which formulates policies on employment matters and industrial relations.

GOVERNMENT REGULATIONS

Employment Act 1968 (“Employment Act”)

The Employment Act 1968 is administered by the MOM and sets out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees. In particular, Part 4 of the Employment Act sets out requirements for rest days, hours of work and other conditions of service for workmen who receive salaries not exceeding S\$4,500 a month and employees (other than workmen or persons employed in managerial or executive positions) who receive salaries not exceeding S\$2,600 a month. Section 38(8) of the Employment Act provides that an employee is not allowed to work for more than 12 hours in any one day except in specified circumstances, such as where the work is essential to the life of the community, defence or security, where urgent work is to be done to machinery or plant, or where an interruption of work which was impossible to foresee. In addition, Section 38(5) of the Employment Act limits the extent of overtime work that an employee can perform to 72 hours a month.

Employers must seek the prior approval of the Commissioner for Labour (“CL”) for exemption if they require an employee or class of employees to work for more than 12 hours a day or more than 72 overtime hours a month. The CL may, after considering the operational needs of the employer and the health and safety of the employee or class of employees, by order in writing, exempt such employees from the overtime limits subject to such conditions as the CL thinks fit. Where such exemptions have been granted, the employer shall display the order or a copy thereof conspicuously in the place where such employees are employed.

An employer who breaches the above provisions shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$5,000, and for a second or subsequent offence to a fine not exceeding S\$10,000 and/or to imprisonment for a term not exceeding 12 months. Since October 2022, our Group has taken steps to impose on its monitoring process to ensure compliance with such rules and regulations. We have not been sanctioned by the MOM for any breaches under the Employment Act and we are not aware of any such breaches. The MOM has performed routine inspections on our Group from time to time and have not raised any material findings in relation to our Group’s compliance of the MOM’s rules and regulations. The most recent routine inspection by MOM was on 21 May 2021 and no issues were raised. As at the Latest Practicable Date, we have put in place proper monitoring systems to ensure that we comply with the Employment Act.

Employment of Foreign Manpower Act 1990 (“EFMA”) and Employment of Foreign Manpower (Work Passes) Regulations 2012 (“EFMA(R)”)

The employment of foreign workers in Singapore is governed by the EFMA and regulated by the MOM. Under Section 5(1) of the EFMA, no person shall employ a foreign employee unless the foreign employee has obtained a valid work pass from the Controller of Work Passes. Any person who contravenes Section 5(1) of the EFMA shall be guilty of an offence and shall:

- a) be liable on conviction to a fine at least S\$5,000 and not more than S\$30,000 or to imprisonment for a term not exceeding 12 months or to both; and
- b) on a second or subsequent conviction:
 - (i) in the case of an individual, be punished with a fine of at least S\$10,000 and not more than S\$30,000 and with imprisonment for a term of not less than one (1) month and not more than 12 months; or
 - (ii) in any other case, be punished with a fine of at least S\$20,000 and not more than S\$60,000.

A work pass includes, amongst others: (a) employment pass, for foreign professionals, managers and executives except those in the financial services sector earning at least S\$5,000 per month (for new applications from 1 September 2022 and renewals from 1 September 2023) and who have acceptable qualifications; (b) S Pass, for mid-level skilled staff except those in the financial services sector who earn at least S\$3,000 per month (for new applications from 1 September 2022 and renewals from 1 September 2023) and who meet the assessment criteria; and (c) work permit for semi-skilled migrant workers in the construction, manufacturing, marine shipyard, process or services sectors.

GOVERNMENT REGULATIONS

The EFMA(R) requires employers of work permit holders, among others, to:

- bear the costs of medical treatment (unless in excess of the minimum mandatory coverage in certain instances);
- provide safe working conditions and take such measures as are necessary to ensure the safety and health of the foreign employee;
- provide acceptable accommodation consistent with any law or governmental regulations;
- purchase and maintain medical insurance for inpatient care and day surgery, with coverage of at least S\$15,000 per every 12-month period (or for such shorter period where the foreign employee's period of employment is less than 12 months);
- (compulsory only for work permit holders who are residents of a licensed dormitory or an unregulated dormitory and/or whose work permit specifies that they are employed in the construction sector, marine shipyard sector or process sector) purchase and maintain a Primary Care Plan (where a medical provider provides basic healthcare services and enrol the foreign worker as a member); and
- ensure that the foreign worker has been granted a cleared status pursuant to Infectious Diseases (COVID-19 Access Restrictions and Clearance) Regulations 2021.

The EFMA(R) also requires employers of S Pass holders, among others, to:

- bear the costs of medical treatment (unless in excess of the minimum mandatory coverage in certain instances); and
- purchase and maintain medical insurance for inpatient care and day surgery, with coverage of at least S\$15,000 per every 12-month period (or for such shorter period where the foreign employee's period of employment is less than 12 months);
- (compulsory only for S Pass holders who are residents of a licensed dormitory or an unregulated dormitory and/or whose S Pass specifies that they are employed in the work in construction sector, marine shipyard sector or process sector) purchase and maintain a Primary Care Plan (where a medical provider provides basic healthcare services and enrol the foreign worker as a member); and
- ensure that the foreign worker has been granted a cleared status pursuant to the Infectious Diseases (COVID-19 Access Restrictions and Clearance) Regulations 2021.

An employer of foreign workers is also subject to, among others, the Employment Act and the Immigration Act 1959.

As at the Latest Practicable Date, our Group is in compliance with the laws and regulations governing the work permit and S Pass requirements under the EFMA and EFMA(R).

Tripartite Guidelines on Fair Employment Practices

The Tripartite Guidelines on Fair Employment Practices ("**Guidelines**"), formulated by the Tripartite Alliance for Fair and Progressive Employment Practices ("**TAFEP**"), sets out fair employment practices that should be adopted by employers to help prevent discrimination at the workplace. The MOM and TAFEP make reference to the Guidelines in promoting fair and responsible employment practices. Employers are expected to abide by the principles of fair employment and adopt the recommended good practices.

GOVERNMENT REGULATIONS

The five principles of fair employment practices are:

- (1) Recruit and select employees on the basis of merit (such as skills, experience or ability to perform the job), and regardless of age, race, gender, religion, marital status and family responsibilities, or disability.
- (2) Treat employees fairly and with respect and implement progressive human resource management systems.
- (3) Provide employees with fair opportunity to be considered for training and development based on their strengths and needs to help them achieve their full potential.
- (4) Reward employees fairly based on their ability, performance, contribution and experience.
- (5) Abide by labour laws and adopt the Guidelines.

The Guidelines set out fair employment practices in respect of, amongst others, selection criteria, recruitment process, remuneration, performance appraisal and promotion, posting and training, disciplinary actions, and dismissals and retrenchments. For instance, the Guidelines provide that, in respect of the recruitment process, objective and fair selection criteria should be consistently applied at all stages of the process, and in respect of remuneration, employers should remunerate employees fairly, taking into consideration factors such as ability, performance, contribution, skills, knowledge and experience.

Fair Consideration Framework

The Fair Consideration Framework (“**Framework**”) sets out requirements for employers in Singapore to consider Singaporeans fairly for job opportunities before hiring foreign professionals on S Passes and employment passes. To promote fair employment practices and improve labour market transparency, subject to certain prescribed exemptions, employers submitting employment pass and S Pass applications must first advertise on the government job-matching portal MyCareersFuture for at least 14 days and fairly consider all candidates.

The advertising must clearly explain the job requirements and salary offered and employment pass applications linked to advertisements that are discriminatory and do not represent the job accurately will be rejected:

- (a) The advertisement must not contain discriminatory words or phrases.
- (b) The job advertised must match the occupation in the employment pass / S Pass application.
- (c) The employer submitting the employment pass / S Pass application must be the same as the one in the job advertisement.
- (d) The salary offered must be clear, specific, and consistent. The salary range advertised must be visible to all candidates and cannot be hidden, cannot be too broad and must contain the salary offered to the employment pass / S Pass candidate.
- (e) The advertisement must be open for at least 14 consecutive days.
- (f) If any changes are made to the details of the advertisement, it must be kept open for at least another 14 consecutive days before submission of the employment pass / S Pass application.

Employers with indications of discriminatory hiring practices are identified and placed by MOM on a watchlist for closer scrutiny.

GOVERNMENT REGULATIONS

Personal Data Protection Act 2012

The PDPA establishes the Singapore regime for the protection of personal data (i.e. data, whether true or not, about an individual who can be identified from that data, or from that data and other information accessible to the relevant organisation) and seeks to ensure that organisations comply with a baseline standard of protection for personal data of individuals. As at the Latest Practicable Date, the 10 data protection obligations are summarised as follows:

- (a) Purpose limitation obligation – personal data must be collected, used or disclosed only for purposes that a reasonable person would consider appropriate in the circumstances, and if applicable, have been notified to the individual concerned;
- (b) Notification obligation – individuals must be notified of the purposes for the collection, use or disclosure of their personal data, on or prior to such collection, use or disclosure;
- (c) Consent obligation – the consent of individuals must be obtained for any collection, use or disclosure of their personal data, unless exceptions apply. Additionally, an organisation must allow the withdrawal of consent which has been given or is deemed to have been given;
- (d) Access and correction obligation – when requested by an individual and unless exceptions apply, an organisation must: (i) provide that individual with access to his personal data in the possession or under the control of the organisation and information about the ways in which his personal data may have been used or disclosed during the past year; and/or (ii) correct an error or omission in his personal data that is in the possession or under the control of the organisation as soon as practicable and send the corrected data to every other organisation to which the personal data was disclosed (or to selected organisations that the individual has consented to) within a year before the correction is made;
- (e) Accuracy obligation – an organisation must make reasonable efforts to ensure that personal data collected by or on its behalf is accurate and complete if such data is likely to be used to make a decision affecting the individual to whom the personal data relates, or if such data will be disclosed to another organisation;
- (f) Protection obligation – an organisation must implement reasonable security arrangements for the protection of personal data in its possession or under its control;
- (g) Retention limitation obligation – an organisation must not keep personal data for longer than it is necessary to fulfill: (i) the purposes for which it was collected; or (ii) a legal or business purpose;
- (h) Transfer limitation obligation – personal data must not be transferred out of Singapore except in accordance with the requirements prescribed under the PDPA;
- (i) Accountability obligation – an organisation must implement the necessary policies and procedures in order to meet the obligations under the PDPA and shall make information about its policies and procedures publicly available; and
- (j) Data breach notification obligation – an organisation must assess if a data breach will result in, or is likely to result in, significant harm to an affected individual, or is, or is likely to be, of a significant scale. If so, the organisation must notify the Commission as soon as is practicable, but in any case no later than three (3) calendar days after the organisation makes that assessment. The organisation must also notify each affected individual in any manner that is reasonable in the circumstances.

Non-compliance may lead to financial penalties, civil liability or criminal liability. The Commission also has broad powers to direct the organisations to comply with the provisions of the PDPA.

GOVERNMENT REGULATIONS

Central Provident Fund Act 1953 ("CPF Act")

The CPF Act governs the contributions made by employers and employees into the CPF. The CPF Act is administered by the Central Provident Fund Board ("**CPF Board**").

Section 7(1) of the CPF Act provides that subject to Section 69 of the CPF Act and any regulations made under Section 77(1) of the CPF Act, every employer of an employee shall pay to the CPF monthly in respect of each employee contributions at the appropriate rates set out in the First Schedule of the CPF Act. Pursuant to Section 7(2) of the CPF Act, notwithstanding the provisions of any written law or any contract to the contrary, an employer is entitled to recover from the monthly wages of an employee the amount shown in the First Schedule of the CPF Act as so recoverable from the employee.

Section 9(1) of the CPF Act provides that, where the amount of the contributions which an employer is liable to pay under Section 7 of the CPF Act in respect of any month is not paid within such period as may be prescribed, the employer shall be liable to pay interest on the amount for every day the amount remains unpaid commencing from the first day of the month succeeding the month in respect of which the amount is payable and such interest shall be calculated at the rate of 1.5% per month or the sum of S\$5, whichever is greater.

Section 7(3) of the CPF Act provides that where any employer who has recovered any amount from the monthly wages of an employee in accordance with the CPF Act and fails to pay the contributions to the CPF within such time as may be prescribed, he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding seven (7) years or to both.

Section 61(1) of the CPF Act provides that except as otherwise provided in Section 61(2) of the CPF Act, any person convicted of an offence under the CPF Act for which no penalty is provided shall be liable on conviction:

- (a) to a fine not exceeding S\$5,000 or to imprisonment for a term not exceeding six (6) months or to both; and
- (b) if that person is a repeat offender in relation to the same offence, to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 12 months or to both.

Section 61(2) of the CPF Act provides that where any person:

- (a) is guilty of an offence under Section 7(5) or 58(1)(b) of the CPF Act; or
- (b) being a director, manager or secretary or any other officer of a body corporate, is guilty of an offence under Section 60 by virtue of the fact that an offence under Section 7(3) or (5) or 58(1)(b) of the CPF Act has been committed by that body corporate and is found to have been committed with the consent or connivance of or to be attributable to any act or default on the part of that person,

that person shall be liable on conviction:

- (c) to a fine of not less than S\$1,000 and not more than S\$5,000 or to imprisonment for a term not exceeding six (6) months or to both; and
- (d) if that person is a repeat offender in relation to the same offence, to a fine of not less than S\$2,000 and not more than S\$10,000 or to imprisonment for a term not exceeding 12 months or to both.

GOVERNMENT REGULATIONS

Workplace Safety and Health Act 2006 (“WSHA”)

Under the WSHA, every employer has the duty to take, so far as reasonably practicable, measures necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining a safe working environment for the employees, without risk to health, and adequate facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by the employees, developing and implementing procedures for dealing with emergencies that may arise while the employees are at work and ensuring that the employee at work has adequate instruction, information, training and supervision as is necessary for that employee to perform his work. More specific duties imposed by the MOM on employers are laid out in the Workplace Safety and Health (General Provisions) Regulations (“**WSHR**”). Some of these duties include taking all reasonably practicable measures to protect persons at work from excessive heat or cold and harmful radiations, prevent the workplace from being overcrowded, ensuring adequate ventilation of the workplace, protect the worker from any biohazardous material such as any infected animal which may constitute a risk to their health.

Work Injury Compensation Act 2019 (“WICA”)

Work injury compensation is governed by the WICA and is regulated by the MOM. The WICA applies to employees in respect of injuries suffered by them arising out of and in the course of their employment and sets out, amongst others, the amount of compensation they are entitled to and the methods of calculating such compensation. The WICA provides, subject to certain prescribed exceptions, that if in any employment, personal injury by accident arising out of and in the course of the employment is caused to an employee, his employer shall be liable to pay compensation in accordance with the provisions of the WICA. The amount of compensation shall be computed in accordance with the First Schedule of the WICA, subject to a maximum and minimum limit, taking into account factors such as the severity and permanence of the personal injury suffered.

Further, the WICA provides that where any person (referred to as the principal) in the course of or for the purpose of his trade or business contracts with any other person (referred to as the contractor) for the execution by the contractor of the whole or any part of any work, or for the supply of labour to carry out any work, undertaken by the principal, the Commissioner for Labour may direct the principal to fulfil the obligations of the employer under the WICA in relation to any employee of the contractor employed in the execution of the work. Where such a direction has been made, the principal shall be liable to pay to any employee of the contractor employed in the execution of the work any compensation which he would have been liable to pay under the WICA if that employee had been immediately employed by the principal, except that the amount of compensation is to be calculated with reference to the earnings of the employee under the contractor.

Every employer is required to maintain work injury compensation insurance for all employees doing manual work, regardless of salary level and all employees earning S\$2,600 or less per month, excluding any overtime payment, bonus payment, annual wage supplement, productivity incentive payment and any allowance. Failure to do so is an offence carrying a fine of up to S\$10,000 and/or imprisonment of up to 12 months. Under the Work Injury Compensation (Insurance) Regulations 2020 (“**WICIR**”), every employer entering into a contract of insurance in accordance with the requirements of WICA shall be issued, by the insurer with whom he contracts, with a certificate of insurance which shall contain certain prescribed particulars. The WICIR further provides that such employer shall display a copy of the certificate of insurance at each place of business at which he employs any employee whose claims may be the subject of indemnity under the policy of insurance to which that certificate relates.

As at the Latest Practicable Date, our Group has 564 employees who do manual work or who earn S\$2,600 or less per month.

During the Period Under Review, our employees have from time to time and in the ordinary course of business been involved in workplace accidents such as slip and fall accidents as well as burn accidents. Our Group has paid to such employees compensation in accordance with the provisions of the WICA. There have not been any such claims which had a material effect on our business during the Period Under Review. We have also required our employees working at our Food Outlets to wear anti-slip footwear to reduce the risks of slip and fall accidents.

GOVERNMENT REGULATIONS

Progressive Wage Model (“PWM”)

The PWM functions as a roadmap for raising basic wages, skills and productivity, and encompasses specific wage ladders tailored for each industry sector. Each wage ladder comprises a series of wage points and is intended to enable workers at all levels of the ladder to upgrade and progress to their next respective wage points.

In August 2021, the Singapore Government announced that from 1 March 2023, the PWM will be extended to the food services sector. The PWM seeks to uplift salaries of local workers (Singapore citizens and permanent residents) which makes up approximately 74.5% of our workforce as at the Latest Practicable Date. More information on the food services PWMs will be announced when the Tripartite Cluster for Food releases its recommendations.

Government Grants

Job Support Scheme

The JSS was introduced in February 2020 to provide wage support to employers to help them retain Singapore Citizen and permanent resident employees (“**local employees**”) during the COVID-19 pandemic. All employers who had made mandatory CPF contributions for their local employees qualified for the pay-outs, with the level and duration of support each employer receives varying based on the sector in which such employer operates. The JSS initially provided co-funding of between 25.0% and 75.0% of the first S\$4,600 of gross monthly wages paid to each local employee up to August 2020. Since its introduction, the JSS has been extended and enhanced multiple times, in view of the protracted duration and effects of the COVID-19 pandemic. Under the latest update, enhanced JSS support of 25.0% was announced from 22 November to 19 December 2021 for F&B, gyms and fitness studios, performing arts and education, retail, cinemas, museums, art galleries, historical sites, family entertainment and tourism sectors. The final tranche of JSS pay-outs were disbursed from 31 March 2022, covering the wages for July to December 2021.

In FY2020, FY2021 and 1H2022, our Group recognised S\$2,101,444, S\$2,310,364 and S\$157,504 respectively, under the JSS.

Wage Credit Scheme (“WCS”) and Progressive Wage Credit Scheme (“PWCS”)

The WCS was introduced in Budget 2013 pursuant to which the Singapore Government provided co-funding for wage increases given to Singapore Citizen employees who earned a gross monthly wage of up to S\$4,000. The scheme was extended in 2018 for three (3) years, at 20.0% in 2018, 15.0% in 2019 and 10.0% in 2020, to support businesses embarking on transformation efforts and to encourage sharing of productivity gains with workers. In 2020, the co-funding ratios for wage increases in 2019 and 2020 was raised from 15.0% and 10.0%, to 20.0% and 15.0% respectively. The qualifying gross wage ceiling was also raised from S\$4,000 to S\$5,000 for both years. The WCS was further extended by one (1) year to 2021, with the co-funding ratio remaining at 15.0% and the qualifying gross wage ceiling at S\$5,000.

The PWCS was announced in Budget 2022 to provide transitional wage support for employers to adjust to upcoming mandatory wage increases for lower-wage workers covered by the Progressive Wage and Local Qualifying Salary requirements, and to voluntarily raise wages of lower-wage workers. The Singapore Government will co-fund wage increases of Singapore citizen and permanent resident employees from the qualifying years 2022 to 2026. On 21 June 2022, it was announced that the Singapore Government will increase its co-funding share of eligible wage increases in 2022 from 50.0% to 75.0% for resident employees with gross monthly wages of up to S\$2,500 (first tier) and from 30.0% to 45.0% for employees with gross monthly wages of above S\$2,500 and up to S\$3,000 (second tier). A company will qualify for the PWCS if the company gives wage increases to resident employees who:

1. Received CPF contributions from a single employer for at least 3 calendar months (which need not be consecutive) in the preceding year;
2. Have been on the company’s payroll for at least three (3) calendar months in the qualifying year; and
3. Have an average gross monthly wage increase of at least S\$100 in the qualifying year.

GOVERNMENT REGULATIONS

In FY2019, FY2020, FY2021 and 1H2022, our Group recognised S\$88,864, S\$99,374, S\$97,734, and S\$129,922, respectively, under the WCS.

Jobs Growth Incentive (“JGI”)

The JGI was first announced on 17 August 2020 to promote the hiring of Singapore citizens and permanent residents (“**local hires**”). It is a salary support scheme that provides employers with salary support for new local hires hired between September 2020 to March 2023. The duration of JGI support will depend on when the new local hire was hired and the characteristics of the new local employee, such as their age. In Budget 2022, it was announced that JGI would be extended for a fourth phase from April 2022 to September 2022, under which salary support was provided for 40.0% of the first S\$6,000 of gross monthly wages for the first six months, and 20.0% of the first S\$6,000 of gross monthly wages for the subsequent six months for mature local hires aged 40 and above who have not been in work for at least six (6) months, Persons with disabilities or ex-offenders (“**vulnerable workers**”), provided employers met the eligibility criteria. The MOM announced on 21 June 2022 an extension of the JGI by a further six (6) months to March 2023 for employers that hire vulnerable workers. Under the current phase of the JGI as at the Latest Practicable Date, salary support is provided for 20.0%, of the first S\$6,000 of gross monthly wages for vulnerable workers.

In FY2021 and 1H2022, our Group recognised S\$329,477 and S\$139,461, respectively, under the JGI.

Senior Employment Credit Scheme (“SEC”)

The Singapore Government provides wage offsets under the SEC to help employers that employ Singaporean workers aged 55 and above adjust to the higher retirement age and re-employment age.

The wage offset applies to Singaporean workers aged 55 and above and earning below S\$4,000 per month with more support given for the higher age bands. The SEC takes effect from 1 January 2021 to 31 December 2022 during which period employers will receive up to 8.0% of the wages paid to Singaporean workers aged 55 and above, depending on the workers’ age and wage.

In FY2021 and 1H2022, our Group recognised S\$23,092 and S\$27,465, respectively, under the SEC.

Special Employment Credit Scheme

The Special Employment Credit Scheme was introduced in 2011 to support employers, and to raise the employability of older Singaporeans. It was enhanced in 2012 to provide employers with continued support to hire older Singaporean workers and persons with disabilities. In 2016, the scheme was extended for three years, from 2017 to 2019, to provide wage offsets to employers hiring Singaporean workers aged 55 and above, and earning up to S\$4,000. The scheme was further extended for one (1) year to end-2020 in 2019.

In FY2019, FY2020 and FY2021, our Group recognised S\$57,466, S\$65,665 and S\$35,753, respectively, under the Special Employment Credit Scheme.

EXCHANGE CONTROLS

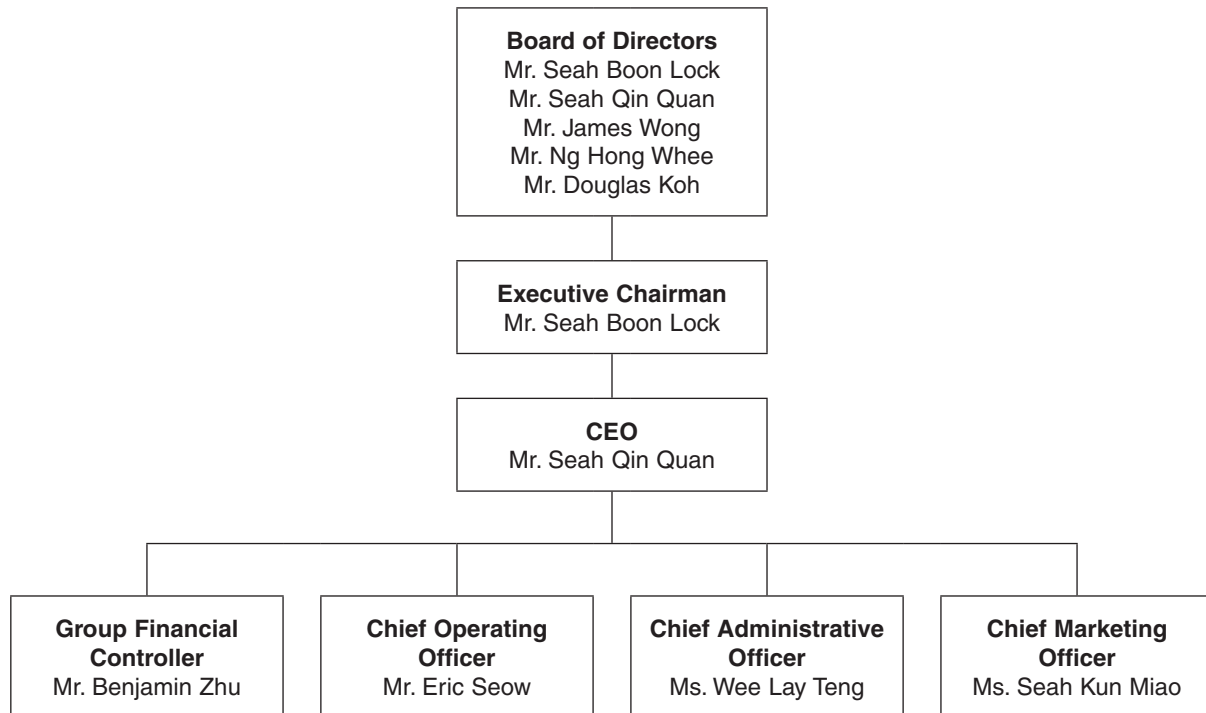
There are no Singapore governmental laws, decrees, regulations or other legislation that may affect the following:

- (a) the import or export of capital, including the availability of cash and cash equivalents for use by our Group; and
- (b) the remittance of dividends, interest or other payments to non-resident holders of our Company’s securities.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

MANAGEMENT REPORTING STRUCTURE

Our management reporting structure as at the Latest Practicable Date is set out below:



DIRECTORS

Our Directors are entrusted with the responsibility for the overall management of our Group. The particulars of our Directors as at the date of this Offer Document are set out below:

Name	Age	Designation
Mr. Seah Boon Lock	61	Executive Chairman and Executive Director
Mr. Seah Qin Quan	30	CEO and Executive Director
Mr. James Wong	67	Lead Independent Director
Mr. Ng Hong Whee	55	Independent Director
Mr. Douglas Koh	55	Independent Director

The correspondence address of all our Directors is 32 Woodlands Terrace Singapore 738452.

Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities of our Directors is set out below:

Mr. Seah Boon Lock is our Executive Chairman and Executive Director

Mr. Seah Boon Lock is our founder, Executive Chairman and Executive Director, with 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 43 Food Outlets, four (4) food courts, and 30 CHICHA San Chen tea shops in Singapore.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Mr. Seah Qin Quan is our CEO and Executive Director

Mr. Seah Qin Quan is our CEO and Executive Director and is responsible for directing and controlling the operations of our Group. He joined our Group in September 2015 as an executive director and has overall responsibility for the operations of each department of our Group. Mr. Seah Qin Quan graduated with a diploma in civil aviation from Republic Polytechnic in 2013.

Mr. James Wong is our Lead Independent Director

Mr. James Wong is our Lead Independent Director and was appointed to our Board on 25 January 2023. He 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 is our Independent Director

Mr. Ng Hong Whee is our Independent Director and was appointed to our Board on 25 January 2023. Mr. Ng Hong Whee was appointed as an independent director of LS2 Holdings Limited in December 2021. From July 2011 to July 2015, Mr. Ng Hong Whee was the executive chairman and chief executive officer of Sincap Group Limited, a company listed on Catalist. Following his cessation as executive chairman and chief executive officer, he was the president of the China operations of Sincap Group Limited until November 2015. From January 2004 to December 2011, Mr. Ng Hong Whee was the business development and financial director of Southern Angels Pte. Ltd., a manufacturer of fish paste in Indonesia. In October 1999, he joined Tan Kian Tin & Co. (a Certified Public Accounting firm) as an audit supervisor and was gradually promoted to an audit manager in 2001, a position he held until February 2012 when he continued as a consultant until April 2012. Mr. Ng Hong Whee's employment in Tan Kian Tin & Co overlapped with his employment in Southern Angels Pte Ltd and Sincap Group Limited. From May 1992 to October 1999, Mr. Ng Hong Whee worked at Ng Lee & Associates (a Certified Public Accounting firm), first as an audit trainee, and was subsequently promoted to audit senior. In 1991, Mr. Ng Hong Whee joined Japan Travel Bureau Pte. Ltd as an accounts clerk. Mr. Ng Hong Whee obtained GCE O Level passes in English and Chinese in 1984.

Mr. Douglas Koh is our Independent Director

Mr. Douglas Koh is our Independent Director and was appointed to our Board on 25 January 2023. He 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.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

The list of present and past directorships of each Director over the last five (5) years preceding the date of this Offer Document excluding those held in our Company, is set out below:

Name	Present Directorships	Past Directorships
Mr. Seah Boon Lock	<p>Within the Group</p> <p>None</p> <p>Outside the Group</p> <p>J9 Holdings Pte. Ltd.⁽¹⁾</p> <p>Feng Rong Investments Pte. Ltd.⁽²⁾</p> <p>AMK Hub Pte. Ltd.⁽³⁾</p> <p>Gambas Investment Pte. Ltd.⁽⁴⁾</p> <p>8 Oriental Asset Pte. Ltd.⁽⁵⁾</p> <p>SK (Rivervale) Pte. Ltd.⁽⁶⁾</p> <p>BB207 Pte. Ltd.⁽⁷⁾</p> <p>Shelford Investment Holdings Pte. Ltd.⁽⁸⁾</p> <p>Seah & Family Pte. Ltd.⁽⁹⁾</p>	<p>Within the Group</p> <p>10 (XO Noodle) Pte. Ltd.</p> <p>108 Sembawang Pte. Ltd.</p> <p>2 Bukit Panjang Pte. Ltd.</p> <p>207 (Duck Rice) Pte. Ltd.</p> <p>480 Local Delight Pte. Ltd.</p> <p>51 Hougang Pte. Ltd.</p> <p>Admiralty Local Delight Pte. Ltd.</p> <p>Fine Food (Nanyang) Pte. Ltd.</p> <p>Fine Food F&B Pte. Ltd.</p> <p>Punggol WP83 Pte. Ltd.</p> <p>SM30 Simei Pte. Ltd.</p> <p>Ubi 179 Food House Pte. Ltd.</p> <p>Ying's Traditional Food Pte. Ltd.</p> <p>YTP (Yew Tee) Pte. Ltd.</p> <p>Yew Kee Three Pte. Ltd.</p> <p>Yew Kee Two Pte. Ltd.</p> <p>Yew Kee Collective Pte. Ltd.</p> <p>Yew Kee Duck and Noodle House Pte. Ltd.</p> <p>Yew Kee Management Pte. Ltd.</p> <p>Outside the Group</p> <p>Toa Payoh (178) Pte. Ltd.</p> <p>K61 F&B Pte. Ltd.</p> <p>Yu Kee Venture Pte. Ltd.</p> <p>Tampines Hub Delight Pte. Ltd.</p> <p>Combine Group Pte. Ltd.</p> <p>You & Lai Pte. Ltd.</p> <p>Yu Kee Four Pte. Ltd.</p> <p>Tong Fong Fatt YK Pte. Ltd.</p> <p>Feng's Kampung Food Pte. Ltd.</p> <p>Newton Circle Duck Rice Pte. Ltd.</p> <p>Causeway Local Delight Pte. Ltd.</p> <p>Admiralty & Kallang Pte. Ltd.</p> <p>Yu Kee Retail Pte. Ltd.</p> <p>Vivo Local Delight Pte. Ltd.</p> <p>805 Foodpark Pte. Ltd.</p> <p>823 Foodpark Pte. Ltd.</p> <p>9 Foodpark Pte. Ltd.</p> <p>96 Foodpark Pte. Ltd.</p> <p>Foodpark Pte. Ltd.</p> <p>K1 Foodpark Pte. Ltd.</p> <p>K11 Foodpark Pte. Ltd.</p> <p>K13 Foodpark Pte. Ltd.</p> <p>K15 Foodpark Pte. Ltd.</p> <p>K16 Foodpark Pte. Ltd.</p> <p>K3 Foodpark Pte. Ltd.</p> <p>K485 Foodpark Pte. Ltd.</p> <p>K5 Foodpark Pte. Ltd.</p> <p>K6 Foodpark Pte. Ltd.</p>

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Name	Present Directorships	Past Directorships
		K7 Foodpark Pte. Ltd. K78 Foodpark Pte. Ltd. K8 Foodpark Pte. Ltd. K881 Foodpark Pte. Ltd. Marina Square (610) Pte. Ltd. CWP Delight Pte. Ltd. Joo Koon Eating House Pte. Ltd. 516 Food House Pte. Ltd. Gek Poh (762) Pte. Ltd. Gek Poh Local Delight Pte. Ltd. IMM (SR) Pte. Ltd. Jurong Point (JP) Pte. Ltd. Yu Kee Five Pte. Ltd. Penang Kitchen Delight Pte. Ltd. Yu Kee One Pte. Ltd. SBW Local Delight Pte. Ltd. SG5 F&B Pte. Ltd. YK Local Delight Pte. Ltd. Food Hub (2014) Pte. Ltd. Food Hub F&B (2014) Pte. Ltd. 328 Horizon Pte. Ltd. SNS JV Investment Pte. Ltd.
Mr. Seah Qin Quan	Within the Group YK Food (Five) Pte. Ltd. Yew Kee Bakery Pte. Ltd. YK Food (Four) Pte. Ltd. YK Food (Three) Pte. Ltd. YK Food (Two) Pte. Ltd. YK Food (One) Pte. Ltd. PastaGo Pte. Ltd. 102CR Food Pte. Ltd. Yew Kee Management Pte. Ltd. Yew Kee Two Pte. Ltd. 2 Bukit Panjang Pte. Ltd. 51 Hougang Pte. Ltd. Admiralty Local Delight Pte. Ltd. 480 Local Delight Pte. Ltd. 10 (XO Noodle) Pte. Ltd. 207(Duck Rice) Pte. Ltd. 108 Sembawang Pte. Ltd. SM30 Simei Pte. Ltd. Ubi 179 Food House Pte. Ltd. Yew Kee Three Pte. Ltd. Fine Food (Nanyang) Pte. Ltd. Fine Food F&B Pte. Ltd. Ying's Traditional Food Pte. Ltd. Yew Kee Collective Pte. Ltd. Punggol WP83 Pte. Ltd. Yew Kee Duck & Noodle House Pte. Ltd. YKGI Hawker Management Pte. Ltd.	Within the Group Yew Kee Management Pte. Ltd.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Name	Present Directorships	Past Directorships
	Outside the Group SG Watch Market Pte. Ltd. ⁽¹⁰⁾ J9 Holdings Pte. Ltd. ⁽¹⁾ Seah & Family Pte. Ltd. ⁽⁹⁾	Outside the Group Tampines Hub Delight Pte. Ltd. Tong Fong Fatt YK Pte. Ltd. Feng's Kampung Food Pte. Ltd. Joo Koon Eating House Pte. Ltd. Yu Kee Food House Pte. Ltd. Marina Square (610) Pte. Ltd. YTP (Yew Tee) Pte. Ltd.
Mr. James Wong	Within the Group None	Within the Group None
	Outside the Group None	Outside the Group Beecomb Foods Industries Pte. Ltd. Ceres Super Pte. Ltd. Jacobs Douwe Egberts HLD INV SG Pte. Ltd. Jacobs Douwe Egberts HLD SCM SG Pte. Ltd. Jacobs Douwe Egberts HLD SCP SG Pte. Ltd. Jacobs Douwe Egberts HLD SGI SG Pte. Ltd. Jacobs Douwe Egberts PRO OBS SG Pte. Ltd. Jacobs Douwe Egberts RTL OWL SG Pte. Ltd. Jacobs Douwe Egberts RTL SCC SG Pte. Ltd. Strategic Marketing & Distribution Pte. Ltd. Super Investment Holdings Pte. Ltd.
Mr. Ng Hong Whee	Within the Group None	Within the Group None
	Outside the Group NHW Pte Ltd ⁽¹¹⁾ LS 2 Holdings Limited ⁽¹²⁾	Outside the Group Spackman Entertainment Group Ltd
Mr. Douglas Koh	Within the Group None	Within the Group None
	Outside the Group None	Outside the Group LCT Holdings Limited

Notes:

- (1) On 11 November 2022, the striking off application for J9 Holdings Pte. Ltd. was approved.
- (2) Based on the principal activities set out in its business profile issued by ACRA, Feng Rong Investments Pte. Ltd. engages in the business of (1) chartered bus services – hiring of buses and coaches (including school buses) and (2) other holding companies.
- (3) Based on the principal activities set out in its business profile issued by ACRA, AMK Hub Pte. Ltd. has been struck off on 5 December 2022.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

- (4) Based on the principal activities set out in its business profile issued by ACRA, Gambas Investment Pte. Ltd. engages in the business of other holding companies.
- (5) Based on a search conducted on the bizfile online portal maintained by ACRA, 8 Oriental Asset Pte. Ltd. engages in the business of (1) real estate developers (property developers) and (2) other holding companies (investment holding companies).
- (6) Based on the principal activities set out in its business profile issued by ACRA, SK (Rivervale) Pte. Ltd has been struck off on 5 December 2022.
- (7) Based on the principal activities set out in its business profile issued by ACRA, BB207 Pte. Ltd. engages in the business of other holding companies.
- (8) Based on the principal activities set out in its business profile issued by ACRA, Shelford Investment Holdings Pte. Ltd. engages in the business of other holding companies.
- (9) Seah & Family Pte. Ltd. is our Controlling Shareholder and engages in the business of other holding companies.
- (10) Based on the principal activities set out in its business profile issued by ACRA, SG Watch Market Pte. Ltd. engages in the business of internet search engines.
- (11) Based on the principal activities set out in its business profile issued by ACRA, NHW Pte Ltd engages in the business of other holding companies.
- (12) Based on the principal activities set out in its business profile issued by ACRA, LS 2 Holdings Limited engages in the business of other holding companies.

The Directors have been briefed on the roles and responsibilities of a director of a public-listed company in Singapore.

Each of Mr. Ng Hong Whee and Mr. Douglas Koh has served as a director of one (1) or more public-listed companies in Singapore recently. Mr. Seah Boon Lock and Mr. Seah Qin Quan do not have experience as directors of public-listed companies in Singapore, and will undertake training as prescribed by the SGX-ST pursuant to Practice Note 4D of the Catalist Rules by the end of the first year of our Company's listing on Catalist. As it has been more than five (5) years since Mr. James Wong was last a director of a public-listed company in Singapore, he will also undertake training as prescribed by the SGX-ST pursuant to Practice Note 4D of the Catalist Rules.

None of our Independent Directors have been appointed to the board of any of our subsidiaries.

EXECUTIVE OFFICERS

Our day-to-day operations are entrusted to our CEO and Executive Director, Mr. Seah Qin Quan, who is assisted by our experienced and qualified team of Executive Officers. The particulars of our Executive Officers are set out below:

Name	Age	Designation
Ms. Wee Lay Teng	56	Chief Administrative Officer
Mr. Eric Seow	48	Chief Operating Officer
Mr. Benjamin Zhu	47	Group Financial Controller
Ms. Seah Kun Miao	29	Chief Marketing Officer

The correspondence address of all our Executive Officers is 32 Woodlands Terrace Singapore 738452.

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Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities of our Executive Officers are set out below:

Ms. Wee Lay Teng is our Chief Administrative Officer

Ms. Wee Lay Teng is our Chief Administrative Officer, with 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. 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. 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 43 Food Outlets, four (4) food courts, and 30 CHICHA San Chen tea shops in Singapore.

Mr. Eric Seow is our Chief Operating Officer

Mr. Eric Seow is our Chief Operating Officer, responsible for the operations and development of our Group, and has more than 20 years of experience in the F&B industry. He 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. In August 2011, he joined Koufu Pte. Ltd. as an operations manager of its food court division, 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. In 2012, Mr. Eric Seow oversaw the opening of Koufu's first food court overseas in Macau. Mr. Eric Seow joined our Group in November 2018 as head of operations.

Mr. Benjamin Zhu is our Group Financial Controller

Mr. Benjamin Zhu is our Group Financial Controller, 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. 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. He 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 senior audit manager, 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. 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. 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.

Our Audit and Risk Management Committee, having conducted an interview with our Group Financial Controller, Mr. Benjamin Zhu, and considering the following:

- (a) the qualifications and past working experience of Mr. Benjamin Zhu (as described in the section entitled "Directors, Executive Officers and Staff" of this Offer Document);
- (b) Mr. Benjamin Zhu's past audit, financial and accounting related experiences;

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

- (c) Mr. Benjamin Zhu's demonstration of the requisite competency in finance-related matters of our Group; and
- (d) the absence of negative feedback on Mr. Benjamin Zhu from the representatives of our Group's Independent Auditor and Reporting Accountant, CLA Global TS, as well as our Group's internal auditors, BDO Advisory Pte Ltd,

is of the view that Mr. Benjamin Zhu is suitable for the position of Group Financial Controller of our Group.

Our Audit and Risk Management Committee confirms that, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of our Audit and Risk Management Committee to cause them to believe that Mr. Benjamin Zhu does not have the competence, character and integrity expected of a chief financial officer or equivalent of a listed company. In addition, Mr. Benjamin Zhu shall be subject to performance appraisals by our Audit and Risk Management Committee on an annual basis to ensure satisfactory performance.

Ms. Seah Kun Miao is our Chief Marketing Officer

Ms. Seah Kun Miao is our Chief Marketing Officer and 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. She 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. 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.

There is no arrangement or understanding with a Substantial Shareholder, customer or supplier of our Company or other person, pursuant to which any of our Directors or Executive Officers was selected as a Director or Executive Officer of our Company.

Save that Mr. Seah Boon Lock and Ms. Wee Lay Teng are spouses and are the parents of Mr. Seah Qin Quan and Ms. Seah Kun Miao, who are siblings, none of our Directors or Executive Officers has any family relationships with one another, or with our Substantial Shareholders.

The list of present and past directorships of each Executive Officer over the last five (5) years preceding the date of this Offer Document excluding those held in our Company, is set out below:

Name	Present Directorships	Past Directorships
Mr. Eric Seow	Within the Group	Within the Group
	None	None
	Outside the Group	Outside the Group
	None	None
Mr. Benjamin Zhu	Within the Group	Within the Group
	None	None
	Outside the Group	Outside the Group
	Yancoal International (Singapore) Pte. Ltd ⁽¹⁾	None
	China Haida Ltd. ⁽²⁾	
	BIZ Advisory Pte. Ltd ⁽³⁾	

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Name	Present Directorships	Past Directorships
Ms. Wee Lay Teng	<p>Within the Group</p> <p>None</p>	<p>Within the Group</p> <p>CACC Pte. Ltd. JPCC Pte. Ltd. HILLCC Pte. Ltd. NOVCC Pte. Ltd. NUSCC Pte. Ltd. TAKACC Pte. Ltd. SUNCC Pte. Ltd. 10 (XO Noodle) Pte. Ltd. 108 Sembawang Pte. Ltd. 2 Bukit Panjang Pte. Ltd. 207 (Duck Rice) Pte. Ltd. 480 Local Delight Pte. Ltd. 51 Hougang Pte. Ltd. Admiralty Local Delight Pte. Ltd. Fine Food (Nanyang) Pte. Ltd. Fine Food F&B Pte. Ltd. Punggol WP83 Pte. Ltd. SM30 Simei Pte. Ltd. Ubi 179 Food House Pte. Ltd. Ying's Traditional Food Pte. Ltd. YTP (Yew Tee) Pte. Ltd. Yew Kee Three Pte. Ltd. Yew Kee Two Pte. Ltd. Yew Kee Collective Pte. Ltd. Yew Kee Duck and Noodle House Pte. Ltd. Yew Kee Management Pte. Ltd.</p> <p>Outside the Group</p> <p>AMK Hub Pte. Ltd.⁽⁴⁾ Gambas Investment Pte. Ltd.⁽⁵⁾ SK (Rivervale) Pte. Ltd.⁽⁶⁾ BB207 Pte. Ltd.⁽⁷⁾ Seah & Family Pte. Ltd.⁽⁸⁾</p>
Ms. Seah Kun Miao	<p>Within the Group</p> <p>Yew Kee Duck and Noodle House Pte. Ltd. CNPCC Pte. Ltd. Yew Kee Management Pte. Ltd. Yew Kee Two Pte. Ltd. EASTCC Pte. Ltd. CPOCC Pte. Ltd. KWMCC Pte. Ltd. LOTCC Pte. Ltd. 313CC Pte. Ltd.</p>	<p>Within the Group</p> <p>Yew Kee Collective Pte. Ltd. Joo Koon Eating House Pte. Ltd. 516 Food House Pte. Ltd. Gek Poh (762) Pte. Ltd. Gek Poh Local Delight Pte. Ltd. IMM (SR) Pte. Ltd.</p>

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Name	Present Directorships	Past Directorships
	AMKCC Pte. Ltd. PASCC Pte. Ltd. CTRCC Pte. Ltd. CWPCC Pte. Ltd. WSCC Pte. Ltd. HGMCC Pte. Ltd. HILLCC Pte. Ltd. JEMCC Pte. Ltd. JEWCC Pte. Ltd. JPCC Pte. Ltd. MSQCC Pte. Ltd. NEXCC Pte. Ltd. NOVCC Pte. Ltd. NTUCC Pte. Ltd. PLQCC Pte. Ltd. STARCC Pte. Ltd. NUSCC Pte. Ltd. TPCC Pte. Ltd. WLPCC Pte. Ltd. WPTCC Pte. Ltd. YISCC Pte. Ltd. CACC Pte. Ltd. TAKACC Pte. Ltd. SUNCC Pte. Ltd. YKGI Hawker Management Pte. Ltd.	Jurong Point (JP) Pte. Ltd., Yu Kee Five Pte. Ltd. Yu Kee Food House Pte. Ltd. Penang Kitchen Delight Pte. Ltd. Yu Kee One Pte. Ltd., SBW Local Delight Pte. Ltd. SG5 F&B Pte. Ltd. YK Local Delight Pte. Ltd. 328 Horizon Pte. Ltd.
	Outside the Group	Outside the Group
	Seah & Family Pte. Ltd. ⁽⁸⁾	None

Notes:

- (1) Based on the principal activities set out in its business profile issued by ACRA, Yancoal International (Singapore) Pte. Ltd engages in the business of (1) wholesale of fuels and related products and (2) other holding companies.
- (2) Based on the principal activities set out in its business profile issued by ACRA, China Haida Ltd engages in the business of (1) other holding companies and (2) wholesale of a variety of goods without a dominant product.
- (3) Based on the principal activities set out in its business profile issued by ACRA, BIZ Advisory Pte. Ltd engages in the business of (1) management consultancy services and (2) accounting and corporate tax services.
- (4) Based on the principal activities set out in its business profile issued by ACRA, AMK Hub Pte. Ltd. has been struck off on 5 December 2022.
- (5) Based on the principal activities set out in its business profile issued by ACRA, Gambas Investment Pte. Ltd. engages in the business of other holding companies. As Gambas Investment Pte. Ltd. is an asset owning company with minimal business operations involved other than the collection of rental income derived from rental properties, there are no parties actively managing the business operations of Gambas Investment Pte. Ltd.
- (6) Based on the principal activities set out in its business profile issued by ACRA, SK (Rivervale) Pte. Ltd. has been struck off since 5 December 2022.
- (7) Based on the principal activities set out in its business profile issued by ACRA, BB207 Pte. Ltd. engages in the business of other holding companies. As BB207 Pte. Ltd. is an asset owning company with minimal business operations involved other than the collection of rental income derived from rental properties, there are no parties actively managing the business operations of BB207 Pte. Ltd.
- (8) Seah & Family is our Controlling Shareholder and engages in the business of other holding companies.

STAFF

As at the Latest Practicable Date, we have a workforce of 632 employees, of which 336 are full-time employees. We do not experience any significant seasonal fluctuations in our number of employees. We do not employ a significant number of temporary employees.

None of our employees are unionised. During the Period Under Review, there has not been any incidence of work stoppages or labour disputes that affected our operations. Accordingly, we consider our relationship with our employees to be good.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

The number of employees of our Group as at the end of each of 31 December 2019, 2020 and 2021 and 30 June 2022 segmented by function are as follow:

Function	Number of Employees			
	As at 31 December 2019	As at 31 December 2020	As at 31 December 2021	As at 30 June 2022
General Management and Corporate Development	7	8	6	7
Finance	10	11	11	16
Human Resources, IT and Administration	3	5	5	7
Operations	433	467	585	551
Total	453	491	607	581

The geographical distribution of our Group's full-time employees as at the end of each of 31 December 2019, 2020 2021 and 30 June 2022 is as follow:

Country	Number of Employees			
	As at 31 December 2019	As at 31 December 2020	As at 31 December 2021	As at 30 June 2022
Singapore	453	491	607	581
Total	453	491	607	581

The increase in our number of employees between FY2020 and FY2021 was due to the opening of new Food Outlets and CHICHA San Chen tea shops, for which our Group required more manpower.

REMUNERATION OF DIRECTORS, EXECUTIVE OFFICERS AND RELATED EMPLOYEES

Directors and Executive Officers

The remuneration paid to our Directors and Executive Officers (which includes benefits-in-kind and bonuses) for services rendered to us on an aggregate basis and in remuneration bands of S\$250,000 during FY2020 and FY2021 (being the two (2) most recent completed financial years) and as estimated for FY2022 (excluding bonuses under any profit-sharing plan or any other profit-linked agreement(s)) are as follow:

	FY2020	FY2021	FY2022 ⁽¹⁾
Directors			
Mr. Seah Boon Lock	A	A	A
Mr. Seah Qin Quan	A	A	B
Mr. James Wong	—	—	A
Mr. Ng Hong Whee	—	—	A
Mr. Douglas Koh	—	—	A
Executive Officers			A
Mr. Eric Seow	A	A	A
Mr. Benjamin Zhu	—	—	A
Ms. Wee Lay Teng	A	A	A
Ms. Seah Kun Miao	A	A	A

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Notes/Legend:

- (1) Estimated
- (2) Band A: Compensation from S\$0 to S\$250,000 per annum.
- (3) Band B: Compensation from S\$250,001 to S\$500,000 per annum.
- (4) Band C: Compensation from S\$500,001 to S\$750,000 per annum.
- (5) Not in our employment or appointed during the relevant periods.

No remuneration was paid or is to be paid in the form of share options to any of our Directors, Executive Officers or employees.

As at the Latest Practicable Date, save as required for compliance with the applicable laws of Singapore, we have not set aside or accrued any amounts to provide for pension, retirement or similar benefits for our employees and Directors.

Related Employees

As at the Latest Practicable Date, save for Ms. Wee Lay Teng, Ms. Seah Kun Miao, Mr. Seah Boon Keng and Mr. Lim Fah Choy, none of our employees are immediate family members or are otherwise related to our Directors, CEO or Substantial Shareholders. Our Chief Administrative Officer, Ms. Wee Lay Teng is the wife of our Executive Chairman and Executive Director, Mr. Seah Boon Lock and the mother of our CEO and Executive Director, Mr. Seah Qin Quan. Our Chief Marketing Officer, Ms. Seah Kun Miao is the daughter of our Executive Chairman and Executive Director, Mr. Seah Boon Lock and the sister of our CEO and Executive Director, Mr. Seah Qin Quan. Mr. Seah Boon Keng is a hygiene officer of our Group and the brother of our Executive Chairman and Executive Director, Mr. Seah Boon Lock. Mr. Lim Fah Choy is an area manager of our Group and the brother-in-law of our Executive Chairman and Executive Director, Mr. Seah Boon Lock.

Save as set out below, none of our employees is an immediate family member of our Directors or CEO, and whose remuneration exceeds S\$50,000 during the two (2) most recently completed financial years. For completeness, Mr. Seah Boon Keng's remuneration did not exceed S\$50,000 during the two (2) most recently completed financial years.

	FY2020	FY2021
Employee		
Ms. Wee Lay Teng	C	C
Ms. Seah Kun Miao	B	D

Notes:

- (1) Band A: Compensation from S\$0 to S\$50,000 per annum.
- (2) Band B: Compensation from S\$50,001 to S\$100,000 per annum.
- (3) Band C: Compensation from S\$100,001 to S\$150,000 per annum.
- (4) Band D: Compensation from S\$150,001 to S\$200,000 per annum.

The remuneration of employees who are related to our Directors, CEO or Substantial Shareholders will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee. In addition, any new employment of related employees and the proposed terms of their employment will be subject to the review and approval of our Nominating Committee. In the event that a member of our Remuneration Committee or the Nominating Committee is related to the employee under review, he will abstain from the review.

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In line with the Code of Corporate Governance 2018, we will disclose in our annual report details of the remuneration of employees who are Substantial Shareholders, or who are immediate family members of our Directors, our CEO or Substantial Shareholder, and whose remuneration exceeds S\$100,000 during the year, in bands of no wider than S\$100,000.

SERVICE AGREEMENTS

On 1 November 2022, our Company entered into a Service Agreement with each of Mr. Seah Boon Lock and Mr. Seah Qin Quan (“**Executive**”) for an initial term of five (5) years each (“**Initial Term**”). During the Initial Term, the Service Agreements may be terminated by either party upon giving to the other party notice in writing of six (6) months or by the Company paying the Executive an amount equal to six (6) months’ salary in lieu of notice. Upon expiry of the Initial Term, the Service Agreements shall be automatically renewed on a yearly basis and may be terminated by either party upon giving to the other party notice in writing of six (6) months or by the Company paying the Executive an amount equal to six (6) months’ salary in lieu of notice. Our Company may also terminate the employment of an Executive immediately without prior notice if the Executive shall at any time:

- (a) commit any material or repeated breach of any of the provisions contained in the Service Agreement;
- (b) be guilty of dishonesty, any grave or wilful misconduct or gross neglect or gross negligence in the discharge of his duties under the Service Agreement or shall commit any continued material breach of the terms of the Service Agreement after written warning (other than a breach which is capable of remedy and has been remedied by the Executive to the satisfaction of the Board within 30 days upon his being called upon to do so in writing by the Board);
- (c) become bankrupt, applies for a bankruptcy petition or has a bankruptcy order made against him, applies for or has made against him a receiving order or makes any composition or enters into any deed of arrangement with his creditors;
- (d) be guilty of conduct tending to bring himself or our Company into disrepute or to prejudice the business interest of our Group;
- (e) become of unsound mind;
- (f) become prohibited by law or any order from any regulatory body or governmental authority from being, or cease to be, an employee of the Company for any reason whatsoever;
- (g) be disqualified or prohibited from acting as a director or as a key executive officer of managerial position in any jurisdiction by reason of an order made by any competent court for reasons under any applicable laws or regulations, our Constitution or any Catalist Rules other than on technical grounds;
- (h) commit any act of criminal breach of trust or dishonesty;
- (i) neglect or refuse, without reasonable cause, to attend to the business of our Group to which he is assigned duties;
- (j) be convicted of any offence (save for an offence under road traffic legislation for which he is not sentenced to any term of immediate or suspended imprisonment or an offence which in the reasonable opinion of our Board does not affect his position in our Company) or has any judgement, including findings, in relation to fraud, misrepresentation or dishonesty, given against him, whether or not in connection with or referable to his employment;
- (k) flagrantly or persistently fail to observe and perform any of the duties and responsibilities imposed by the Service Agreement or which are imposed by any laws, regulations or administrative directions, whether having the force of law or otherwise;

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

- (l) be found to have made illegal monetary profit or received any gratuities or other rewards (whether in cash or kind) out of any of our Group's affairs;
- (m) terminate any other contracts signed with any Group company due to reasons other than termination by mutual agreement between the Executive and such company; and/or
- (n) cease to hold the office of director pursuant to our Company's constitution or is disqualified from holding the office of, or acting as, a director of any company, pursuant to any applicable law or any Catalyst Rules, for whatever reason.

Save as disclosed above, there are no existing or proposed service agreements between our Group and any of our Directors. There is also no existing or proposed service agreement entered or to be entered into by our Directors with our Company or our subsidiaries which provide for benefits upon termination of employment.

Pursuant to the terms of their respective Service Agreements, each of Mr. Seah Boon Lock and Mr. Seah Qin Quan are entitled to (a) a monthly salary of S\$40,000 and S\$34,000 respectively; (b) an annual wage supplement of one (1) month's basic salary per annum; (c) a performance bonus ("**Performance Bonus**") in respect of each financial year commencing from FY2023 which is calculated based on the consolidated profit before tax ("**PBT**") of our Group, excluding (i) any exceptional or extraordinary items of our Group, (ii) effects of any one-off gains or losses, and (iii) non-controlling interests; (d) a monthly transport allowance of S\$5,000 in respect of Mr. Seah Boon Lock and S\$3,000 in respect of Mr. Seah Qin Quan; and (e) any other benefits and/or participation in schemes provided for in our Company's human resource policies.

The Performance Bonus for the Executives are calculated as follows:

No.	PBT attained	Performance Bonus (Mr. Seah Boon Lock)	Performance Bonus (Mr. Seah Qin Quan)
(a)	Less than S\$5 million	At the discretion of the Remuneration Committee.	At the discretion of the Remuneration Committee.
(b)	Equal to or more than S\$5 million but less than S\$6 million	1.5%	0.5%
(c)	Equal to or more than S\$6 million but less than S\$7 million	3.0% on the amount exceeding S\$6.0 million plus S\$90,000	2.0% on the amount exceeding S\$6.0 million plus S\$30,000
(d)	Equal to or more than S\$7 million but less than S\$8 million	4.0% on the amount exceeding S\$7.0 million plus S\$120,000	3.0% on the amount exceeding S\$7.0 million plus S\$50,000
(e)	Equal to or more than S\$8 million	5.0% on the amount exceeding S\$8.0 million plus S\$160,000	4.0% on the amount exceeding S\$8.0 million plus S\$80,000

The Service Agreements contain restrictions on the disclosure of our confidential information, including trade secrets and information relating to customers of our Group. Pursuant to the terms of the Service Agreements, Mr. Seah Boon Lock and Mr. Seah Qin Quan shall declare all conflicts of interest and all direct and deemed interests (whether financial or otherwise) which he and/or his respective associates may have in any company or companies which are or which may from time to time be doing business with our Group or which are or which may from time to time be in direct or indirect competition with our Group in all relevant matters put before the Board for its decision and abstain from making any recommendations, shall not engage in any activities in competition with our Group's business or carry out any activities detrimental to the interests of our Group and Mr. Seah Boon Lock shall also comply with the provisions of the Non-Compete Undertaking, more details of which are set out in the section entitled "Interested Person Transactions" of this Offer Document.

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None of the Service Agreements contain any clause whereby our Company may pay a gratuity or other retirement, superannuation, death or disability benefits to any of them or to his widow or dependents or relations or connections or to any persons in respect or may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

Had the Service Agreements been in place with effect from FY2021, the aggregate remuneration paid to the Executive Directors for FY2021 would have been approximately S\$1.1 million instead of approximately S\$0.4 million and our Group's profit before income tax for FY2021 would have decreased by approximately S\$0.7 million to approximately S\$8.9 million.

Save as disclosed above, as well as commissions and incentive payments payable to our selected employees in the ordinary course of our business, the Yew Kee ESOS and Yew Kee PSP, there are no bonus or profit-sharing plans or any other profit-linked agreements or arrangements between our Group and any of our Directors, Executive Officers or employees.

CORPORATE GOVERNANCE

Corporate governance refers to the processes and structure by which the business and affairs of a company are directed and managed, in order to enhance long term shareholder value through enhancing corporate performance and accountability. Good corporate governance therefore embodies both enterprise (performance) and accountability (conformance).

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders. Our Board of Directors has formed three (3) committees:

(a) a Nominating Committee, (b) a Remuneration Committee, and (c) an Audit and Risk Management Committee.

Each committee formed has written terms of reference which clearly set out the authority and duties of the committee.

We have five (5) Directors on our Board of Directors, of which three (3) are Independent Directors.

Our Independent Directors do not have any existing business or professional relationship with our Group, our other Directors and/or Substantial Shareholders. Our Independent Directors are also not related to our other Directors and/or Substantial Shareholders.

In addition, we have appointed Mr. James Wong as our Lead Independent Director. The Lead Independent Director will be available to Shareholders where they have concerns for which contact through the normal channels of our Executive Chairman and CEO or management has not resolved or for which such contact is inappropriate or inadequate.

Our Directors are of the view that given the current board composition and based on the above, there are sufficient safeguards and checks to ensure that the process of decision-making by our Board is independent and based on collective decision-making.

Audit and Risk Management Committee

Our Audit and Risk Management Committee comprises Mr. James Wong, Mr. Ng Hong Whee and Mr. Douglas Koh. The chairman of our Audit and Risk Management Committee is Mr. James Wong.

The quorum for any meeting of the Audit and Risk Management Committee shall be any three (3) members, including the chairman of our Audit and Risk Management Committee.

Mr. James Wong and Mr. Ng Hong Whee have recent and relevant accounting or related financial management expertise or experience.

Our Audit and Risk Management Committee will assist our Board in discharging its responsibility to safeguard our assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group.

Our Audit and Risk Management Committee will provide a channel of communication between our Board, our management and our external auditors on matters relating to audit.

Our Audit and Risk Management Committee shall meet periodically to perform, among others, the following functions:

- (a) assist our Board in fulfilling its responsibility for overseeing the integrity of our Company's system of accounting and financial reports and in maintaining a high standard of transparency and reliability in its corporate disclosures;
- (b) review, with the internal and external auditors, the relevance and consistency of the accounting standards, the audit plans, scope of work, their evaluation of our system of internal controls, risk management system and accounting system, audit reports, their management letters and our management's response, and the results of audits compiled by our internal and external auditors, and will review at regular intervals with our management the implementation by our Group of the internal control recommendations made by our internal and external auditors;

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- (c) review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of our Group and any formal announcements relating to our Group's financial performance before submission to our Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments arising from the audit, compliance with accounting standards, compliance with the Catalist Rules and any other statutory and regulatory requirements, concerns and issues arising from their audits including review of the assistance given by our management to the internal and external auditors, and any matters which the auditors may wish to discuss in the absence of our management, where necessary, before submission to our Board for approval;
- (d) review and report to the Board, at least annually, the adequacy and effectiveness of our Group's internal control procedures (including financial, operational, compliance and information technology controls), and risk management systems and have oversight of the internal control processes of our Group;
- (e) meet with the external auditors, and with the internal auditors, in each case without the presence of our management, at least annually;
- (f) review and discuss with our internal auditors and our external auditors, any issues and concerns arising from the internal audits and the external audits, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on our Group's financial performance or financial position and our management's response;
- (g) review our key financial risk areas, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET;
- (h) review and approve all hedging policies implemented by our Group (if any) and conduct periodic review of foreign exchange transactions and hedging policies and procedures;
- (i) review the co-operation given by our management to our internal and external auditors, where applicable;
- (j) review the adequacy, effectiveness, independence and objectivity, scope and results of the external audit and the Company's internal audit function;
- (k) make recommendations to the Board on the proposals to the shareholders on the appointment and removal of external auditors and their remuneration and terms of engagement as well as consider the appointment or re-appointment of the internal auditors, including approving their remuneration and terms of engagement and ensuring 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 internationally recognised professional bodies, where applicable;
- (l) where applicable, ensuring that the internal audit function has unfettered access to all our Group's documents, records, properties and personnel, including our Audit and Risk Management Committee, and has appropriate standing within our Group;
- (m) review and approve any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules and review procedures thereof;
- (n) review potential conflicts of interests if any, set out a framework to resolve or mitigate any potential conflicts of interests, monitor compliance with such framework, and propose additional measures where appropriate;

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- (o) review the whistle-blowing policy and ensure that we publicly disclose, clearly communicate to our employees the existence of a whistle-blowing policy and review such procedures by which employees of our Group may, in confidence, report to the chairman of our Audit and Risk Management Committee, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for the receipt, retention and treatment of complaints received by our Group (including criminal offences involving our Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on our Group), the independent investigation and follow-up actions thereto;
- (p) review transactions falling within the scope of Chapter 10 of the Catalist Rules, if any;
- (q) review and approve transfer pricing policies implemented by our Group and conduct periodic review of such transfer pricing policies;
- (r) review the assurance from our CEO and Group Financial Controller on our financial records and financial statements;
- (s) appraise the performance of our Group Financial Controller on an annual basis;
- (t) review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of our Company and any announcements relating to our financial performance;
- (u) review our Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;
- (v) undertake such other reviews and projects as may be requested by our Board, and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit and Risk Management Committee;
- (w) monitor the use of our proceeds from the Placement;
- (x) monitor the adequacy of our current system of monitoring debtors' aging profile and ensure that such aspect will be included as part of the review scope for subsequent internal audits;
- (y) undertake generally such other functions and duties as may be required by law, the Code of Corporate Governance or the Catalist Rules, and by such amendments made thereto from time to time;
- (z) review and approve our Group's exercise of the right of first refusal over Mr. Seah Boon Lock's existing interests in the Foodpark Entities as set out in the Non-Compete Undertaking;
- (aa) review and approve our Group's exercise of the right of first refusal over the Lease ROFR as described in the section entitled "Interested Person Transactions - Potential Conflicts of Interests" of this Offer Document;
- (bb) review and determine whether the shareholding interests (direct, indirect or otherwise) of Mr. Seah Boon Lock in companies with business in competition with the business of (i) food and beverage operations, (ii) food court management and (iii) franchising and sub-franchising, and/or such other business as may be carried out by our Group from time to time or in the business of the management of coffee shops or hawker centres to decide whether a conflict of interest exists in relation to such investments;
- (cc) review and approve any amendments and/or waivers to the terms of the Non-Compete Undertaking;
- (dd) reviewing our Group's implementation of the internal control recommendations made by our internal auditors;

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- (ee) reviewing the implementation by our Group of the internal control recommendations made by the internal auditors and following up on and review of the effective implementation of the proposed rectification measures for the outstanding internal controls weaknesses identified by the internal auditors during process of the due diligence undertaken in preparation for the Listing;
- (ff) reviewing the procedures and policies put in place to ensure the compliance with various laws and regulations, including all laws and regulations imposed by the MOM, NEA, Singapore Food Agency and IRAS; and
- (gg) monitor compliance with our obligations under the Master Franchise Agreement.

Apart from the duties listed above, our Audit and Risk Management Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on our Group's operating results and/or financial position. In the event that a member of our Audit and Risk Management Committee is interested in any matter being considered by our Audit and Risk Management Committee, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

Our Company has commissioned BDO Advisory Pte Ltd, as internal auditors, to conduct a review and assessment of the pertinent business process and operations of our Group, including:

- (i) general controls / period end closing;
- (ii) compliance monitoring including in respect of the PDPA;
- (iii) risk management;
- (iv) revenue and receivables;
- (v) procurement and payments;
- (vi) cash and bank management;
- (vii) fixed asset management;
- (viii) information technology general controls;
- (ix) human resources and payroll management;
- (x) inventory management;
- (xi) F&B operations; and
- (xii) quality control and customer service management.

Our Directors noted that no material internal control weakness has been raised by the internal auditors in the course of its internal audit.

Currently, based on the internal controls established and maintained by our Group, work performed by the internal and external auditors, and reviews performed by our management, our Board, to the best of its knowledge and belief, with the concurrence of our Audit and Risk Management Committee, is of the opinion that (i) our Group's current risk management systems are adequate and effective; and (ii) the internal controls of our Group are adequate and effective in addressing the financial, operational, compliance and information technology risks of our Group. These include monitoring compliance with our obligations under the Master Franchise Agreement, tax obligations, stamp duty payment obligations on our leases, preventing theft or pilferage at our Food Outlets and monitoring our loyalty points programme as well as compliance with the relevant laws and regulations we are subject to, such as in relation to the Singapore Food Agency and under the PDPA.

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In preparation for our Listing, our Audit and Risk Committee has held discussions with the internal auditors, BDO Advisory Pte Ltd, in relation to our internal controls. During the course of discussions, our Audit and Risk Committee was given a broad overview of our Group's current internal control procedures. Our Board also noted that the internal auditors has confirmed that they are satisfied that the management of our Group has adequately addressed all material points raised in relation to our Group's internal control weaknesses. Further, the internal auditors have also reviewed, where applicable, the effectiveness of measures put in place and/or enhanced by our Group to mitigate and to the extent possible prevent the recurrence of past non-compliances. Where any outstanding internal control weaknesses remain, a follow up review will be conducted post-Listing as part of the internal audit plan on such outstanding internal control weaknesses. The scope of the internal auditors' overall internal control environment assessment covered the operating entities of our Group. The review was conducted on the key business processes of (a) regulatory compliance, including compliance with the PDPA, (b) revenue and receivables, (c) procurement and payments, (d) general controls and period end closing, (e) inventory management, (f) human resources and payroll management, (g) fixed assets management, (h) general controls for information technology matters, (i) cash and bank management, (j) F&B operations / Food Outlets management, (k) quality control and customer service management, and (l) risk management.

Our Group and our Audit and Risk Management Committee will continue to outsource the internal audit function of our Group. Our Group shall commission an annual internal controls audit by a suitable accounting firm approved by our Audit and Risk Management Committee, to review and assess the adequacy and effectiveness of our Group's risk management and internal control systems, including financial, operational, compliance and information technology controls of our Group. The appointed internal auditors will report directly to our Audit and Risk Management Committee. Before each annual internal audit, the internal auditors will propose an internal audit plan to our Audit and Risk Management Committee and obtain the approval of our Audit and Risk Management Committee before the internal auditors can proceed with the internal audit plan. The findings of such internal audit will be submitted by the appointed internal auditors to our Audit and Risk Management Committee for their review. Prior to the decommissioning of such internal audit, our Company will report to the Sponsor and Issue Manager on how any key internal control weaknesses have been rectified, and the basis for the decision to decommission the annual internal control audit. Appropriate disclosures will be made via SGXNET or in our annual report of any such decision. Thereafter, such audits may be re-initiated by our Audit Committee as and when it deems fit to satisfy itself that our Company's internal controls remain robust and effective.

Nominating Committee

Our Nominating Committee comprises Mr. Ng Hong Whee, Mr. James Wong and Mr. Douglas Koh. The chairman of our Nominating Committee is Mr. Ng Hong Whee. The quorum for any meeting of the Nominating Committee shall be any three (3) members, including the chairman of our Nominating Committee. Our Lead Independent Director, Mr. James Wong, is a member of our Nominating Committee.

Our Nominating Committee will be responsible for, among others:

- (a) reviewing and recommending the appointment of new Directors and Executive Officers (including alternate Directors, if applicable) and re-nomination of our Directors having regard to each Director's contribution, performance and ability to commit sufficient time, resources and attention to the affairs of our Group, and each Director's respective commitments outside our Group including his principal occupation and board representations on other companies, if any. Our Nominating Committee will conduct such reviews at least once a year, or more frequently as it deems fit;
- (b) determining and recommending to our Directors the maximum number of listed company board representations which any Director may hold and disclosing this in our Company's annual report;
- (c) where a Director has multiple board representations, deciding whether the Director is able and has been adequately carrying out his duties as a Director, taking into consideration the competing time commitments that are faced by the Director's number of listed company board representations and discharging his duties toward other principal commitments;

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- (d) determining annually, and as and when circumstances require, whether or not a Director is independent;
- (e) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director;
- (f) developing and recommending a process for evaluating the performance of our Board as a whole and its committees, and for assessing the contribution of each Director to the effectiveness of our Board and proposing objective performance criteria, as approved by our Board that allows comparison with our industry peers, and address how our Board has enhanced long-term shareholders value;
- (g) reviewing the Board composition and our Directors' mix of skills, experience, core competencies, and knowledge and other aspects of diversity such as gender and age of our Group that our Board requires to function competently and efficiently and to avoid groupthink and foster constructive debate;
- (h) developing and maintaining a formal and transparent process for the selection, appointment and re-appointment of Directors;
- (i) monitoring the progressive renewal of the Board;
- (j) recommending to the Board on matters relating to the review of succession plans for our Executive Directors and key management personnel;
- (k) recommending to the Board on matters relating to the review of the training and professional development programmes for the Board and its Directors;
- (l) ensuring that new Directors are aware of their duties and obligations;
- (m) reviewing and approving the employment of persons related to our Directors, CEO or Substantial Shareholders and the proposed terms of their employment;
- n) review and approve our Group's exercise of the right of first refusal over Mr. Seah Boon Lock's existing interests in the Foodpark Entities as set out in the Non-Compete Undertaking;
- (o) review and determine whether the shareholding interests (direct, indirect or otherwise) of Mr. Seah Boon Lock in companies with business in competition with the business of (i) food and beverage operations, (ii) food court management and (iii) franchising and sub-franchising, and/or such other business as may be carried out by our Group from time to time or in the business of the management of coffee shops or hawker centres to decide whether a conflict of interest exists in relation to such investments; and
- (p) for as long as Spackman's independent review of the Past Transactions remains outstanding, monitor the status of such independent review and in particular, in relation to Mr. Ng Hong Whee's involvement as its independent director, and review his suitability as our Group's independent director upon any material developments of this matter. For the avoidance of doubt, Mr. Ng Hong Whee, being a member of the Nominating Committee, will recuse himself from the discussions pertaining to the matters in this sub-paragraph (p). Please refer to the section entitled "General and Statutory Information" of this Offer Document for more details on Spackman's independent review and the Past Transactions.

Each member of our Nominating Committee will not take part in determining his own re-nomination or independence and shall abstain from voting on any resolutions in respect of the assessment of his performance, independence or re-nomination as Director.

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Our Nominating Committee will propose the objective performance criteria and how our Board's performance is to be evaluated, subject to the approval of our Board, which address how our Board has enhanced long term Shareholders' value. In addition, our Directors will also implement a process to be carried out by our Nominating Committee for assessing effectiveness of our Directors as a whole, and for assessing the contribution of each individual Director to the effectiveness of our Board of Directors.

Nominating Committee's view of our Independent Directors

In assessing the suitability and independence of our Independent Directors, our Nominating Committee has considered the guidance from the Code of Corporate Governance. The Code of Corporate Governance requires that the board of directors of a company listed on the SGX-ST ("**Listco**") has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Listco.

Under the Code of Corporate Governance, an "independent director" is one who is independent in conduct, character and judgment, and has no relationship with the Listco, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment in the best interests of the Listco.

Under the Catalist Rules, a director who falls under the following circumstances is not independent:

- (i) if he is employed by the Listco or any of its related corporations for the current or any of the past three financial years;
- (ii) if he has an immediate family member who is, or has been in any of the past three financial years, employed by the Listco or any of its related corporations and whose remuneration is determined by the remuneration committee of the Listco; and
- (iii) if he has been a director of the issuer for more than nine (9) years whether before or after listing. Such director may continue to be considered independent until the conclusion of the next annual general meeting of the Listco, with effect from a Listco's annual general meeting for the financial year ending on or after 31 December 2023.

Other examples of relationships which should deem a director not to be independent include:

- (A) a director, or a director whose immediate family member, in the current or immediate past financial year, provided to or received from the Listco or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services), other than compensation for board service. The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material. As a guide, payments aggregated over any financial year in excess of S\$50,000 should generally be deemed significant;
- (B) a director, or a director whose immediate family member, in the current or immediate past financial year, is or was, a substantial shareholder or a partner in (with 5.0% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the Listco or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services). The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material. As a guide, payments aggregated over any financial year in excess of S\$200,000 should generally be deemed significant irrespective of whether they constitute a significant portion of the revenue of the organisation in question; and
- (C) a director who is or has been directly associated with a substantial shareholder of the Listco, in the current or immediate past financial year. A director is considered "directly associated" with a substantial shareholder when he is accustomed or under the obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder in relation to the corporate affairs of the Listco. A director will not be considered "directly associated" with a substantial shareholder by reason only of his or her appointment having been proposed by that substantial shareholder.

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Our Nominating Committee, after having considered the following:

- (a) the number of listed company directorships held by each of our Independent Directors;
- (b) the principal occupation and commitments of our Independent Directors;
- (c) the confirmations by our Independent Directors that they are each able to devote sufficient time and attention to the matters of our Group;
- (d) the confirmations by our Independent Directors that each of them is not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of any Substantial Shareholder of our Company, has no material relationship with our Company, its related corporations or with any directors of these corporations, its Substantial Shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of his or her independent business judgement with a view to the best interests of our Company;
- (e) the professional experience and expertise of our Independent Directors in different areas of specialisation; and
- (f) the composition of our Board,

is of the opinion that (i) our Independent Directors do not have any relationship with our Group, our Substantial Shareholders or our Executive Officers which could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment with a view to the best interests of the Company; (ii) each of our Independent Directors is individually and collectively able to commit sufficient time and resources to discharge their respective duties, and are suitable and possess the relevant experience to be appointed as Independent Directors of our Company; and (iii) our Independent Directors, as a whole, represent a strong and independent element on the Board which is able to exercise objective judgement on corporate affairs independently from the Substantial Shareholders.

Remuneration Committee

Our Remuneration Committee comprises Mr. Douglas Koh, Mr. Ng Hong Whee and Mr. James Wong. The chairman of our Remuneration Committee is Mr. Douglas Koh. The quorum for any meeting of the Remuneration Committee shall be any three (3) members, including the chairman of our Remuneration Committee.

Our Remuneration Committee will, among others, recommend to our Board a framework of remuneration for our Directors, CEO and Executive Officers, and determine specific remuneration packages for each Executive Director and Executive Officer and ensure that the remuneration policies and systems of our Group support our Group's objectives and strategies and are consistently administered and being adhered to within our Group. The recommendations of our Remuneration Committee will be submitted for endorsement by our entire Board. All aspects of remuneration of the Board and Executive Officers, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be reviewed by our Remuneration Committee. In the case of service contracts, our Remuneration Committee shall review our obligations arising in the event of termination of an Executive Director or Executive Officer's service contract, to ensure that such service contracts contain fair and reasonable termination clauses which are not overly generous.

The remuneration of employees who are related to our Directors, CEO or Substantial Shareholders will also be reviewed annually by our Remuneration Committee to ensure that their remuneration package are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Our Remuneration Committee will also review and approve any bonuses, pay increments and/or promotions for these related employees. In addition, any new employment of related staff and the proposed terms of their employment will also be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the staff under review, he or she will abstain from the review.

CORPORATE GOVERNANCE

Our Remuneration Committee shall also ensure that the level and structure of remuneration of our Board and our Executive Officers are appropriate and proportionate to the sustained performance and value creation of our Company, taking into account the strategic objectives of our Company, and should be aligned with the long-term interest and risk policies of our Group and should be appropriate, to attract, retain and motivate (a) our Directors to provide good stewardship of our Group and (b) our Executive Officers to successfully manage our Company and our Group for the long term, as well as ensure accountability of our Group.

Each member of the Remuneration Committee shall abstain from voting on any resolutions and/or participating in deliberations in respect of his remuneration package or that of employees related to him.

BOARD PRACTICES

Our Directors are appointed by our Shareholders at a general meeting, and an election of Directors takes place annually. Our Constitution provides that our Board will consist of not less than two (2) Directors. Save for our Executive Chairman and Executive Director, Mr. Seah Boon Lock, and our CEO and Executive Director, Mr. Seah Qin Quan, with whom we have entered into service agreements, our Directors do not have fixed terms of office. The Service Agreements for Mr. Seah Boon Lock and Mr. Seah Qin Quan provide that the Initial Term shall be for a period of five (5) years. Accordingly, the Initial Term will expire in 31 October 2027. Each Director is required to retire from office once every three (3) years and for this purpose, at each annual general meeting, one-third (or, if their number is not a multiple of three (3), the number nearest to but not lesser than one-third) of our Directors is required to retire from office by rotation. Directors who retire are eligible to stand for re-election.

The remuneration of employees who are related to our Directors, CEO or Substantial Shareholders will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee. In addition, any new employment of related employees and the proposed terms of their employment will be subject to the review and approval of our Nominating Committee. In the event that a member of our Remuneration Committee or the Nominating Committee is related to the employee under review, he will abstain from the review.

In line with the Code of Corporate Governance, we will disclose in our annual report details of the remuneration of employees who are Substantial Shareholders, or who are immediate family members of our Directors, our CEO or Substantial Shareholder, and whose remuneration exceeds S\$100,000 during the year, in bands of no wider than S\$100,000.

Our Constitution has been summarised and set out in “Appendix D – Summary of our Constitution” of this Offer Document.

YEW KEE EMPLOYEE SHARE OPTION SCHEME

In conjunction with our listing on Catalist, we have adopted the Yew Kee ESOS, which was approved at an Extraordinary General Meeting of our Shareholders held on 23 December 2022. The rules of the Yew Kee ESOS are set out in “Appendix G – Rules of the Yew Kee Employee Share Option Scheme” of this Offer Document. These rules comply with the requirements set out in the Catalist Rules and the Companies Act.

The Yew Kee ESOS will provide eligible participants (“**ESOS Participants**”) with an opportunity to participate in the equity of our 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 the ESOS Participants are important to the success and continued well-being of our Group. Implementation of the Yew Kee ESOS will enable our Company to give recognition to the contributions made by such ESOS Participants.

As at the Latest Practicable Date, no Options have been granted under the Yew Kee ESOS.

The rules of the Yew Kee ESOS may be inspected by Shareholders at the registered office of our Company for a period of six (6) months from the date of this Offer Document.

Objectives of the Yew Kee ESOS

The Yew Kee ESOS will provide an opportunity for ESOS Participants who have contributed significantly to the growth and performance of our Group to participate in the equity of our Company. It recognises the fact that the services of ESOS Participants are important to the success and continued well-being of our Group. Implementation of the Yew Kee ESOS will enable our Company to give recognition to such ESOS Participants. At the same time, it will give such ESOS Participants an opportunity to have a direct interest in our Company at no direct cost to its profitability and will also help achieve the following positive objectives:

- (a) motivate ESOS Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group;
- (b) to retain key employees and directors whose contributions are essential to the long-term growth and prosperity of our Group;
- (c) to instil loyalty to, and a stronger identification by ESOS Participants with the long-term prosperity of our Group;
- (d) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders; and
- (e) to align the interests of the ESOS Participants with the interests of the Shareholders.

Summary of the Rules of the Yew Kee ESOS:

1. Eligibility

The Group Executives shall be eligible to participate in the Yew Kee ESOS, at the absolute discretion of the Remuneration Committee. The Participant must also not be an undischarged bankrupt and must not have entered into a composition with his creditors. For this purpose, “**Group Executives**” means full time employees of our Group and Directors of our Company (including non-executive Directors) who have attained the age of 21 years and hold such rank as may be designated by the Remuneration Committee from time to time.

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 Remuneration Committee if their participation and the terms of each grant of Options 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 Options 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 our 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 Participant.

YEW KEE EMPLOYEE SHARE OPTION SCHEME

Directors and full-time employees of our Company's parent company and its subsidiaries who have contributed to the success and development of our Company shall not be eligible to participate in the Yew Kee ESOS unless they are Group Executives. Where any Group Executives are also directors or full-time employees of our Company's parent company and/or its subsidiaries, the Company will ensure compliance with the Catalist Rules in the grant of any Options (including seeking shareholders' approval by way of independent resolution where required), and will make the necessary disclosures in its annual report on the number of options granted to such directors and full-time employees in accordance with the Catalist Rules.

2. Yew Kee ESOS Administration

The Yew Kee ESOS shall be administered by the Remuneration Committee, in its absolute discretion with such powers and duties as are conferred on it by the Board of Directors of our Company, provided that no member of the Remuneration Committee shall participate in any deliberation or decision in respect of Options granted or to be granted to him. Please see the section entitled "Corporate Governance – Remuneration Committee" for details of our Remuneration Committee.

Subject to the Catalist Rules, our Remuneration Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Yew Kee ESOS) for the implementation and administration of the Yew Kee ESOS as it thinks fit.

Any decision of our Remuneration Committee, made pursuant to any provision of the Yew Kee ESOS (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Yew Kee ESOS or any rule, regulation, or procedure thereunder or as to any rights under the Yew Kee ESOS).

Neither the Yew Kee ESOS nor the grant of Options under the Yew Kee ESOS shall impose on the Company or the Remuneration Committee any liability whatsoever in connection with:

- (a) the lapsing or early expiry of any Options pursuant to any provision of the Yew Kee ESOS;
- (b) the failure or refusal by the Remuneration Committee to exercise, or the exercise by the Remuneration Committee of, any discretion under the Yew Kee ESOS; and/or
- (c) any decision or determination of the Remuneration Committee made pursuant to any provision of the Yew Kee ESOS.

3. Size of the Yew Kee ESOS

The aggregate number of Shares over which the Remuneration Committee 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 granted under any other share option schemes or share schemes of our Company, including the Yew Kee ESOS, shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by our Company as treasury shares and subsidiary holdings from time to time) on the day immediately preceding the Offer Date of the Option.

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 25.0% 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 10.0% of the Shares available under the Yew Kee ESOS.

4. Maximum Entitlements

The aggregate number of Shares in respect of which Options may be offered to a Grantee for acquisition in accordance with the Yew Kee ESOS shall be determined at the discretion of the Remuneration Committee who shall take into account criteria such as rank, past performance, years of service and potential development of the Grantee (as defined below).

YEW KEE EMPLOYEE SHARE OPTION SCHEME

5. Options, Exercise Period and Acquisition Price

Subject to the rules of the Yew Kee ESOS in relation to adjustments, the Exercise Price (as defined below) for each Share in respect of which an Option is exercisable shall be determined by the Remuneration Committee at its absolute discretion, and shall be fixed by the Remuneration Committee at:

- (a) the market price; or
- (b) a price which is set at a discount to the market price, the quantum of such discount to be determined by the Remuneration Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20.0% of the market price in respect of that Option, or such other percentage as may be prescribed by the Catalyst Rules.

In making any determination on whether to give a discount and the quantum of such discount as set out above, our Remuneration Committee shall take into consideration such criteria as our Remuneration Committee may, at its absolute discretion, deem appropriate, including but not limited to:

- (a) the performance of our 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 Group Executive (as defined below);
- (c) the contribution of the eligible Participant to the success and development of our Company and/or our Group; and
- (d) the prevailing market conditions.

In the event that the Company is no longer listed on the SGX-ST or any other relevant stock exchange or trading in the Shares on the SGX-ST or such stock exchange is suspended for any reason for 14 days or more, the exercise price for each share in respect of which an Option is exercisable shall be the fair market value of such Share as determined by the Remuneration Committee in good faith.

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 our Remuneration Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against our 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 for all Group Executives who are not non-executive directors of the Company or the fifth anniversary of the relevant Offer Date in the case of a Participant who is a non-executive director of the Company, or such earlier date as may be determined by our Remuneration Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against our Company.

The exercise period of the Options as stated above is in line with Section 77 of the Companies Act.

YEW KEE EMPLOYEE SHARE OPTION SCHEME

6. Grant of Options

Our Remuneration Committee may, subject to the rules of the Yew Kee ESOS, offer to grant Options 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 Options shall be granted during the period of 30 days immediately preceding the date of announcement of our Company's interim and/or final results (whichever the case may be).

7. Termination of Options

An Option shall, to the extent unexercised, immediately lapse and become null and void and a Participant shall have no claim against our Company:

- (a) upon the Participant ceasing to be in the employment of our Company or any of the companies within our Group for any reason whatsoever; or
- (b) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or
- (c) in the event of misconduct on the part of the Participant, as determined by our Remuneration Committee in its absolute discretion.

For the foregoing purposes, a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

If a Participant ceases to be employed by our Group by reason of his:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Remuneration Committee;
- (b) redundancy;
- (c) retirement at or after a normal retirement age;
- (d) retirement before that age with the consent of the Remuneration Committee; or
- (e) for any other reason approved in writing by the Remuneration Committee,

he may, at the absolute discretion of the Remuneration Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

If a Participant ceases to be employed by a subsidiary:

- (a) by reason of the subsidiary, by which he is principally employed ceasing to be a company within our Group or the undertaking or part of the undertaking of such subsidiary, being transferred otherwise than to another company within our Group; or
- (b) for any other reason,

provided our Remuneration Committee gives its consent in writing, he may, at the absolute discretion of our Remuneration Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Remuneration Committee, be exercised by the duly appointed legal personal representatives of the Participant within the relevant Option Period (as defined below) and upon the expiry of such period, the Option shall immediately lapse and become null and void.

YEW KEE EMPLOYEE SHARE OPTION SCHEME

If a Participant, who is also a Group Director ceases to be a director for any reason whatsoever, he may, at the absolute discretion of the Remuneration Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

8. Acceptance of Options

An Option offered to a Grantee may only be accepted by the Grantee within 30 days after the relevant offer date and not later than 5.00 p.m. on the 30th day from such offer date in the manner set out in the Rules of the Yew Kee ESOS. If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the 30 day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect. The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 100 Shares. The Remuneration Committee shall, within 15 Market Days of receipt of the acceptance form in respect of the offer of Options and consideration, acknowledge receipt of the same.

9. Rights of Share Arising

Subject to the Companies Act and the Catalist Rules, our Company shall have the flexibility to deliver Shares to ESOS Participants upon the exercise of their Options by way of:

- (a) an issue and allotment of new Shares; and/or
- (b) subject to applicable laws, the transfer of existing Shares, including any Shares acquired by our Company pursuant to a share purchase mandate and/or held by our Company as treasury shares.

In determining whether to issue new Shares or to deliver existing Shares to ESOS Participants upon the exercise of their Options, our Company will take into account factors such as (but not limited to):

- (i) the prevailing market price of the Shares;
- (ii) the prevailing market price of the Shares relative to the financial performance of our Company;
- (iii) the cash position of our Company;
- (iv) the projected cash needs of our Company;
- (v) the dilution impact (if any);
- (vi) the cost to our Company of either issuing new Shares or purchasing existing Shares; and
- (vii) the liquidity of the Shares based on the average daily trading volume of the Shares, and in particular whether the repurchase by our Company of existing Shares to deliver to ESOS Participants upon exercise of their Options would materially impact upon the market price of the Shares.

Shares allotted and issued, and existing Shares procured by our Company for transfer, upon the exercise of an Option shall be subject to all provisions of the Constitution of our Company and shall rank *pari passu* in all respects with the then existing issued Shares except for any dividends, rights, allotments or other distributions, the Record Date (as defined below) for which is prior to the date such Option is exercised.

YEW KEE EMPLOYEE SHARE OPTION SCHEME

10. Duration of the Yew Kee ESOS

The Yew Kee ESOS shall continue to be in force at the discretion of our Remuneration Committee, subject to a maximum period of 10 years, commencing on the date on which the Yew Kee ESOS is adopted by Shareholders in the EGM. Subject to compliance with any applicable laws and regulations in Singapore, the Yew Kee ESOS may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

11. Abstention from Voting

Shareholders who are eligible to participate in the Yew Kee ESOS are to abstain from voting on any Shareholders' resolution relating to the Yew Kee ESOS and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, Shareholders who are eligible to participate in the Yew Kee ESOS shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Yew Kee ESOS; (b) the maximum discount which may be given in respect of any Option; and (c) participation by and grant of Options to Controlling Shareholders and their Associates.

Adjustments and Alterations under the Yew Kee ESOS

1. Adjustment Events

If a variation in the issued share capital of our Company (whether by way of a capitalisation of profits or reserves or rights issue, capital reduction, subdivision, consolidation or distribution of Shares, or otherwise howsoever, provided that this shall not include the issue of securities as consideration for an acquisition) should take place, then:

- (a) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised; and/or
- (b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (c) the maximum entitlement in any one (1) Financial Year (as defined below); and/or
- (d) the class and/or number of Shares in respect of which additional Options may be granted to ESOS Participants,

may, at the option of the Remuneration Committee, be adjusted in such manner as the Remuneration Committee may determine to be appropriate, including retrospective adjustments, where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise provided that no adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive and, except in relation to a bonus issue, upon the written confirmation of the auditors of the Company for the time being (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

2. Modifications or Alterations to the Yew Kee ESOS

Any or all of the provisions of the Yew Kee ESOS may be modified and/or altered at any time and from time to time by resolution of the Remuneration Committee except that:

- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Remuneration Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration, may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be issued and allotted or transferred upon exercise in full of all outstanding Options;

YEW KEE EMPLOYEE SHARE OPTION SCHEME

- (b) any modification or alteration which would be to the advantage of Participants under the Yew Kee ESOS shall be subject to the prior approval of Shareholders at a general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the Sponsor (acting as agent and on behalf of the SGX-ST) or (if required) any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

For the purposes of this section, the opinion of the Remuneration Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive. For the avoidance of doubt, nothing in this section shall affect the right of the Remuneration Committee under any other provision of the Yew Kee ESOS to amend or adjust any Option.

Rationale for participation of Controlling Shareholders and their Associates of our Group in the Yew Kee ESOS

Our Company acknowledges that the services and contributions of employees who are Controlling Shareholders or Associates of our Controlling Shareholders are important to the development and success of our Group. The extension of the Yew Kee ESOS to Controlling Shareholders or their Associates and who are also Group Executives allows our Group to have a fair and equitable system to reward employees who have actively contributed to the progress and success of our Group. The participation of the Controlling Shareholders and their Associates in the Yew Kee ESOS will serve both as a reward to them for their dedicated services to our Group and a motivation for them to take a long-term view of our Group.

Although participants who are Controlling Shareholders or their Associates may already have shareholding interests in our Company, the extension of the Yew Kee ESOS to include them ensures that they are equally entitled, as the other employees of our Group, who are not Controlling Shareholders or their Associates, to take part and benefit from this system of remuneration. We are of the view that a person who would otherwise be eligible should not be excluded from participating in the Yew Kee ESOS solely by reason that he/she is a Controlling Shareholder or an Associate of our Controlling Shareholders.

The specific approval of our independent Shareholders is required for the participation of such persons as well as the actual number of and terms of such Options. A separate resolution must be passed for each of such participant. In seeking such approval from our independent Shareholders, clear justification as to the participation of our Controlling Shareholders and their Associates, the number of and terms of the Options to be granted to the Controlling Shareholders and their Associates shall be provided. Accordingly, we are of the view that there are sufficient safeguards against any abuse of the Yew Kee ESOS resulting from the participation of employees who are our Controlling Shareholders or their Associates.

Such Controlling Shareholder and his Associate shall abstain from voting on the resolution in relation to his participation in the Scheme and the grant of Options to him.

Rationale for participation of non-executive directors (including our Independent Directors) of our Group in the Yew Kee ESOS

Although our Group Non-Executive Directors (including Independent Directors) are not involved in day-to-day running of our Group's business, they nonetheless play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. The participation by our Group Non-Executive Directors (including Independent Directors) in the Yew Kee ESOS will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment. The extension of the Yew Kee ESOS to Group Non-Executive Directors (including Independent Directors) allows our Group to have a fair and equitable system to reward Group Non-Executive Directors of our Group who have made and who continue to make significant contributions the long-term growth of our Group.

YEW KEE EMPLOYEE SHARE OPTION SCHEME

Rationale for having both the Yew Kee PSP and Yew Kee ESOS

Both the Yew Kee PSP and Yew Kee ESOS will provide eligible participants with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. Both the Yew Kee PSP and Yew Kee ESOS form an integral component of our compensation plan and are designed primarily to reward and retain employees whose services are vital to the growth and performance of our Company and/or our Group. The Yew Kee PSP and Yew Kee ESOS are designed to complement each other. The aim of implementing more than one incentive plan is to increase our Group's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve better performance by providing our Group with a more comprehensive set of remuneration tools and further strengthen our competitiveness in attracting and retaining local and foreign talent. Unlike the Yew Kee ESOS whereby Participants are required to pay for the exercise of the Options, the Yew Kee PSP allows our Group to provide an incentive for participants to achieve certain specific performance targets by awarding fully paid Shares to participants after these targets have been met. In addition, the assessment criteria for granting Options under the Yew Kee ESOS are more general and do not relate to specific performance targets imposed by our Group. On the other hand, the assessment criteria for granting of Awards under the Yew Kee PSP will be based on specific performance targets or to impose time-based service conditions, or a combination of both.

Financial Effects of the Yew Kee ESOS

The Yew Kee ESOS will increase our issued share capital to the extent of the new Shares that will be allotted pursuant to the exercise of Options. Under the SFRS (I) 2, the fair value of employee services received in exchange for the grant of the Options would be recognised as an expense. For equity-settled share-based payment transactions, the total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of each Option granted at the grant date and the number of Options vested by vesting date, with a corresponding increase in equity.

Before the end of the vesting period, at each balance sheet date, the entity revises its estimates of the number of Options that are expected to vest by the vesting date and recognises the impact of this revision in the income statement with a corresponding adjustment to equity. After the vesting date, no adjustment to the income statement would be made. The proceeds net of any directly attributable transaction costs are credited to the share capital when the Options are exercised.

During the vesting period, the consolidated earnings per share would be reduced by both the expense recognised and the potential ordinary shares to be issued under the Yew Kee ESOS. When the Options are exercised, the consolidated NTA will be increased by the amount of cash received for Exercise of the Options. On a per share basis, the effect is accretive if the acquisition price is above the NTA per share but dilutive otherwise.

There will be no cash outlay expended by us at the time of grant of such Options as compared to the payment of cash bonuses. However, as Shareholders may be aware, any Options granted to subscribe for new shares (whether the acquisition price is set at the market price of the shares at the date of grant or otherwise) have a fair value at the time of grant. The fair value of an Option is an estimate of the amount that a willing buyer would pay a willing seller for the Option on the grant date. Options are granted to participants at a nominal consideration of S\$1.00. Insofar as such Options are granted at a consideration that is less than their fair value at the time of grant, there will be a cost to our Company in that we will receive from the participant upon the grant of the Option a consideration that is less than the fair value of the Option.

YEW KEE EMPLOYEE SHARE OPTION SCHEME

The following sets out the financial effects of the Yew Kee ESOS.

1. Share Capital

The Yew Kee ESOS will result in an increase in our Company's issued share capital when new Shares are allotted to participants. The number of new Shares allotted will depend on, among others, the size of the Options granted under the Yew Kee ESOS. In any case, the Yew Kee ESOS provides that the total number of Shares over which our Remuneration Committee may grant new Options on any date, when added to:

- (i) the total number of new Shares allotted and issued and/or to be allotted and issued and issued Shares (including treasury shares) delivered and/or to be delivered, pursuant to options already granted under the Yew Kee ESOS;
- (ii) the total number of Shares subject to any other share option or share schemes of our Company,

shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by our Company as treasury shares and subsidiary holdings from time to time) on the date preceding the date of the relevant new Option. If instead of allotting new Shares to participants, existing Shares are transferred to participants, the Yew Kee ESOS will have no impact on our Company's issued share capital.

2. NTA

As described in paragraph (3) below on EPS, the Yew Kee ESOS is likely to result in a charge to our Company's income statement over the period from the grant date to the vesting date of the options. The amount of the charge will be computed in accordance with SFRS (I) 2. When new Shares are allotted under the Yew Kee ESOS, there would be no effect on the NTA due to the offsetting effect of expenses recognised and the increase in share capital. However, if instead of allotting new Shares to participants, existing Shares are purchased for transfer to participants, the NTA would be impacted by the cost of the Shares purchased. It should be noted that the delivery of Shares to participants under the Yew Kee ESOS will generally be contingent upon the eligible participants meeting prescribed performance targets and conditions.

3. EPS

Without taking into account earnings that may be derived by our Company from the use of the proceeds from the issuance of new Shares pursuant to the exercise of Options granted under the Yew Kee ESOS, any new Shares issued pursuant to any exercise of the Options will have a dilutive impact on our Company's EPS.

4. Dilutive Impact

The allotment of new Shares under the Yew Kee ESOS will have a dilutive impact on our consolidated EPS.

Application to the SGX-ST

We have made an application to the SGX-ST for permission to deal in and for quotation of the Option Shares which may be issued upon the vesting of Options to be granted under the Yew Kee ESOS. The approval of the SGX-ST is not to be taken as an indication of the merits of the Yew Kee ESOS or the Option Shares.

YEW KEE EMPLOYEE SHARE OPTION SCHEME

Disclosures in the Annual Reports

The following disclosures (as applicable) will be made by the Company in our annual report for so long as the Yew Kee ESOS is in operation as required by the Catalist Rules:

- (a) The names of the members of our Remuneration Committee administering the Yew Kee ESOS;
- (b) The information required in the table below for the following ESOS Participants:
 - (i) Directors of our Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) ESOS Participants, other than those in (i) and (ii) above, who have received 5.0% or more of the total number of Options available under the Yew Kee ESOS; and

Name of Participant	Options granted during the financial year under review (including terms)	Aggregate Options granted since commencement of Yew Kee ESOS to end of financial year under review	Aggregate Options exercised since commencement of the Yew Kee ESOS to end of financial year under review	Aggregate Options outstanding as at end of financial year under review

- (c) The number and proportion of Options granted at the following discounts to the Market Value (as defined below) in the financial year under review:
 - (i) Options granted at up to 10.0% discount; and
 - (ii) Options granted at between 10.0% discount but not more than 20.0% discount; and
- (d) Such other information as may be required by the Catalist Rules or the Companies Act, provided that if any of the above requirements are not applicable, an appropriate negative statement shall be included therein.

YEW KEE PERFORMANCE SHARE PLAN

In conjunction with our listing on the Catalist, we have adopted the Yew Kee PSP, which was approved at an Extraordinary General Meeting of our Shareholders held on 23 December 2022. The rules of the Yew Kee PSP are set out in “Appendix H – Rules of the Yew Kee Performance Share Plan” of this Offer Document. These rules comply with the requirements set out in the Catalist Rules and the Companies Act. All capitalised terms used in this section entitled “Yew Kee Performance Share Plan” shall have the meanings ascribed to them in “Appendix H – Rules of the Yew Kee Performance Share Plan” of this Offer Document unless otherwise stated.

The Yew Kee PSP will provide eligible participants (“**PSP Participants**”) with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The Yew Kee PSP forms an integral and important component of our compensation plan and is designed primarily to reward and retain employees whose services are vital to the growth and performance of our Company and/or our Group.

As at the Latest Practicable Date, no Awards have been granted under the Yew Kee PSP.

The rules of Yew Kee PSP may be inspected by Shareholders at the registered office of our Company for a period of six (6) months from the date of this Offer Document.

Summary of the Yew Kee PSP

A summary of the rules of the Yew Kee PSP is set out as follows:

1. Eligibility

Group Executives who have attained the age of 21 years on or before the date of the grant of the Award and hold such rank as may be designated by the Remuneration Committee from time to time, shall be eligible to participate in the Yew Kee PSP, at the absolute discretion of the Remuneration Committee. The PSP Participant must also not be an undischarged bankrupt and must not have entered into a composition with his creditors. For this purpose, “**Group Executives**” means full time employees of our Group and Directors of our Company (including non-executive Directors).

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 Remuneration Committee 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 our 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 and full-time employees of our Company’s parent company and its subsidiaries who have contributed to the success and development of our Company shall not be eligible to participate in the Yew Kee PSP unless they are Group Executives. Where any Group Executives are also directors or full-time employees of our Company’s parent company and/or its subsidiaries, the Company will ensure compliance with the Catalist Rules in the grant of any Awards (including seeking shareholders’ approval by way of independent resolution where required), and will make the necessary disclosures in its annual report on the number of Awards granted to such directors and full-time employees in accordance with the Catalist Rules.

2. Plan Administration

The Remuneration Committee will be designated as the committee responsible for the administration of the Yew Kee PSP. The Remuneration Committee will determine, among others, the following in relation to an Award:

- (i) the PSP Participant;
- (ii) the Award Date (as defined below);
- (iii) the Performance Period (as defined below);

YEW KEE PERFORMANCE SHARE PLAN

- (iv) the number of Shares which are the subject of the Award;
- (v) the Performance Condition (as defined below);
- (vi) the Vesting (as defined below);
- (vii) the Release Schedule (as defined below); and
- (viii) any other condition(s) which the Remuneration Committee may determine in relation to that Award.

Except as provided in the provisions of the Yew Kee PSP, the Remuneration Committee may grant awards to Group Executives, Controlling Shareholders and/or Associates of Controlling Shareholders who are eligible to participate under the Yew Kee PSP, and in each case, as the Remuneration Committee may select, in its absolute discretion, at any time during the period when the Yew Kee PSP is in force, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, awards may only be granted on or after the second Market Day from the date on which such announcement is released. In addition, no award shall be granted during the period of 30 days immediately preceding the date of announcement of our Company's interim or final results (as the case may be).

In compliance with the requirements of the Catalist Rules, a Participant of the Yew Kee PSP who is a member of the Remuneration Committee shall not be involved in its deliberations in respect of Awards to be granted or held by that member of the Remuneration Committee.

3. Awards Share

Awards represent the right of a participant to receive fully paid Shares free of charge provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

An Award shall be personal to the PSP Participant and, prior to the allotment and/or transfer to the participant of the shares to which the released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of our Remuneration Committee and if a PSP Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Award released in accordance with the Yew Kee PSP ("**Released Award**") without the prior approval of our Remuneration Committee, that Award or Released Award shall immediately lapse.

4. Timing

While our Remuneration Committee has the discretion to grant awards at any time in the year, it is currently anticipated that awards would in general be made once a year. An award letter confirming the Award and specifying (among others) the number of Shares which are the subject of the Award, the prescribed performance target(s), the performance period during which the performance conditions(s) must be satisfied and the vesting date, will be sent to each PSP Participant as soon as reasonably practicable after the making of an Award.

5. Events Prior to Vesting

Special provisions for the vesting and lapsing of Awards apply in certain circumstances including the following:

- (a) where the PSP Participant being a Group Executive ceases to be in the employment of our Group, or in the case of a non-executive director, ceases to be a Director of the Company by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of our Remuneration Committee);

YEW KEE PERFORMANCE SHARE PLAN

- (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of our Remuneration Committee;
 - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within our Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within our Group;
 - (vi) (where applicable) his transfer of employment between companies within our Group; or
 - (vii) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within our Group.
- (b) any other event approved by our Remuneration Committee.

Upon the occurrence of any of the events specified above, our Remuneration Committee may, in its absolute discretion, preserve all or any part of any Award, and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of Yew Kee PSP. In exercising its discretion, our Remuneration Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that PSP Participant and the extent to which the Performance Condition has been satisfied.

6. Size and Duration of the Yew Kee PSP

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

This 15.0% size is intended to accommodate the potential pool of participants arising from our base of eligible participants. We also hope that with the significant portion of our issued share capital set aside for our Yew Kee PSP, our employees and Executive Directors will recognise that we are making a good effort to reward them for their invaluable contributions to our Company by allowing them greater opportunities to participate in our equity.

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Yew Kee PSP to PSP Participants who are Controlling Shareholders and their Associates shall not exceed 25.0% of the Shares available under the Yew Kee PSP.

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Yew Kee PSP to each PSP Participant who is a Controlling Shareholder or his Associate shall not exceed 10.0% of the Shares available under the Yew Kee PSP.

The number of Shares which are the subject of each Award to be granted to a PSP Participant who is a non-executive director of our Company shall not exceed 10.0% of the total number of Shares available under the Yew Kee PSP. We are of the view that the size of our Yew Kee PSP is reasonable, taking into account the share capital base of our Company, the contributions by our employees and Executive Directors and the potential number of employees as our business expands. Implementing our Yew Kee PSP with the maximum amount of Award Shares not exceeding 15.0% of the total issued and paid-up Shares of our Company will enable us to maintain flexibility and remain competitive in the industry.

YEW KEE PERFORMANCE SHARE PLAN

The Yew Kee PSP shall continue to be in force at the discretion of the Remuneration Committee subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that it may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

7. Operation of the Yew Kee PSP

Subject to:

- (i) (in relation to a performance-related Award) the Remuneration Committee having determined that the Performance Condition has been satisfied;
- (ii) the relevant Participant (being an employee of the Group) having continued to be an employee from the Award Date up to the end of the relevant vesting period, the duration of which is to be determined by the Committee at the Award Date;
- (iii) the Committee being of the opinion that the job performance of the relevant Participant has been satisfactory;
- (iv) such consents (including any approvals required by the SGX-ST) as may be necessary;
- (v) compliance with the terms of the Award, the Yew Kee PSP and the Constitution;
- (vi) where Shares are to be allotted or transferred on the release of an Award, the Participant having a securities account with CDP and compliance with the applicable requirements of CDP; and
- (vii) where Shares are to be allotted on the release of an Award, the Company being satisfied that the Shares which are the subject of the Released Award will be listed for quotation on the SGX-ST,

upon the expiry of each vesting period in relation to an Award, the Company shall Release to the relevant Participant the Shares to which his/her Award relates on the Vesting Date.

Subject to the Companies Act and the Catalist Rules, our Company shall have the flexibility to deliver Shares to PSP Participants upon the Release of their Awards by way of (a) the allotment and issuance to each Participant of the number of new Shares, deemed to be fully paid or credited upon their allotment and issuance, and/or (b) the transfer of existing Shares to the Participant, including (subject to applicable laws) any Shares acquired by our Company pursuant to a share purchase mandate and/or held by our Company as treasury shares. Any proposed allotment and issue of new Shares will be subject to there being in force at the relevant time the requisite Shareholders approval under the Companies Act for the issue of Shares.

It is the intention of the Company that Shares will typically be delivered to Participants upon the Release of their Awards by way of an issue of new Shares. However, the Company anticipates that it may, in very limited circumstances, purchase existing Shares on behalf of the Participants upon the Release of their Awards. In determining whether to allot and issue new Shares or to purchase existing Shares for delivery to the Participants upon the Release of their Awards, the Committee will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing Market Value of the Shares, the cash position of the Company, the projected cash needs of the Company, the dilution impact (if any), the cost to the Company of either issuing new Shares or purchasing existing Shares, and the liquidity of the Shares based on the average daily trading volume of the Shares, and in particular whether the repurchase by the Company of existing Shares to deliver to Participants upon Release of their Awards would materially impact the Market Value of the Shares.

YEW KEE PERFORMANCE SHARE PLAN

New Shares allotted and issued, and existing Shares procured by our Company for transfer, on the Release of an Award shall (i) be subject to all the provisions of the Constitution of our Company (including provisions relating to the liquidation of our Company) and the Companies Act; (ii) and rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue. For this purpose, “**Record Date**” means the date fixed by our Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

8. Abstention From Voting

Shareholders who are eligible to participate in the Yew Kee PSP are to abstain from voting on any shareholders’ resolution relating to the Yew Kee PSP, including the participation in the Yew Kee PSP and the grant of Awards to the Controlling Shareholders, and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, Shareholders who are eligible to participate in the Yew Kee PSP shall abstain from voting on the following resolutions, where applicable: (a) the implementation of the Yew Kee PSP, and (b) participation by and grant of Awards to Controlling Shareholders and their Associates.

Adjustments and Alterations under the Yew Kee PSP

The following describes the adjustment events under, and provisions relating to the alterations of, the Yew Kee PSP.

1. Adjustment Events

If a variation in the issued ordinary share capital of our Company (whether by way of a capitalisation of profits or reserves or rights issue, capital reduction, subdivision, consolidation, distribution of Shares, or otherwise howsoever, provided that this shall not include the issue of securities as consideration for an acquisition) shall take place, then:

- (a) the class and/or number of Shares which is/are the subject of an Award to the extent not yet Vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Yew Kee PSP,

shall be adjusted in such manner as the Remuneration Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive and, except in relation to a bonus issue, upon the written confirmation of the auditors of the Company for the time being (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

2. Modifications or Alterations to the Yew Kee PSP

Any or all the provisions of the Yew Kee PSP may be modified and/or altered at any time and from time to time by a resolution of the Remuneration Committee, subject to compliance with the Catalist Rules or such other stock exchange on which the Shares are quoted or listed, and for so long as our Company is listed on the Catalist Board of the SGX-ST, shall not be made without the prior approval of Issue Manager and Full Sponsor (acting as agent and on behalf of the SGX-ST) and such other regulatory authorities as may be necessary. However, no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of PSP Participants who, if their Awards were Released to them upon the Performance Conditions for their Awards being satisfied in full, would become entitled to not less than three-quarters of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full.

No alteration shall be made to the particular rules of the Yew Kee PSP to the advantage of the PSP Participants, except with the prior approval of Shareholders in a general meeting.

YEW KEE PERFORMANCE SHARE PLAN

Rationale for participation of Controlling Shareholders and their Associates of our group in the Yew Kee PSP

Our Company acknowledges that the services and contributions of employees who are Controlling Shareholders or Associates of our Controlling Shareholders are important to the development and success of our Group. The extension of the Yew Kee PSP to Controlling Shareholders or their Associates and who are also Group Executives allows our Group to have a fair and equitable system to reward employees who have actively contributed to the progress and success of our Group. The participation of the Controlling Shareholders and their Associates in the Yew Kee PSP will serve both as a reward to them for their dedicated services to our Group and a motivation for them to take a long-term view of our Group.

Although participants who are Controlling Shareholders or their Associates may already have shareholding interests in our Company, the extension of the Yew Kee PSP to include them ensures that they are equally entitled, as the other employees of our Group, who are not Controlling Shareholders or their Associates, to take part and benefit from this system of remuneration. We are of the view that a person who would otherwise be eligible should not be excluded from participating in the Yew Kee PSP solely by reason that he/she is a Controlling Shareholder or an Associate of our Controlling Shareholders.

The specific approval of our independent Shareholders is required for the participation of such persons as well as the actual number of and terms of such Awards. A separate resolution must be passed for each of such participant. In seeking such approval from our independent Shareholders, clear justification as to the participation of our Controlling Shareholders and their Associates, the number of and terms of the Awards to be granted to the Controlling Shareholders and their Associates shall be provided. Accordingly, we are of the view that there are sufficient safeguards against any abuse of the Yew Kee PSP resulting from the participation of employees who are our Controlling Shareholders or their Associates.

Rationale for participation of non-executive directors (including our Independent Directors) of our Group in the Yew Kee PSP

Although our Group Non-Executive Directors (including Independent Directors) are not involved in day-to-day running of our Group's business, they nonetheless play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. The participation by our Group Non-Executive Directors (including Independent Directors) in the Yew Kee PSP will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment. The extension of the Yew Kee PSP to Group Non-Executive Directors (including Independent Directors) allows our Group to have a fair and equitable system to reward Group Non-Executive Directors of our Group who have made and who continue to make significant contributions the long-term growth of our Group.

Rationale for having both the Yew Kee PSP and Yew Kee ESOS

Both the Yew Kee PSP and Yew Kee ESOS will provide eligible participants with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. Both the Yew Kee PSP and Yew Kee ESOS form an integral component of our compensation plan and are designed primarily to reward and retain employees whose services are vital to the growth and performance of our Company and/or our Group. The Yew Kee PSP and Yew Kee ESOS are designed to complement each other. The aim of implementing more than one incentive plan is to increase our Group's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve better performance by providing our Group with a more comprehensive set of remuneration tools and further strengthen our competitiveness in attracting and retaining local and foreign talent. Unlike the Yew Kee ESOS whereby Participants are required to pay for the exercise of the Options, the Yew Kee PSP allows our Group to provide an incentive for participants to achieve certain specific performance targets by awarding fully paid Shares to participants after these targets have been met. In addition, the assessment criteria for granting Options under the Yew Kee ESOS are more general and do not relate to specific performance targets imposed by our Group. On the other hand, the assessment criteria for granting of Awards under the Yew Kee PSP will be based on specific performance targets or to impose time-based service conditions, or a combination of both.

YEW KEE PERFORMANCE SHARE PLAN

Financial Effects of the Yew Kee PSP

The Yew Kee PSP is considered a share-based payment that falls under SFRS (I) 2 where participants will receive Shares and the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the income statement over the period between the grant date and the vesting date of an Award. The fair value per share of the Awards granted will be determined using a generally accepted valuation methodology for pricing financial instruments. The significant inputs into the valuation methodology will include, among others, the share price as at the date of grant of the Award, the risk-free interest rate, the vesting period, volatility of the share and dividend yield. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the grant date and the number of Shares vested at the vesting date, with a corresponding credit to the reserve account. Before the end of the vesting period, at each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the income statement is made.

The amount charged to the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the grant date, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met. However, if the performance target is not a market condition and the Awards vest as a result of meeting such performance target, the fair value per share of the Awards granted at the grant date is used to compute the amount to be charged to the income statement at each accounting date, based on an assessment by the management at such accounting date of whether the non-market conditions have been met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no cumulative charge to the profit or loss if the Awards do not ultimately vest.

In the event that the participants receive cash, our Company shall measure the fair value of the liability at grant date. Until the liability is settled, our Company shall re-measure the fair value of the liability at each accounting date and at the date of settlement, with changes in the fair value recognised in the income statement.

The following sets out the financial effects of the Yew Kee PSP.

1. Share Capital

The Yew Kee PSP will result in an increase in our Company's issued share capital when new Shares are allotted to participants. The number of new Shares allotted will depend on, among others, the size of the Awards granted under the Yew Kee PSP. In any case, the Yew Kee PSP provides that the total number of Shares over which our Remuneration Committee may grant new awards on any date, when added to:

- (i) the total number of new Shares allotted and issued and/or to be allotted and issued and issued Shares (including treasury shares) delivered and/or to be delivered, pursuant to Awards already granted under the Yew Kee PSP;
- (ii) the total number of Shares subject to any other share option or share schemes of our Company,

shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by our Company as treasury shares and subsidiary holdings from time to time) on the date preceding the date of the relevant new Award. If instead of allotting new Shares to participants, existing Shares are transferred to participants, the Yew Kee PSP will have no impact on our Company's issued share capital.

YEW KEE PERFORMANCE SHARE PLAN

2. NTA

As described in paragraph (3) below on EPS, the Yew Kee PSP is likely to result in a charge to our Company's income statement over the period from the grant date to the vesting date of the Awards. The amount of the charge will be computed in accordance with SFRS (I) 2. When new Shares are allotted under the Yew Kee PSP, there would be no effect on the NTA due to the offsetting effect of expenses recognised and the increase in share capital. However, if instead of allotting new Shares to participants, existing Shares are purchased for transfer to participants, the NTA would be impacted by the cost of the Shares purchased. It should be noted that the delivery of Shares to participants under the Yew Kee PSP will generally be contingent upon the eligible participants meeting prescribed performance targets and conditions.

3. EPS

The Yew Kee PSP is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with SFRS (I) 2.

It should again be noted that the delivery of Shares to participants of the Yew Kee PSP will generally be contingent upon the participants meeting the prescribed performance targets and conditions.

4. Dilutive Impact

The allotment of new Shares under the Yew Kee PSP will have a dilutive impact on our consolidated EPS.

Application to the SGX-ST

We have made an application to the SGX-ST for permission to deal in and for quotation of the Award Shares which may be issued upon the vesting of Awards to be granted under the Yew Kee PSP. The approval of the SGX-ST is not to be taken as an indication of the merits of the Yew Kee PSP or the Award Shares.

Disclosures in the Annual Reports

Our Company will make sure disclosures in our annual report for so long as the Yew Kee PSP is in operation as from time to time required by the Catalist Rules including the following (where applicable):

- (a) The names of the members of our Remuneration Committee administering the Yew Kee PSP;
- (b) The information required in the table below for the following PSP Participants:
 - (i) Directors of our Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) PSP Participants, other than those in (i) and (ii) above, who have received 5.0% or more of the total number of Shares available under the Yew Kee PSP; and

Name of Participant	Aggregate number of Shares comprised in Awards under the Yew Kee PSP during the financial year under review	Aggregate number of Shares comprised in Awards Vested to such participant since the commencement of the Yew Kee PSP to end of financial year under review	Aggregate number of Shares comprised in Awards issued since commencement of the Yew Kee PSP to end of financial year under review	Aggregate number of Shares comprised in Awards which have not been released as at end of financial year under review

- (c) Such other information as may be required by the Catalist Rules or the Companies Act, provided that if any of the above requirements are not applicable, an appropriate negative statement shall be included therein.

INTERESTED PERSON TRANSACTIONS

In general, transactions between our Group and any of its interested persons (namely, our Directors, CEO, Controlling Shareholder or their respective Associates) constitute interested person transactions. Details of interested person transactions of our Group for FY2019, FY2020, FY2021, 1H2022 and the period from 1 July 2022 to the Latest Practicable Date (“**Relevant Period**”) are set out below.

Save as disclosed below and in the “Restructuring Exercise” section of this Offer Document, none of our Directors, CEO, Controlling Shareholder or their respective Associates (each, an “**Interested Person**”) was or is interested in any material transaction undertaken by our Group during the Relevant Period.

In line with the rules set out in Chapter 9 of the Catalist Rules, a transaction of value less than S\$100,000 is not considered material in the context of the Placement and is not taken into account for the purposes of aggregation in this section.

INTERESTED PERSONS

Interested Person	Relationship with our Group
BB207 Pte. Ltd.	: Associate of our Executive Chairman and Executive Director, Mr. Seah Boon Lock
Mr. Seah Boon Lock	: Executive Chairman and Executive Director
Ms. Wee Lay Teng	: Our Chief Administrative Officer and spouse of our Executive Chairman and Executive Director, Mr. Seah Boon Lock and mother of our CEO and Executive Director, Mr. Seah Qin Quan
Mr. Seah Qin Quan	: CEO and Executive Director
Mr. Seah Boon Keng	: Sibling of our Executive Chairman and Executive Director, Mr. Seah Boon Lock
Mr. Seah Boon Seng	: Sibling of our Executive Chairman and Executive Director, Mr. Seah Boon Lock

PAST INTERESTED PERSON TRANSACTIONS

(I) **Operation of Food Outlets by Mr. Seah Qin Quan, Mr. Seah Boon Lock, Ms. Wee Lay Teng and Mr. Seah Boon Keng**

During the Relevant Period, we have operated certain Food Outlets through licences held by Mr. Seah Qin Quan, Mr. Seah Boon Lock, Ms. Wee Lay Teng and Mr. Seah Boon Keng (“**Stallholders**”). In consideration for services provided by 2 Bukit Panjang, 10 (XO Noodle), Admiralty Local Delight, SM30 Simei and 51 Hougang (“**Relevant Subsidiaries**”), to the Stallholders, including training and accounting services and supply of manpower, each of the Stallholders had assigned 100% of the revenue generated by the respective Food Outlets to, and which was collected by, the Relevant Subsidiaries and the revenue earned by such Food Outlets was accrued to each of the Relevant Subsidiaries. Pursuant to the Restructuring Exercise, upon completion of the Share Swap (further details of which are set out in the “Restructuring Exercise”) section of this Offer Document, the Relevant Subsidiaries are incorporated as part of our Group and our Group therefore receives 100% of the revenue generated by such Food Outlets while providing training and accounting services and supplying manpower to such Food Outlets.

In consideration for the Stallholder’s efforts in running the Food Outlets, each of Stallholders earned dividends as then shareholders of the Relevant Subsidiaries and were paid miscellaneous fees as set out below in respect of each Food Outlets during the Relevant Period. Pursuant to the Restructuring Exercise, the Food Outlets are 100% owned by the Relevant Subsidiaries.

INTERESTED PERSON TRANSACTIONS

Interested Person	Relevant Subsidiary	Hawker Food Outlet	FY2019 (S\$)	FY2020 (S\$)	FY2021 (S\$)	1H2022 (S\$)	1 July 2022 to the Latest Practicable Date (S\$)
Seah Qin Quan	2 Bukit Panjang	Block 84 Marine Parade Central #01-10 Singapore 440084	8,756	15,610	14,377	7,728	2,576
Seah Boon Lock	10 (XO Noodle)	500 Clemenceau Ave North #01-09 Singapore 229495 (Newton Food Centre)	13,591	20,382	14,683	8,764	2,921
	10 (XO Noodle)	500 Clemenceau Ave North #01-10 Singapore 229495 (Newton Food Centre)	11,879	18,884	15,012	8,314	2,771
Wee Lay Teng	Admiralty Local Delight	Block 209 Hougang Street 21 #01-03 Singapore 530209 (Kovan Market & Food Center)	43,950	40,138	45,956	21,975	7,325
	SM30 Simei	Block 32 New Market Road #01-1108 Singapore 050032	34,320	34,020	37,867	17,353	5,784
Seah Boon Keng	51 Hougang	7 Maxwell Road #01-32 MND Complex (Annexe B) Amoy Street Food Centre Singapore 069111	3,730	9,486	6,839	1,865	622

The above transactions between our Group and each of Mr. Seah Qin Quan, Mr. Seah Boon Lock, Ms. Wee Lay Teng and Mr. Seah Boon Keng were not conducted on an arm's length basis and not on normal commercial terms as our Group was then not listed. Pursuant to the Restructuring Exercise, the Relevant Subsidiaries are incorporated as part of our Group and all revenue earned by the Relevant Subsidiaries arising from the Food Outlets is retained by our Group. Accordingly, the arrangements set out above with the Stallholders do not have a material adverse impact on our business, financial condition and results of operations. As such, our Audit and Risk Management Committee is of the view that the terms of the operation of the Food Outlets by Mr. Seah Qin Quan, Mr. Seah Boon Lock, Ms. Wee Lay Teng and Mr. Seah Boon Keng are no longer prejudicial to the interests of our Company and our minority Shareholders. Going forward, no fees or any other consideration shall be paid to the Stallholders as consideration for running their respective Food Outlets. Notwithstanding this, the Relevant Subsidiaries will continue to provide training and accounting services and supply manpower to such Food Outlets, and we will continue to retain all revenue earned by the Relevant Subsidiaries arising from the respective Food Outlets.

INTERESTED PERSON TRANSACTIONS

(II) **Advances to, and payments on behalf of, the Group by Mr. Seah Boon Lock, Mr. Seah Qin Quan and Ms. Wee Lay Teng for working capital purposes**

During the Relevant Period, Mr. Seah Boon Lock, Mr. Seah Qin Quan and Ms. Wee Lay Teng made advances to, and payments on behalf of, Yew Kee Two and Fine Food (Nanyang) for working capital purposes. The amount of advances granted to and payments made on behalf of, Yew Kee Two and Fine Food (Nanyang), and the amounts outstanding as at the end of FY2019, FY2020, FY2021, 1H2022 and the Latest Practicable Date and the largest amounts outstanding during the Relevant Period are as follow:

	FY2019 (S\$'000)	FY2020 (S\$'000)	FY2021 (S\$'000)	1H2022 (S\$'000)	1 July 2021 to the Latest Practicable Date (S\$'000)
Yew Kee Two					
Amount of advance extended to and payments on behalf made by Ms. Wee Lay Teng	1,315	Nil	Nil	Nil	Nil
Fine Food (Nanyang)					
Amount of advance extended to and payments on behalf made by Mr. Seah Boon Lock	Nil	30	Nil	Nil	Nil
Amount of advance extended to and payments on behalf made by Mr. Seah Qin Quan	Nil	20	Nil	Nil	Nil
Amount of advance extended to and payments on behalf made by Ms. Wee Lay Teng	Nil	30	Nil	Nil	Nil

Name of Director	Outstanding as at 31 December 2019 (S\$'000)	Outstanding as at 31 December 2020 (S\$'000)	Outstanding as at 31 December 2021 (S\$'000)	Outstanding as at 30 June 2022 (S\$'000)	Outstanding as at the Latest Practicable Date (S\$'000)	Largest amount outstanding during the Relevant Period (S\$'000)
Mr. Seah Boon Lock	3,173	3,359	865	921	Nil	3,173
Mr. Seah Qin Quan	Nil	Nil	Nil	Nil	Nil	20
Ms. Wee Lay Teng	1,000	Nil	Nil	Nil	Nil	1,000

Save as set out below, no interest was payable by our Group on the advances extended to, and payments made on behalf of, Yew Kee Two and Fine Food (Nanyang) by Mr. Seah Boon Lock, Mr. Seah Qin Quan and Ms. Wee Lay Teng. In connection with a loan of S\$1,000,000 which was granted by Ms. Wee Lay Teng to Yew Kee Two for working capital purposes in October 2019 (“**Working Capital Loan**”), our subsidiary, Yew Kee Two, had paid interest of S\$6,000 on the Working Capital Loan to Ms. Wee Lay Teng. The full amount of the Working Capital Loan including interest was repaid by Yew Kee Two to Ms. Wee Lay Teng in October 2020. Our Directors are of the view that such advances from, and payments on behalf by, Mr. Seah Boon Lock, Mr. Seah Qin Quan and Ms. Wee Lay Teng to Yew Kee Two and Fine Food (Nanyang), other than the Working Capital Loan, were not extended on an arm's length basis and not on normal commercial terms but nonetheless were not prejudicial to the interests of our Company and our minority Shareholders, as they were interest-free, unsecured and had no fixed term of repayment. Our Directors are of the view the Working Capital Loan was not extended on an arm's length basis and not on normal commercial terms but nonetheless was not prejudicial to the interests of our Company and our minority Shareholders, as the interest of S\$6,000 was below the market interest rate at the relevant time. As at the Latest Practicable Date, all amounts owing to Mr. Seah Boon Lock, Mr. Seah Qin Quan and Ms. Wee Lay Teng by Yew Kee Two and Fine Food (Nanyang) have been repaid in full. We do not intend to obtain any further advances from or payments on behalf by Mr. Seah Boon Lock, Mr. Seah Qin Quan and Ms. Wee Lay Teng following the Listing.

INTERESTED PERSON TRANSACTIONS

(III) Lease of Junction Nine Food Outlet by Yew Kee Collective from BB207

During the Relevant Period, our subsidiary Yew Kee Collective, as lessee, and BB207, as lessor, entered into a lease agreement in respect of the premises at 18 Yishun Avenue 9, #02-01 Junction Nine, Singapore 768897 (“J9 Lease”). Details of the J9 Lease are set out below:

Lessee	Lessor	Premise / Size of Premise	Use of Premise	Date of Agreement	Term of Lease	Monthly Rental as at the Latest Practicable Date (S\$'000)
Yew Kee Collective	BB207	183m2	Food Shop	1 October 2020	1 October 2020 to 31 December 2023	None

Our Directors are of the view that the J9 Lease was entered into on an arm's length basis and on normal commercial terms and is not prejudicial to the interests of our Company and our minority Shareholders, taking into account the asking lease rates of similar properties. The J9 Lease was terminated on 26 October 2022 and we do not intend to enter into leasing arrangements with BB207 following the admission of our Company to Catalist.

(IV) Supply of chilli sauce by Yew Kee Management to Mr. Seah Boon Seng

During the Period Under Review, our subsidiary Yew Kee Management had supplied chilli sauce to Mr. Seah Boon Seng who had operated a duck rice stall. In connection with the supply of chilli sauce by Yew Kee Management, Mr. Seah Boon Seng paid our Group the following amounts during the Relevant Period:

FY2019	FY2020	FY2021	1H2022	1 July 2022 to the Latest Practicable Date
S\$5,533	S\$7,445	S\$7,358	S\$2,957	S\$1,833

The supply of chilli sauce by Yew Kee Management to Mr. Seah Boon Seng was conducted on an arm's length basis and on normal commercial terms, taking into account the prices charged by our Group to other third parties for the same product. We do not intend to continue to supply chilli sauce to Mr. Seah Boon Seng following Listing, as Mr. Seah Boon Seng no longer operates a duck rice stall.

INTERESTED PERSON TRANSACTIONS

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

(I) **Provision of personal guarantees by Mr. Seah Boon Lock, Ms. Wee Lay Teng and Mr. Seah Qin Quan to our Group for facilities**

During the Relevant Period, Mr. Seah Boon Lock, Ms. Wee Lay Teng and Mr. Seah Qin Quan have provided personal guarantees in favour of our Group for facilities granted by United Overseas Bank Limited, Maybank Singapore Limited and Oversea-Chinese Banking Corporation Limited to our subsidiaries, details of which are set out below:

Guarantor	Group Company	Financial Institution	Type of facility	Date of facility	Credit line (S\$'000)	Amount out- standing and guaranteed as at the Latest Practicable Date (S\$'000)	Largest amount out- standing and guaranteed during the Relevant Period
Mr. Seah Boon Lock	Yew Kee Management	United Overseas Bank Limited	Temporary Bridging Loan	15 April 2020	1,000	Nil	1,000
Ms. Wee Lay Teng							
Mr. Seah Boon Lock	Yew Kee Management	United Overseas Bank Limited	Money Market Loan	18 March 2020	2,800	2,400	2,500
Ms. Wee Lay Teng							
Mr. Seah Boon Lock	Yew Kee Management	United Overseas Bank Limited	Hire Purchase Facility	11 May 2021	68.60	53.97	68.60
Mr. Seah Boon Lock	Yew Kee Management	United Overseas Bank Limited	Hire Purchase Facility	11 May 2021	68.60	53.97	68.60
Mr. Seah Boon Lock	Yew Kee Management	United Overseas Bank Limited	Hire Purchase Facility	11 May 2021	68.60	54.73	68.60
Mr. Seah Boon Lock	Yew Kee Management	United Overseas Bank Limited	Hire Purchase Facility	22 April 2021	68.60	53.22	68.60

INTERESTED PERSON TRANSACTIONS

Guarantor	Group Company	Financial Institution	Type of facility	Date of facility	Credit line (S\$'000)	Amount out- standing and guaranteed as at the Latest Practicable Date (S\$'000)	Largest amount out- standing and guaranteed during the Relevant Period
Mr. Seah Boon Lock Mr. Seah Qin Quan	Yew Kee Collective	United Overseas Bank Limited	Hire Purchase Facility	11 February 2021	350.0	Nil	350.0
Mr. Seah Qin Quan	Yew Kee Collective	Maybank Singapore Limited	Hire Purchase Facility	15 March 2022	227.50	192.50	227.50
Mr. Seah Boon Lock Ms. Wee Lay Teng	Yew Kee Collective	Oversea-Chinese Banking Corporation Limited	Banker's Guarantee / Special Advance Facility	3 November 2022	5,500	501.16	520.28

Please refer to the section entitled “Capitalisation and Indebtedness” of this Offer Document for the details of the facilities, including their interest rates and maturity profiles. As at the date of this Offer Document, all the loan facilities extended by United Overseas Bank Limited have been settled in full and all security provided for such facilities have been discharged.

The personal guarantees granted by Mr. Seah Boon Lock, Ms. Wee Lay Teng and Mr. Seah Qin Quan for the facilities granted to our Group were provided without any consideration paid by our subsidiaries. Accordingly, our Directors are of the view that the provision of the abovementioned personal guarantees was not conducted on an arm's length basis and not on normal commercial terms but were nevertheless not prejudicial to the interests of our Company and our minority Shareholders. Our Group does not intend to enter into such arrangements with Mr. Seah Boon Lock, Ms. Wee Lay Teng and Mr. Seah Qin Quan in respect of any new facilities to be obtained from financial institutions.

Following the Listing, we intend to request for the discharge of the above personal guarantees by Mr. Seah Boon Lock, Ms. Wee Lay Teng and Mr. Seah Qin Quan and replace them with a corporate guarantee by our Company. Should any of the counterparties not agree to release and discharge the above personal guarantees, or if such release, discharge and replacement is on terms and conditions not acceptable to our Group, Mr. Seah Boon Lock, Ms. Wee Lay Teng and Mr. Seah Qin Quan have undertaken to our Company to continue to provide the relevant personal guarantees without charge, fee, commission, benefit-in-kind or other interest payable to him/her, and on the same terms and conditions of the relevant facilities currently maintained, until such time as we are able to secure alternative facilities from other financial institutions. We do not intend to enter into such transactions with any of our interested persons following Listing.

INTERESTED PERSON TRANSACTIONS

GUIDELINES AND REVIEW PROCEDURES FOR ON-GOING AND FUTURE INTERESTED PERSON TRANSACTIONS

To ensure that future transactions with interested persons are not prejudicial to the interests of our Company and our minority Shareholders and are undertaken on an arm's length basis, on normal commercial terms and are consistent with our Group's usual business practices and policies, which are generally no more favourable to the interested persons than those transacted with unrelated third parties, the following procedures will be implemented by our Group.

In relation to any purchase of products or procurement of services from interested persons, quotes from at least two (2) unrelated third parties in respect of the same or substantially the same type of transactions will be used as comparison wherever possible. The purchase price, procurement price or fee for services shall not be higher than the most competitive price of the two (2) comparative prices from the two (2) unrelated third parties. Our Audit and Risk Management Committee will review the comparable quotes, taking into account, among others, the quality, requirements, delivery time and the track record of the supplier.

In relation to any sale of products or provision of services to interested persons, the price and terms of two (2) other completed transactions of the same or substantially the same type of transactions to unrelated third parties are to be used as comparison wherever possible. The interested persons shall not be charged at rates lower than that charged to the unrelated third parties.

All interested persons transactions above S\$200,000 are to be approved by a Director who shall not be an interested person in respect of the particular transaction. Any contracts to be made with an interested person shall not be approved unless the pricing is determined in accordance with our usual business practices and policies, consistent with the usual margin given or price received by us for the same or substantially similar type of transactions between us and unrelated parties and the terms are no more favourable than those extended to or received from unrelated parties.

When renting properties from or to an interested person, appropriate steps will be taken to ensure that such rent is commensurate with the prevailing market rates, including adopting measures such as making relevant enquiries with landlords of similar properties and obtaining suitable reports or reviews published by property agents (as necessary), including an independent valuation report by a property valuer, where appropriate. The rent payable shall be based on the most competitive market rental rate of similar property in terms of size and location, based on the results of the relevant enquiries.

For the purposes above, where applicable, contracts for the same or substantially similar type of transactions entered into between us and unrelated third parties will be used as a basis for comparison to determine whether the price and terms offered to or received from the interested person are no more favourable than those extended to or received from unrelated parties. In the event that it is not possible for appropriate information for comparative purposes to be obtained, the matter will be referred to our Audit and Risk Management Committee, and our Audit and Risk Management Committee will determine whether the relevant price and terms are fair and reasonable and consistent with our Group's usual business practices and policies.

In addition, we shall monitor all interested person transactions entered into by us categorising the transactions as follow:

- (a) a "category one" interested person transaction (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) is one where the value or aggregate value thereof is equal to or in excess of 3.0% of the latest audited NTA of our Group; and
- (b) a "category two" interested person transaction (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) is one where the value or aggregate value thereof is below 3.0% of the latest audited NTA of our Group.

INTERESTED PERSON TRANSACTIONS

All “category one” interested person transactions must be approved by our Audit and Risk Management Committee prior to entry. All “category two” interested person transactions need not be approved by our Audit and Risk Management Committee prior to entry but shall be reviewed on a quarterly basis by our Audit and Risk Management Committee.

We will prepare relevant information to assist our Audit and Risk Management Committee in its review and will keep a register recording all interested person transactions. The register shall also record the basis for entry into the transactions, including the quotations and other evidence obtained to support such basis. Our Audit and Risk Management Committee will include the review of interested person transactions as part of its procedures while examining the adequacy of our internal controls. Further, if during these periodic reviews, our Audit and Risk Management Committee believes that the guidelines and review procedures as stated above are not sufficient to ensure that the interested person transactions will be on normal commercial terms, on an arm’s length basis and not prejudicial to the interests of our Company and our minority Shareholders, we will adopt new guidelines and review procedures for future interested person transactions as may be appropriate. Our Audit and Risk Management Committee may request for an independent financial adviser’s opinion if it deems fit.

Before any agreement or arrangement with an interested person that is not in the ordinary course of business of our Group is transacted, prior approval must be obtained from our Audit and Risk Management Committee. In the event that a member of our Audit and Risk Management Committee is interested in any interested person transactions, he will abstain from reviewing that particular transaction. Any decision to proceed with such an agreement or arrangement would be recorded for review by our Audit and Risk Management Committee.

We will also comply with the provisions in Chapter 9 of the Catalist Rules in respect of all future interested person transactions, and if required under the Catalist Rules, the Companies Act or the SFA, we will make immediate announcements and/or seek independent Shareholders’ approval for such transactions. In particular, interested persons and their Associates shall abstain from voting on resolutions approving interested person transactions involving themselves. In addition, such interested persons shall not act as proxies in relation to such resolutions unless specific instructions as to voting have been given by the Shareholders.

Our Board will also ensure that all disclosures, approvals and other requirements on interested person transactions, including those required by prevailing legislation, the Catalist Rules and accounting standards are complied with.

POTENTIAL CONFLICTS OF INTERESTS

Interests of Directors, CEO, Controlling Shareholders or Their Associates

In general, a conflict of interests situation arises when any of our Directors, CEO, Controlling Shareholders or their respective Associates carries on or has any interest in any other corporation carrying on the same business or dealing in similar products or services as our Group.

Save as disclosed in the section entitled “Interested Person Transactions” of this Offer Document, none of our Directors, CEO, Controlling Shareholders or any of their respective Associates has any interest, whether direct or indirect, in:

- (a) any transactions to which our Company or any of our subsidiaries was or is a party;
- (b) any company or entity carrying on the same business or dealing in similar products or services as our Group;
- (c) any company or entity that is our customer or supplier of goods and services; and
- (d) any existing contract or arrangement which was or is significant in relation to the business of our Group.

INTERESTED PERSON TRANSACTIONS

None of our Directors, CEO, Controlling Shareholders, and/or any of their Associates is involved in the management of any company or entity involved in a similar or related business as our Group.

To further mitigate any perceived, actual or potential conflicts of interest, Mr. Seah Boon Lock has provided a non-compete undertaking in favour of our Company ("**Non-Compete Undertaking**") pursuant to which he has undertaken, among others, the following for as long as he and/or his Associates remain an "interested person" of our Company for the purpose of Chapter 9 of the Catalyst Rules and for the period of 12 months from the date he and/or his Associates cease to be an "interested person" for the purpose of Chapter 9 of the Catalyst Rules or the date on which the securities of our Company cease to be listed on Catalyst of the SGX-ST, whichever is earlier ("**Cessation Date**"):

- (i) he shall not, and shall procure that his associates (whether present or future) shall not, in any capacity (whether as shareholder, director, employee, partner, agent, consultant or otherwise), be concerned with, engaged in or interested in or carry on any business (whether alone or in partnership with or joint venture with anyone else) which will wholly or partly be in competition with, or similar to (whether directly or indirectly) the Business (as defined below), in any country, save for in our capacity as an employee of our Group;
- (ii) he shall not, and shall procure that his associates (whether present or future) shall not (a) have any interest, directly or indirectly, in any person or entity who carries on, and/or (b) provide any financial assistance to any person or entity to carry on any business or other activity which competes with or is similar to the Business;. For the avoidance of doubt, as at the date of the Non-Compete Undertaking, he and his associates do not have any interest, directly or indirectly, and have not provided financial assistance to any person or any entity whose business competes with the Business;
- (iii) for completeness, he has an interest of between 16.0% to 20.0% in each of the Foodpark Entities which operate coffee shops ("**Existing Interests**"). The Foodpark Entities do not undertake the management of food courts or any of the Business and he is not a director of any of the Foodpark Entities. Save for such Existing Interests, he shall not, and shall procure that his associates (whether present or future) shall not (a) have any interest, directly or indirectly, in any person or entity who carries on, and/or (b) provide any financial assistance to any person or entity to carry on, and/or (c) hold any executive management position in, any business or other activity which is in the business of the management of coffee shops or hawker centres ("**Coffee Shop Management**"), notwithstanding that this does not fall within the scope of the Business as at the date of the Non-Compete Undertaking;
- (iv) he shall not, and shall procure that his associates (whether present or future) shall not, manage, be involved (whether directly or indirectly) in any decision making in and/or be appointed as an agent and/or consultant in relation to any entity engaged in any business that may directly or indirectly be competing with the Business from time to time that will put him in a conflict of interest position with respect to his duties and responsibilities (where applicable) in our Group;
- (v) he shall not, and shall procure that his associates (whether present or future) shall not, whether directly or indirectly, solicit, persuade or entice away, or attempt to solicit, persuade or entice away from our Group, any person who is an officer, manager or employee of our Group, whether or not such person would commit a breach of his contract of employment with our Group by reason of leaving such employment;
- (vi) he shall not, and shall procure that his associates (whether present or future) shall not, whether directly or indirectly, interfere or seek to interfere with or make arrangements which have the effect of harming contractual or other trade relations between our Group and any of our Group's suppliers, customers, contractors, sub-contractors, agents or business partners;
- (vii) he shall not, and shall procure that his associates (whether present or future) shall not, whether directly or indirectly, solicit, market to or entice away, or attempt to solicit, market to or entice away from our Group any customers, client, agent, correspondent, trader, supplier or distributor of our Group or in the habit of dealing with our Group;

INTERESTED PERSON TRANSACTIONS

- (viii) he shall not, and shall procure that his associates (whether present or future) shall not, be a director and/or holder of an executive management position and/or commissioner (where applicable) of any entity in any business which will compete with or is similar to the Business;
- (ix) he shall not, and shall procure that his associates (whether present or future) shall not, make use or disclose or divulge, or attempt to make use or disclose or divulge, to any third party any confidential information or trade secrets relating to our Group, other than any information properly available to the public or disclosed or divulged pursuant to an order of a court of competent jurisdiction;
- (x) he shall not, and shall procure that his associates (whether present or future) shall not, use the name “Yew Kee”, “Yu Kee” or any other names, brands, symbols, logos or trademarks used by our Group from time to time, or that our Group may use in the future, for any entity in any business outside our Group, whether or not such business is in direct or indirect competition with or is similar to that of our Group;
- (xi) he shall not, and shall procure that his associates (whether present or future) shall not, whether directly or indirectly, assist any person, firm or company with technical advice in relation to any business in competition (directly or indirectly) with or that is similar to the Business, or utilise the resources or assets of our Group for the benefit of, or otherwise assist, any such person;
- (xii) he shall, and shall procure that his associates (whether present or future) shall, ensure that our Group does not share common operational premises, facilities or assets with any entity in any business which will compete with or is similar to the Business;
- (xiii) he shall and shall procure that his associates (whether present or future) shall, grant our Group a right of first refusal in the event he intends to dispose of any part of his Existing Interests, over such part of the Existing Interests;
- (xiv) In the event he intends to dispose of any part of the Existing Interests, he shall and shall procure that his associates (whether present or future) shall, (a) provide our Company with written notice of the details of the sale, including any bids or offers that may have been received for the Existing Interests (“**Existing Interests Sale Written Notice**”), and (b) grant to our Group a right of first refusal to acquire or purchase the Existing Interests within one (1) month of the date of the Existing Interests Sale Written Notice: (i) at a price that is not higher than; and (ii) on terms and conditions that are not less favourable to our Group than those set out in the Existing Interests Sale Written Notice. In the event that our Group does not indicate in writing our intention to exercise our right of first refusal over the Existing Interests within one (1) month of the date of the Existing Interests Sale Written Notice or has indicated in writing our intention not to exercise our right of first refusal over the Existing Interests, he and/or his associates shall be free to dispose of or sell the Existing Interests to any third party (i) at a price that is not lower than; and (ii) on terms and conditions that are not more favourable to such third party than those set out in the Existing Interests Sale Written Notice within three (3) months from the date of the Existing Interests Sale Written Notice;

INTERESTED PERSON TRANSACTIONS

- (xv) (i) Six (6) months prior to the expiry of the current tenures of the leases of the premises owned by each of Gambas Investment Pte. Ltd. and BB207 Pte. Ltd. ("**F&B Leasing Entities**") which are used for food and beverage operations, and (ii) upon the acquisition of any interest (whether direct or indirect) by him and/or his associates in the future in any other investment property which is for the use of food and beverage operations (as the case may be) (such premises collectively with premises owned by the F&B Leasing Entities, the "**F&B Investment Properties**"), he shall and shall procure that his associates (whether present or future) shall, (a) provide our Company with written notice of the details of the relevant F&B Investment Properties setting out the proposed terms upon which the relevant F&B Investment Properties are to be leased ("**F&B Investment Property Written Notice**"), and (b) grant to our Group a right of first refusal to operate the business of Coffee Shop Management and/or the Business at such premises or properties on terms and conditions that are not less favourable to the Group than those set out in the F&B Investment Property Written Notice ("**Lease ROFR**"). In the event that our Group does not indicate in writing our intention to operate the business of Coffee Shop Management and/or the Business at such premises or properties within one (1) month of the date of the F&B Investment Property Written Notice or has indicated in writing our intention not to exercise such right of first refusal, he and/or his associates (as the case may be) shall have the right to lease to any third party the relevant F&B Investment Properties on terms and conditions that are not more favourable to the third party than those set out in the F&B Investment Property Written Notice within three (3) months from the date of the F&B Investment Property Written Notice.

The terms of any lease entered into with our Group pursuant to the right of first refusal over the operations contained in this subparagraph (xv) shall be subject to the review of our Audit and Risk Management Committee, shall be at the prevailing market rates for the leasing of similar properties and shall be in compliance with the Catalist Rules.

The undertakings set out above shall not apply to any shareholding interests (direct or indirect) that Mr. Seah Boon Lock and/or his associates (whether present or future), whether individually or collectively, may have in any listed securities provided always that the collective interests of Mr. Seah Boon Lock and/or his associate in any such listed securities is less than 5.0%.

The terms of the Non-Compete Undertaking including the relevant time periods and terms of the rights of first refusals set out in subparagraphs (xiv) and (xv) above may be amended or waived only with the written consent of the parties. For the avoidance of doubt, in the event the transfer of the Existing Interests or lease of the F&B Investment Properties do not complete within three (3) months from the date of the Existing Interests Sale Written Notice and/or the F&B Investment Property Written Notice as the case may be, Mr. Seah Boon Lock and/or his associates shall no longer be free to dispose of or sell the Existing Interests or lease the relevant F&B Investment Properties.

For the purposes of the Non-Compete Undertaking:

- i. "**Business**" means the business of (i) food and beverage operations operating a portfolio of our brands, (ii) food court management and (iii) franchising and sub-franchising, and/or such other business as may be carried out by the Group from time to time. For the avoidance of doubt, the Business as at the date of this undertaking does not include the business of Coffee Shop Management;
- ii. "**Foodpark Entities**" means:
 - a. Foodpark Pte. Ltd.;
 - b. 805 Foodpark Pte. Ltd.;
 - c. 823 Foodpark Pte. Ltd.;
 - d. K1 Foodpark Pte. Ltd.;
 - e. K5 Foodpark Pte. Ltd.;

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- f. K3 Foodpark Pte. Ltd.;
- g. K7 Foodpark Pte. Ltd.;
- h. K8 Foodpark Pte. Ltd.;
- i. K11 Foodpark Pte. Ltd.;
- j. K13 Foodpark Pte. Ltd.;
- k. K6 Foodpark Pte. Ltd.;
- l. K15 Foodpark Pte. Ltd.;
- m. K16 Foodpark Pte. Ltd.;
- n. K78 Foodpark Pte. Ltd.;
- o. K485 Foodpark Pte. Ltd.;
- p. K881 Foodpark Pte. Ltd.;
- q. 96 Foodpark Pte. Ltd.; and
- r. 9 Foodpark Pte. Ltd.; and

iii. **“Group”** means our Company, its subsidiaries and associated companies, from time to time.

Mr. Seah Boon Lock has also undertaken to immediately inform our Group in the event that a breach of the Non-Compete Undertaking is imminent, or likely, or has occurred.

The Non-Compete Undertaking shall be effective immediately upon the admission of our Company to the Catalist of the SGX-ST and shall continue in full force and effect until the Cessation Date.

For the avoidance of doubt, the remaining shareholders of the Foodpark Entities and the F&B Leasing Entities are not related to any of our Directors or Executive Officers (including but not limited to Mr. Seah Boon Lock, Ms. Wee Lay Teng, Mr. Seah Qin Quan or Ms. Seah Kun Miao).

Our Group does not intend to undertake the business of Coffee Shop Management. Further, the Non-Compete Undertaking includes an undertaking from Mr. Seah Boon Lock that he will not (a) have any interest, directly or indirectly, in any person or entity who carries on, and/or (b) provide any financial assistance to any person or entity to carry on, and/or (c) hold any executive management position in, any business of Coffee Shop Management. As such, in the event Mr. Seah Boon Lock intends to undertake any business in Coffee Shop Management in the future, this will have to be undertaken by our Group after assessment by our Board.

In addition, the F&B Leasing Entities are investment holding companies engaged in the business of property investment. Our Group does not intend to enter into the business of property investment (whether in property that can be used for food and beverage operations or otherwise). Accordingly, these entities have not been included as part of our Group. Our Group generally leases all the premises we use for our business. As at the date of this Offer Document, our Group only owns one property where our headquarters and central kitchen are located. Please refer to the section entitled “Properties and Fixed Assets” for details of the real property we own and the leases we enter into. The grant of the Lease ROFR will allow our Group to have first rights in operating at such premises should our Group deem the location suitable for any of our outlet’s business.

INTERESTED PERSON TRANSACTIONS

Additionally, each of our Executive Directors shall declare all investments in companies with business in competition with the Business and in the business of Coffee Shop Management for the review of our Audit and Risk Management Committee and Nominating Committee. In the event our Audit and Risk Management Committee and/or our Nominating Committee decides that a conflict of interest exists in relation to such investments, Mr. Seah Boon Lock shall, or shall procure that his associates shall, dispose of such investments within a reasonable time as agreed in consultation with our Audit and Risk Management Committee.

In view of the above, in particular, that (a) our Group does not intend to undertake the business of Coffee Shop Management and/or property investment holding, (b) Mr. Seah Boon Lock is restricted from carrying out the business of Coffee Shop Management other than through his Existing Interests which were acquired prior to the Listing, (c) Mr. Seah Boon Lock is not involved in the management of any of the entities where he holds the Existing Interests, and (d) further given the Lease ROFR and the right of first refusal Mr Seah Boon Lock has granted to our Group in respect of his Existing Interests, the Board and the Audit and Risk Management Committee are of the view that any potential conflicts of interests have been sufficiently addressed and resolved.

Interests of Experts

None of the experts named in this Offer Document:

- (a) is employed on a contingent basis by our Company or our subsidiaries;
- (b) has a material interest, whether direct or indirect, in our Shares or in the shares of our subsidiaries; or
- (c) has a material economic interest, whether direct or indirect, in our Company, including having an interest in the success of the Placement.

Interests of the Issue Manager and Full Sponsor, and the Joint Placement Agents

In the reasonable opinion of our Directors, the Issue Manager and Full Sponsor and the Joint Placement Agents do not have material relationships with our Company save for the following:

- (a) RHT Capital is the Issue Manager and Full Sponsor for the Placement; and
- (b) RHT Capital will be the continuing Sponsor of our Company for a period of three (3) years from the date our Company is admitted and listed on Catalist; and
- (c) Evolve Capital Advisory Private Limited and KGI Securities (Singapore) Pte. Ltd. are the Joint Placement Agents for the Placement.

Please refer to the section entitled “Sponsorship, Management and Placement Arrangements” of this Offer Document for further details on our Management and Sponsorship Agreement, and Placement Agreement.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of the CDP, and all dealings in and transactions of the Shares through Catalist will be effected in accordance with the terms and conditions for the operation of Securities Accounts with the CDP, as amended, modified or supplemented from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and Depository Agents in the Depository Register maintained by the CDP, rather than CDP itself, will be treated, under our Constitution and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding our Shares in Securities Accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on Catalist, although they will be *prima facie* evidence of title and may be transferred in accordance with our Constitution. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing the Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2.00 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of S\$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S\$0.20 per S\$100.00 or part thereof of the last-transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on Catalist must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10.00 is payable upon the deposit of each instrument of transfer with CDP. Transfers and settlements pursuant to on-exchange trades will be charged a fee of S\$30.00 and transfers and settlements pursuant to off-exchange rates will be charged a fee of 0.015% of the value of the transaction, subject to a minimum of S\$75.00.

The above fees may be subject to such charges as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer of stamp duty is currently payable for the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.0325% of the transaction value. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST at the prevailing rate of 7.0% (or such other rate prevailing from time to time).

Dealings in our Shares will be carried out in Singapore dollars and will be effected for settlement through CDP on a scripless basis. Settlement of trades on a normal "ready" basis on Catalist generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with a CDP Depository Agent. The CDP Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

GENERAL AND STATUTORY INFORMATION

INFORMATION ON DIRECTORS, EXECUTIVE OFFICERS AND CONTROLLING SHAREHOLDER

1. As at the date of this Offer Document, save as disclosed below, none of our Directors, Executive Officers and Controlling Shareholder:
 - (a) has at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two (2) years after the date he ceased to be a partner;
 - (b) has at any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity, or at any time within two (2) years after the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
 - (c) has any unsatisfied judgment against him;
 - (d) 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;
 - (e) has been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including pending criminal proceedings of which he is aware) for such breach;
 - (f) at any time during the last 10 years, had judgment 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 been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
 - (g) has been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
 - (h) has been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
 - (i) has been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;
 - (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of 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;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

GENERAL AND STATUTORY INFORMATION

- (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

- (k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

IRAS Investigations

In 2009, Mr. Seah Boon Lock, Ms. Wee Lay Teng and certain of our subsidiaries, among others (**"Relevant Parties"**), were the subjects of an investigation by the Comptroller of Goods and Services Tax and the Comptroller of Income Tax (**"Comptrollers"**). The allegations against the Relevant Parties were that:

- (i) Boon Lock Duck and Noodle House (**"BLDNH"**), then a partnership between Mr. Seah Boon Lock and Ms. Wee Lay Teng which registration has since been cancelled, set up sole proprietorships in the names of Mr. Seah Boon Lock, Ms. Wee Lay Teng, their relatives and employees of BLDNH (**"beneficially owned food stalls"**) to avoid GST registration. By doing so, BLDNH may have committed an offence under Section 61(b) of the Goods and Services Tax Act 1993 (**"GST Act"**) for failure to register for GST.
- (ii) BLDNH had understated profits from the sales of food items at all beneficially owned food stalls for years of assessment (**"YA"**) 2003 to 2009. Yu Kee Management Pte. Ltd. (now known as Yew Kee Management Pte. Ltd.), Yu Kee Food House Pte. Ltd., Ubi 179 Food House Pte. Ltd. and Yu Kee One Pte. Ltd. had understated profits of approximately S\$184,382.87 from the sales of beverages and omission of rental income for YAs 2005 to 2008. Thus, the said entities may have committed offences under Sections 95(2)(a) or 96(1)(a) of the Income Tax Act 1947 (**"IT Act"**) for providing an incorrect return or tax evasion respectively. Yu Kee Food House Pte. Ltd. and Yu Kee One Pte. Ltd. have been struck off. In addition, Mr. Seah Boon Lock and Ms. Wee Lay Teng may have been liable for tax evasion offences under Section 96(1)(a) of the IT Act for wilfully with intent assisting BLDNH to evade tax.

As Mr. Seah Boon Lock and Ms. Wee Lay Teng were not familiar with book-keeping and accounting practices and accounting standards, they had relied on advice from an accounting and business consultant in arriving at and implementing the structure as described in (i) above. Such consultant had advised Mr. Seah Boon Lock and Ms. Wee Lay Teng that if the food stalls of BLDNH were registered under separate businesses or entities, and the revenue for such stalls under each registered business or entity was less than S\$1 million, they would not be required to register for GST. Mr. Seah Boon Lock and Ms. Wee Lay Teng had also relied on the same consultant to prepare accounts and financial statements for such sole proprietorships and had not actively reviewed such accounts and financial statements. They were therefore not aware that the consultant had understated the net profit of the food stalls and randomly picked and allocated the food stalls to each sole proprietorship such that the revenue of each sole proprietorship would not reach the GST registration threshold.

The Relevant Parties made a composition offer to the Comptrollers to compound all alleged income tax and GST offences against the Relevant Parties without any admission of liability on 3 May 2018. No charges were preferred against any of the Relevant Parties for any alleged tax offences under the IT Act for YAs 2003 to 2009 and the GST Act for calendar year 2002 to 2008 as at the date of the composition offer. The composition offer was accepted by the Comptrollers on 18 July 2018. The matter is compounded and fully and finally resolved without any charges preferred. No conditions were imposed in the acceptance of the composition offer. Mr. Seah Boon Lock and Ms. Wee Lay Teng are not aware of any post-investigation audits on any of the Relevant Parties. Our Group is not subject to inspections or audits by the Comptroller of Income Tax and/or the Comptroller of Goods and Services Tax. The IRAS has also not raised any further comments or issues on our Group's tax filings since the composition offer was accepted.

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As a separate and independent exercise and in the spirit of full disclosure and to ensure that issues similar to those arising under the IRAS investigations set out above do not occur again, the Group has also engaged CLA Global TS Tax Services Pte. Ltd. to conduct an “Assisted Self-help Kit Review” (“**ASK Review**”) pertaining to GST related matters of two significant subsidiaries of the Group (i.e. Yew Kee Collective Pte. Ltd and Yew Kee Management Pte. Ltd).

The ASK Review is a comprehensive compliance package which is implemented by the IRAS that helps businesses to review the correctness of the GST submissions and also to gauge whether there are any GST errors made in the past GST returns. If there are any GST errors made, the companies are qualified for waiver from penalty arising from the errors made under the IRAS’ Voluntary Disclosure Programme. The IRAS will waive the penalty if the businesses undertake the ASK Review to voluntarily disclose past error(s) within one (1) year grace period from the statutory filing date of the last GST return in respect of the financial year reviewed. CLA Global TS Tax Pte. Ltd., through the course of the ASK Review, subject to the rectification of the incorrect filing made inadvertently by the Group in the subsequent GST returns, is satisfied that the GST filings and returns to date of the abovementioned subsidiaries are in line with the regulatory requirements. All incorrect filings identified are immaterial (below S\$100.00) and will not have a material and adverse impact on our Group’s business, financial condition or results of operations. They will be duly rectified in the next GST filing. Accordingly, the Board is of the view that the Group has put in place effective measures to prevent a recurrence of any such incidents, including compliance with Rule 719 of the Catalist Rules.

MOM matter

About 30 years ago when our Executive Chairman and Executive Director Mr. Seah Boon Lock and our Chief Administrative Officer, Ms. Wee Lay Teng were conducting business under a partnership, there was a manpower-related offence for which the partnership was fined by the MOM. An employee whose work permit was registered for one stall went to work at another stall instead. Mr. Seah Boon Lock was required to attend court in connection with this matter. To the best recollection of Mr. Seah Boon Lock, he paid the fine imposed and there are no public records of this offence and fine.

The MOM has performed routine inspections on our Group from time to time and has not raised any material findings in relation to our Group’s compliance of the MOM’s rules and regulations. The most recent routine inspection by MOM was on 21 May 2021 and no issues were raised.

NEA and Singapore Food Agency infringements

Our subsidiaries have from time to time been issued warnings and been sanctioned by the NEA and the Singapore Food Agency, after it was set up in April 2019 and took over food safety and food-related functions from the NEA, for various offences committed in the ordinary course of business including but not limited to failing to keep appliances and equipment clean, failing to keep the premises of certain Food Outlets free of cockroach infestation, possessing for sale food which is unclean, using a dirty cloth to wipe the lid on a drink cup that was subsequently served to a customer, using chipped container covers, cockroach droppings being found among food items during an inspection, preparation of food by an unlicensed employee, failing to register a food handler, failing to provide a proper system for collection and removal of soiled utensils, damaged floor tiles and walls being found within the premises of a Food Outlet and failing to comply with COVID-19 safe distancing measures. Our Executive Chairman and Executive Director, Mr. Seah Boon Lock, our Chief Executive Officer and Executive Director, Mr. Seah Qin Quan, our Chief Administrative Officer, Ms. Wee Lay Teng and our Chief Marketing Officer, Ms. Seah Kun Miao, were directors of these subsidiaries when these offences were committed, details of which are set out below. As a result of such infringements, our Group has received demerit points, been issued summons, paid compounded fines, had food handlers and the operations of certain Food Outlets and CHICHA San Chen tea shops suspended and certain affected food handlers have been required to re-attend hygiene courses by the Singapore Food Agency. None of such sanctions had a material and adverse effect on our business during the Period Under Review and there are no outstanding summons, fines or corrective action to be taken.

GENERAL AND STATUTORY INFORMATION

Date	Subsidiary	Relevant directors of the subsidiary at the material time	Outlet Address	Infringement	Penalty
14 August 2018	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan	681 Punggol Drive, #01-40/41 Singapore 820681	Failure to provide adequate number of refuse bins with fitting covers	(4) demerit points
14 September 2018	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan	83 Punggol Central #02-20/21 Waterway Point Singapore 82876	Failure to keep licensed premises clean	Charged with offence compounded for S\$300 (4) demerit points
12 October 2018	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan	10 Eunos Road 8 #B1-162 Singapore Post Centre Singapore 408600	Failure to keep licensed premises free of cockroach infestation	Charged with offence compounded for S\$400 (6) demerit points
25 October 2018	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan	80 Marine Parade Road #B1-85, Parkway Parade, Singapore 449269	Placing unclean material in contact with food	Warning
8 November 2018	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan	80 Marine Parade Road #B1-85, Parkway Parade, Singapore 449269	Failure to keep hood and flue system of licensed premises clean	Warning
22 November 2018	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan	638A Jurong West Street 61, #01-22, Pioneer Mall, Singapore 641638	Fail to ensure appliances are kept clean	Charged with offence compounded for S\$300
24 July 2019	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan	11 Bedok North Street 1, #01-28/29, Heartbeat @ Bedok, Singapore 469662	Stall operator sold food without licence	(4) demerit points
3 February 2020	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan	1 Stadium Place #02-12 Kallang Wave Singapore 397628	Failure to keep licensed premises clean Freezer was littered with food scraps and dirtied with grime	Charged with offence compounded for S\$300 (4) demerit points
13 July 2020	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan	1 Stadium Place #02-12 Kallang Wave Singapore 397628	Failure to keep licensed premises clean	(4) demerit points

GENERAL AND STATUTORY INFORMATION

Date	Subsidiary	Relevant directors of the subsidiary at the material time	Outlet Address	Infringement	Penalty
19 May 2020	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan	50 Jurong Gateway Road #B1-K13 JEM Singapore 608549	Sale of food which is unclean or contain foreign matter	Charged with offence compounded for S\$400 (6) demerit points
19 May 2020	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan	80 Marine Parade Road #B1-85, Parkway Parade, Singapore 449269	Failure to register food handler (Lim Kai Lun)	Charged with offence compounded for S\$400 (6) demerit points given
12 June 2020	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan	681 Punggol Drive, #01-40/41 Singapore 820681	Failure to keep licensed premises clean	Warning
30 September 2020	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan	681 Punggol Drive, #01-40/41 Singapore 820681	Failure to keep licensed premises clean, dirt and scums were observed on the wall underneath the cooking range in the kitchen	Charged with offence compounded for S\$300 (4) demerit points given
26 October 2020	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan	18 Yishun Ave 9 #02-01 Junction Nine Singapore 768897	Failure to keep chiller clean, chiller liners were torn and dirty	Charged with offence compounded for S\$300 (4) demerit points given
9 September 2021	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Qin Quan	2 Tampines Central 5 #B1-23 Century Square Singapore 529509	Use of chipped container covers	Warning
15 December 2021	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Qin Quan	2 Tampines Central 5 #B1-23 Century Square Singapore 529509	Failure to keep the licenced premises free of cockroach infestation	Charged with offence compounded for S\$400 (6) demerit points
25 December 2021	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Qin Quan	2 Tampines Central 5 #B1-23 Century Square Singapore 529509	Failure to keep the licenced premises free of cockroach infestation	Charged with offence compounded for S\$400 (6) demerit points given
6 January 2022	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Qin Quan	920 Yishun Avenue 2 #01-12 Yishun Bus Interchange Singapore 769100	Failure to provide a proper system of removal of soiled utensils	Warning

GENERAL AND STATUTORY INFORMATION

Date	Subsidiary	Relevant directors of the subsidiary at the material time	Outlet Address	Infringement	Penalty
12 April 2022	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Qin Quan	18 Yishun Ave 9 #02-01 Junction Nine Singapore 768897	About 20 live cockroaches were found at the chiller door hinges of the chiller, wheel of the stainless steel table, storage racks, and carton box of condensed milk within the kitchen of the food shop.	Charged with offence compounded for S\$400 (6) demerit points
14 September 2022	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Qin Quan Seah Kun Miao	2 Jurong East Central 1 #B1-K04 JCube Singapore 609731	Failure to keep the licensed premises free of cockroach infestation	Charged with offence compounded for S\$400 (6) demerit points
27 September 2022	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Qin Quan Seah Kun Miao	1 Vista Exchange Green #B1-31, The Star Vista, Singapore 138617	Sold food which is unclean or contained foreign matter	Charged with offence compounded for S\$400 (6) demerit points
14 September 2018	Yew Kee Collective Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan Seah Kun Miao	15 Petir Road #01-56 Singapore 678270 (Hillion Mall)	Failure to keep chiller clean	Charged with offence compounded for S\$300
14 September 2018	Yew Kee Collective Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan Seah Kun Miao	15 Petir Road #01-57 Singapore 678270 (Hillion Mall)	Failure to keep chiller clean	Charged with offence compounded for S\$300
17 March 2020	Yew Kee Collective Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan Seah Kun Miao	10 Tampines Central 1 #B1-32 Singapore 529536	Failure to register food handler (Chua Kai En, Priscilla)	Charged with offence compounded for S\$400 (6) demerit points given
24 April 2020	Yew Kee Collective Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan Seah Kun Miao	10 Tampines Central 1 #B1-32 Singapore 529536	Fail to register food handler (Chng Xin Rang)	Charged with offence compounded for S\$400 (6) demerit points given
8 July 2020	Yew Kee Collective Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan Seah Kun Miao	10 Tampines Central 1 #B1-32 Singapore 529536	Accumulated a total of 12 demerit points within 1 year period	Suspension of license for 2 weeks - from 31/08 to 13/09

GENERAL AND STATUTORY INFORMATION

Date	Subsidiary	Relevant directors of the subsidiary at the material time	Outlet Address	Infringement	Penalty
7 December 2020	Yew Kee Collective Pte. Ltd.	Seah Qin Quan	33 Sengkang West Ave #B2-07 The Seletar Mall Singapore 797653	Failure to keep license premises free of cockroach infestation	Charged with offence compounded for S\$400 (6) demerit points given
13 January 2021	Yew Kee Collective Pte. Ltd.	Seah Qin Quan	53 Ang Mo Kio Avenue 3 #B1-65A/B AMK Hub Singapore 569933	Failure to wipe any utensil with a clean cloth	Warning
13 April 2020	Yew Kee Management Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan	32 Woodlands Terrace Singapore 738452	Found live cockroaches on the unused chilli sauce packing and processing equipment located in the packing room	Charged with offence compounded for S\$400
4 November 2020	Yew Kee Management Pte. Ltd.	Seah Boon Lock	32 Woodlands Terrace Singapore 738452	<i>Inter alia</i> , - Found live cockroach in kitchen - Floor tiles in the kitchen and washing area were damaged - Walls in the dry ingredient store and packing room were damaged	Charged with offence compounded for S\$800
27 April 2021	Yew Kee Management Pte. Ltd.	None of our Directors, Executive Officers or Controlling Shareholders were a director of this subsidiary at this time. The director of this subsidiary at the material time was Mr. Ng Kok Leen.	32 Woodlands Terrace Singapore 738452	<i>Inter alia</i> , - Raw duck was placed in the wet processing room for thawing, which was at ambient temperature instead of 12°C to 15°C - One dead cockroach was observed in the corridor - Gaps were observed between the wall and the metal plate in the corridor and the washing area	Warning
31 August 2021 And 24 November 2021	Yew Kee Management Pte. Ltd.	Seah Qin Quan Seah Kun Miao	32 Woodlands Terrace Singapore 738452	Further inspections were conducted by the Singapore Food Agency and the Singapore Food Agency has raised issues for the company's improvement	Inspections and Advisory

GENERAL AND STATUTORY INFORMATION

On 26 April 2018, our Chief Administrative Officer, Ms. Wee Lay Teng received a letter from the NEA notifying her of an accumulation of six (6) demerit points in respect of the licensed Food Outlet at Block 32 New Market Road #01-1108 Singapore 050032 for failing to keep the stall premises free of infestation. A S\$400 fine was imposed, which has been fully settled.

Safe Distancing Infringements

During the Period Under Review, our subsidiary was sanctioned for breaches of safe distancing rules under the COVID-19 (Temporary Measures) (Control Order) Regulations 2020, resulting in fines and the suspension of the operations of one (1) of the Food Outlets for ten (10) days in 2021. All fines have been paid in full and the suspension did not have a material adverse impact on our Group. Details of the breaches including the relevant directors of the subsidiary at the relevant time are set out below.

Safe Distancing Infringements

Date	Subsidiary	Directors of the subsidiary at the material time	Outlet Address	Infringement	Penalty
16 September 2020	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Boon Lock Wee Lay Teng Seah Qin Quan	50 Jurong Gateway Road #B1-K13 Jem Singapore 608549	Breached safe distancing rule of 1 metre between customers	Charged with offence compounded for S\$1,000
13 September 2021	Yew Kee Duck and Noodle House Pte. Ltd.	Seah Qin Quan	604 Sembawang Road #01-05 Sembawang Shopping Centre Singapore 758459	Breached safe distancing rule of 1 metre between customers	Charged with offence compounded for S\$1,000 Ordered to suspend all dine-in services from 15/09/21 to 24/09/21

In order to prevent the recurrence of such infringements, our Group has implemented preventative measures including the engagement of pest control services, scheduling of daily housekeeping, engagement of a contractor to touch-up our Food Outlet premises, and replacement of food container covers. These preventive measures have been put in place since 2019. The Company has also engaged a new employee who is primarily responsible for monitoring issues in relation to our licensing compliance matters. Our internal hygiene officers also conduct regular checks for all our outlets to ensure that our staff at the Food Outlets maintain and follow our standard operating procedures established to ensure proper cleanliness such as cleaning all food storage areas after operating hours and clearing all leftover food. In addition, our internal auditors, BDO Advisory Pte Ltd, has also verified that pest control service providers are engaged for various outlets and also noted that applicable measures in relation to safe management have been put in place. We will follow up on the pest control service reports and if there are any pest findings, our operations team will be activated to address these findings (including sealing any gaps to prevent infestation and additional intensive pest control services), with our area manager enforcing such measures. Accordingly, the Board is of the view that the Group has put in place effective measures to prevent a recurrence of any such incidents, including compliance with Rule 719 of the Catalist Rules. The Board will continue to monitor and put in place an annual internal audit plan to ensure compliance with such preventive measures.

GENERAL AND STATUTORY INFORMATION

Notice of Compliance Issued to Spackman Entertainment Group Limited

Mr Ng. Hong Whee was an independent director of Spackman Entertainment Group Limited (“**Spackman**”) from June 2014 to July 2022. Spackman received a notice of compliance from the Singapore Exchange Regulation Pte. Ltd. (“**SGX RegCo**”) dated 3 September 2020 (“**Spackman NOC**”). The Spackman NOC was concerned with certain transactions that Spackman had entered into with certain shareholders of Spackman Media Group Limited (“**SMGL**”) pursuant to which Spackman increased its shareholding interest in SMGL to 43.88% (“**Past Transactions**”), and a proposed disposal of such interests to Spackman Equities Group (“**Proposed Disposal**”). The concerns arose from, amongst others, past and current common directors in these companies, and that the consideration for the Proposed Disposal was substantially lower than what Spackman had paid in the Past Transactions. Accordingly, the Spackman NOC directed that Spackman’s audit and risk management committee (“**ARMC**”) perform a holistic review of the Past Transactions and provide the SGX RegCo with details of past due diligence performed on the Past Transactions. In addition, Spackman was not to enter into a binding agreement in relation to the Proposed Disposal prior to completion of the ARMC’s review, and the SGX RegCo being satisfied with the findings of the review. As at the Latest Practicable Date, the review is ongoing.

Mr. Ng Hong Whee was not one of the common directors in the companies involved, and was not personally involved in any of the Past Transactions or the Proposed Disposal. He is also not related to any of the vendors of the Past Transactions. Further, as a then-member of the ARMC, Mr. Ng Hong Whee had complied with the directions set out in the Spackman NOC by working with Spackman to appoint an independent reviewer to undertake a review of the Past Transactions, and ensure Spackman’s compliance with the Spackman NOC.

Notice of Compliance Issued to China Haida Ltd.

Mr. Benjamin Zhu is a non-executive director of China Haida Ltd. (“**China Haida**”) which was listed on the Mainboard of the SGX-ST until 14 April 2022. On 28 June 2021, China Haida was issued a notice of compliance (“**China Haida NOC**”) by SGX Regco requiring China Haida to appoint a special auditor by 12 July 2021 to investigate certain matters relating to China Haida’s finances which had originated prior to Mr. Benjamin Zhu’s appointment as a director of China Haida. On 3 August 2021, China Haida announced the appointment of a special auditor pursuant to the China Haida NOC, but subsequently announced on 12 November 2021 that it had to otherwise utilise funds it had previously allocated for payment of the special auditor’s initial retainer. As a result, the special auditor, who by such time had commenced preliminary work on the matter, had temporarily halted its work pending payment of the retainer. On 21 February 2022, China Haida announced the receipt of a notification of delisting (“**Delisting Notification**”) from the SGX-ST, having failed to comply with the requirement in the China Haida NOC to appoint a special auditor. Following an unsuccessful appeal against the Delisting Notification, China Haida was delisted from the Mainboard of the SGX-ST on 14 April 2022. Mr. Benjamin Zhu was not a subject of any investigations in connection with the China Haida NOC and not involved in the matters from which the China Haida NOC arose.

Views of the Board and the Nominating Committee

Notwithstanding the above, our Board and our Nominating Committee, together with our Issue Manager and Full Sponsor, are of the view that each of Mr. Seah Boon Lock, Ms. Wee Lay Teng, Mr. Ng Hong Whee and Mr. Benjamin Zhu have the character and integrity expected of a director and/or executive officer (as the case may be) of a listed issuer and Rule 406(3)(b) of the Catalist Rules has been complied with as (a) none of the above disclosures (including the IRAS investigations) relate to the character and integrity of any of Mr. Seah Boon Lock, Ms. Wee Lay Teng, Mr. Ng Hong Whee and Mr. Benjamin Zhu, (b) all lapses highlighted by the Singapore Food Agency have been rectified and our Group has put in place additional policies and procedures to ensure compliance with the Singapore Food Agency’s regulations, (c) Mr. Ng Hong Whee was not personally involved in any of the Past Transactions or the Proposed Disposal, and further that the ARMC, of which Mr. Ng Hong Whee is a member, has cooperated and complied with the directions set out in the Spackman NOC and (d) Mr. Benjamin Zhu was not personally involved in the matters from which the China Haida NOC arose. Our Board and our Nominating Committee, together with our Issue Manager and Full Sponsor, also confirm that each of them have also considered the declarations made by each Director, Executive Officer, Controlling Shareholder, and officer occupying a managerial position and above who is a relative of any Director or Controlling Shareholder, in the form set out in paragraph 8, Part 7 of the Fifth Schedule, Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 submitted to our Issue Manager and Full Sponsor.

GENERAL AND STATUTORY INFORMATION

CHANGES IN SHARE CAPITAL

2. As at the Latest Practicable Date, there is only one (1) class of shares, being ordinary shares, in the capital of our Company. There are no founder, management, deferred shares or unissued shares reserved for issuance for any purpose. The rights and privileges attached to our Shares are stated in our Constitution.
3. Save as disclosed in the sections entitled “Share Capital” and “Restructuring Exercise” of this Offer Document and below, there are no changes in the issued and paid-up capital of our Company and our subsidiaries within the three (3) years preceding the Latest Practicable Date:

Date of issue	Number of shares Date of issue issued/change in the number of shares	Issue price per share/ Consideration	Purpose of issue/change	Resultant share capital
<i>Our Company</i>				
8 August 2022	100 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$100
<i>Subsidiaries</i>				
Fine Food (Nanyang)				
19 September 2019	100,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$100,000
16 July 2021	100,000 ordinary shares	S\$1	Shares issued to existing shareholders	S\$200,000
CACC				
1 November 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
CTRCC				
29 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
HGMCC				
28 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
WSCC				
29 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
CWPC				
29 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
JEWCC				
28 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000

GENERAL AND STATUTORY INFORMATION

Date of issue	Number of shares Date of issue issued/change in the number of shares	Issue price per share/ Consideration	Purpose of issue/change	Resultant share capital
MSQCC				
28 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
NTUCC				
28 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
PLQCC				
29 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
STARCC				
28 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
TAKACC				
1 November 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
TPCC				
29 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
SUNCC				
1 November 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
WLPCC				
28 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
WPTCC				
28 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
102CR Food				
4 December 2020	100 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$100
YK Food (One)				
27 December 2021	100 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$100

GENERAL AND STATUTORY INFORMATION

Date of issue	Number of shares Date of issue issued/change in the number of shares	Issue price per share/ Consideration	Purpose of issue/change	Resultant share capital
YK Food (Two)				
27 December 2021	100 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$100
YK Food (Three)				
1 April 2022	100 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$100
YK Food (Four)				
6 May 2022	100 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$100
YK Food (Five)				
1 August 2022	100 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$100
YISCC				
24 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
NUSCC				
1 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
NOVCC				
1 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
NEXCC				
24 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
LOTCC				
17 February 2021	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
KWMCC				
28 May 2021	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
JPCC				
1 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000

GENERAL AND STATUTORY INFORMATION

Date of issue	Number of shares Date of issue issued/change in the number of shares	Issue price per share/ Consideration	Purpose of issue/change	Resultant share capital
JEMCC				
29 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
HILLCC				
1 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
EASTCC				
3 June 2021	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
CPOCC				
28 May 2021	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
PASCC				
29 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
AMKCC				
29 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
313CC				
29 December 2020	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
CNPCC				
1 June 2022	1,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$1,000
PastaGo				
1 November 2021	100,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$100,000
29 August 2022	300,000 ordinary shares	S\$1	Increase in paid-up capital	S\$300,000
Yew Kee Bakery				
6 July 2022	100 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$100
YKGI Hawker Management				
20 December 2022	300,000 ordinary shares	S\$1	Subscriber shares issued on incorporation	S\$300,000

GENERAL AND STATUTORY INFORMATION

4. Save as disclosed above and in the sections entitled “Share Capital” and “Restructuring Exercise” of this Offer Document, no shares in, or debentures of, our Company or any of our subsidiaries have been issued, or are proposed to be issued, as fully or partly paid for cash or for a consideration other than cash, during the three (3) years preceding the date of this Offer Document.
5. No option to subscribe for Shares in, or debentures of, our Company or any of our subsidiaries has been granted to, or was exercised by, any Director or Executive Officer within the last two (2) years preceding the date of this Offer Document.
6. Except for the Yew Kee ESOS and Yew Kee PSP, as at the Latest Practicable Date, no person has been or is entitled to be, given an option to subscribe for any shares in or debentures of our Company or any of our subsidiaries.

MATERIAL CONTRACTS

7. The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by our Company and our subsidiaries within the two (2) years preceding the date of lodgement of this Offer Document and are or may be material:
 - (a) the Master Franchise Agreement;
 - (b) the Cornerstone Subscription Agreements;
 - (c) the moratorium undertakings referred to in the section entitled “Shareholders – Moratorium” of this Offer Document;
 - (d) the personal guarantees referred to in the section entitled “Interested Person Transactions – Present and On-going Interested Person Transactions – Provision of personal guarantees by Mr. Seah Boon Lock, Ms. Wee Lay Teng and Mr. Seah Qin Quan to our Group for facilities” of this Offer Document;
 - (e) the Management and Sponsorship Agreement referred to in the section entitled “Sponsorship, Management and Placement Arrangements” of this Offer Document;
 - (f) the Placement Agreement referred to in the section entitled “Sponsorship, Management and Placement Arrangements” of this Offer Document;
 - (g) the Service Agreements referred to in the section entitled “Directors, Executive Officers and Staff – Service Agreements” of this Offer Document; and
 - (h) the Non-Compete Undertaking referred to in the section entitled “Interested Person Transactions – Potential Conflicts of Interests – Interests of Directors, CEO, Controlling Shareholders or Their Associates”.

MATERIAL LITIGATION

8. Save as disclosed below, as at the Latest Practicable Date, our Group was not engaged in any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or have had during the last twelve (12) months before the date of lodgement of this Offer Document, a material effect on our Group’s financial position or profitability.

Our subsidiary Yew Kee Management is currently involved as second defendant in a litigation suit relating to a motor accident for which the total estimated value of the unliquidated claim is S\$600,000. The claim arose from a motor accident involving an employee of our Group who is a delivery man and who was at the material time driving a van to make deliveries in his capacity as an employee of our Group. Such claim is being handled through our insurer and we expect that the claim will be fully covered by our motor accident insurance policy.

GENERAL AND STATUTORY INFORMATION

CONSTITUTION

9. The nature of our Company's business has been stated earlier in this Offer Document. Our objects can be found in our Constitution.
10. An extract of our Constitution relating to, among others, Directors' powers to vote on contracts in which they are interested, Directors' remuneration, Directors' borrowing powers, Directors' retirement, Directors' share qualification, rights pertaining to Shares, convening of general meetings and alteration of capital are set out in "Appendix D - Summary of our Constitution" of this Offer Document. The Constitution of our Company is available for inspection at our registered office in accordance with paragraph 27 in this section.

MISCELLANEOUS

11. There has been no previous issue of Shares by our Company or offer for sale of our Shares to the public within the two (2) years preceding the date of this Offer Document.
12. There has not been any public take-over offer by a third party in respect of our Shares or by our Company in respect of shares of another corporation or units of a business trust which has occurred between the date of incorporation of our Company and the Latest Practicable Date.
13. Save as disclosed in the section entitled "Sponsorship, Management and Placement Arrangements" of this Offer Document, no commission, discount or brokerage has been paid or other special terms granted within the two (2) years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company or any of our subsidiaries.
14. None of the experts named in this Offer Document:
 - (a) is employed on a contingent basis by our Company or our subsidiaries;
 - (b) has a material interest, whether direct or indirect, in our Shares or in the shares of our subsidiaries; or
 - (c) has a material economic interest, whether direct or indirect, in our Company, including having an interest in the success of the Placement.
15. Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Banker. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.
16. Save as disclosed the sections entitled "Risk Factors", "Capitalisation and Indebtedness", "Management's Discussion and Analysis of Results of Operations and Financial Position" and "General Information on our Group" of this Offer Document, our Directors are not aware of any event which has occurred between 1 July 2022 and the Latest Practicable Date which may have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Document to be not necessarily indicative of the future operating results or financial condition of our Group. The results of operations and financial position of our Group or the financial information provided in this Offer Document.

GENERAL AND STATUTORY INFORMATION

17. Save as disclosed in the sections entitled “Risk Factors”, “Capitalisation and Indebtedness”, “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “General Information on our Group” of this Offer Document, the results of operations and financial position of our Group are not likely to be affected by any of the following:
- (a) known trends, uncertainties, demands, commitments or events that will result in or are reasonably likely to result in our Group’s liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure;
 - (c) unusual or infrequent events or transactions or any significant economic changes that may materially affect the amount of reported income from operations; and
 - (d) known trends, uncertainties, demands, commitments or events that have had or that we reasonably expect will have a material favourable or unfavourable impact on revenues or operating income.
18. Details, including the name, address and professional qualifications including membership in a professional body of the auditors of our Company for the Period Under Review are as follow:

Name and address	Professional body	Director-in-charge / Professional qualification
CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation) 80 Robinson Road #25-00 Singapore 068898	Public Accountants and Chartered Accountants Singapore	Ms. Meriana Ang Mei Ling / a practising member of the Institute of Singapore Chartered Accountants

Our internal auditors are BDO Advisory Pte Ltd, located at 600 North Bridge Road, #23-01, Parkview Square, Singapore 188778. The Partner-in-charge is Mr. Koh Chin Beng, who is a Chartered Accountant (Singapore) and Certified Internal Auditor.

We currently have no intention of changing the auditors of the companies in our Group after our Listing.

CONSENTS

19. RHT Capital Pte. Ltd., the Issue Manager and Full Sponsor, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all statements attributed to it in the sections entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position – Liquidity and Capital Resources”, “General and Statutory Information – Views of the Board and the Nominating Committee”, and references thereto in the form and context in which they appear in this Offer Document and to act in such capacity in relation to this Offer Document.
20. Each of Evolve Capital Advisory Private Limited and KGI Securities (Singapore) Pte. Ltd., the Joint Placement Agents, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and references thereto in the form and context in which they appear in this Offer Document and to act in such capacity in relation to this Offer Document.

GENERAL AND STATUTORY INFORMATION

21. CLA Global TS Public Accounting (formerly known as Nexia TS Public Accounting Corporation), the Independent Auditor and Reporting Accountant, has given and has not withdrawn their written consent to the issue of this Offer Document with the inclusion herein of the “*Independent Auditor’s Report and the Audited Combined Financial Statements for the Financial Years ended 31 December 2019, 2020 and 2021*”, the “*Independent Auditor’s Review Report and Unaudited Interim Condensed Combined Financial Statements for the six months period ended 30 June 2022*” and the “*Independent Auditor’s Assurance Report and the Compilation of Unaudited Pro Forma Combined Financial Information for the Financial Year ended 31 December 2021 and the Six Months Period ended 30 June 2022*” as set out in Appendices A, B and C, respectively, of this Offer Document, and (ii) the statements attributed to it in the sections entitled “General Information on our Group – Sales and Marketing” and “Directors, Executive Officers and Staff – Executive Officers” of this Offer Document, in the form and context in which they are included and references to its name in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.
22. Bird & Bird ATMD LLP, the Solicitors to the Placement and Legal Advisers to our Company on Singapore Law have given, and have not withdrawn their written consent to the issue of this Offer Document with the inclusion herein of their name and references thereto, in the form and context in which they appear in this Offer Document and to act in such capacity in relation to this Offer Document.
23. Lee & Lee, the Solicitors to the Issue Manager and Full Sponsor, and the Joint Placement Agents on Singapore Law have given, and have not withdrawn their written consent to the issue of this Offer Document with the inclusion herein of their name and references thereto, in the form and context in which they appear in this Offer Document and to act in such capacity in relation to this Offer Document.
24. BDO Advisory Pte. Ltd., our internal auditors, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and the statements attributed to it in the sections entitled “Directors, Executive Officers and Staff – Executive Officers”, “Corporate Governance” and “General and Statutory Information” of this Offer Document, and all references thereto in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.
25. The Share Registrar has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and reference thereto in the form and context in which they respectively appear in this Offer Document and to act in such capacity in relation to this Offer Document. The Principal Bank and the Receiving Banker has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and references thereto in the form and context in which it appears in this Offer Document.
26. Each of the Issue Manager and Full Sponsor, the Joint Placement Agents, the Solicitors to the Placement and Legal Advisers to our Company on Singapore Law, Solicitors to the Issue Manager and Full Sponsor, and the Joint Placement Agents on Singapore Law, the Share Registrar, and the Principal Bank and Receiving Banker do not make, or purport to make, any statement in this Offer Document or any statement upon which a statement in this Offer Document is based and to the maximum extent permitted by law, expressly disclaim and takes no responsibility for any liability to any person which is based on, or arises out of, any statement, information or opinions in, or omission from, this Offer Document.

GENERAL AND STATUTORY INFORMATION

DOCUMENTS AVAILABLE FOR INSPECTION

27. Copies of the following documents may be inspected at our registered address during normal business hours for a period of six (6) months from the date of registration by the SGX-ST acting as agent on behalf of the Authority, of this Offer Document:
- (i) the Constitution;
 - (ii) the Master Franchise Agreement;
 - (iii) the letters of consent referred to in this Offer Document;
 - (iv) the Service Agreements;
 - (v) the Cornerstone Subscription Agreements in relation to the subscription for the Cornerstone Shares by the Cornerstone Investors, referred to in the section entitled “Shareholders – Cornerstone Investors” of this Offer Document;
 - (vi) the Management and Sponsorship Agreement, referred to in the section entitled “Sponsorship, Management and Placement Arrangements” of this Offer Document; and
 - (vii) the Placement Agreement, referred to in the section entitled “Sponsorship, Management and Placement Arrangements” of this Offer Document;
 - (viii) the Independent Auditor’s Report and the Audited Combined Financial Statements for the Financial Years ended 31 December 2019, 2020 and 2021 as set out in Appendix A of this Offer Document;
 - (ix) the Independent Auditor’s Review Report and Unaudited Interim Condensed Combined Financial Statements for the Six Months Period ended 30 June 2022 as set out in Appendix B of this Offer Document;
 - (x) the Independent Auditor’s Assurance Report and the Compilation of Unaudited Pro Forma Combined Financial Information for the Financial Year ended 31 December 2021 and the Six Months Period ended 30 June 2022; and
 - (xi) the audited and unaudited financial statements of the subsidiaries for FY2019, FY2020 and FY2021.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

28. This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Placement and our Group, and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

RESPONSIBILITY STATEMENT BY THE VENDOR

29. The Vendor accepts full responsibility for the accuracy of the information given in this Offer Document and confirms, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Placement, our Company and our subsidiaries, and the Vendor is not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Vendor has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2019, 2020 AND 2021**

**YKGI LIMITED AND
ITS SUBSIDIARY CORPORATIONS**
(Incorporated in the Republic of Singapore)

**AUDITED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2019, 2020 and 2021**

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2019, 2020 AND 2021**

YKGI Limited and Its Subsidiary Corporations

Directors’ Statement

For the financial years ended 31 December 2019, 2020 and 2021

In the opinion of the directors,

- (a) the combined financial statements of YKGI Limited (the “Company”) and its subsidiary corporations (collectively, the “Group”) as set out on pages A-5 to A-65 are drawn up so as to give a true and fair view of the combined financial position of the Group as at 31 December 2019, 2020 and 2021 and the combined financial performance, combined changes in equity and combined cash flows of the Group for the financial years covered by the combined financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

The directors have, on the date of this statement, authorised these combined financial statements for issue.

.....
Seah Boon Lock
Director

.....
Seah Qin Quan
Director

26 January 2023

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2019, 2020 AND 2021**

**INDEPENDENT AUDITOR’S REPORT ON
THE COMBINED FINANCIAL STATEMENTS OF
YKGI LIMITED AND ITS SUBSIDIARY CORPORATIONS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2019, 2020 AND 2021**

Board of Directors
YKGI Limited
32 Woodlands Terrace
Singapore 738452

Dear Sirs

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the accompanying combined financial statements of YKGI Limited (the “Company”) and its subsidiary corporations (collectively, the “Group”), which comprise the combined statements of financial position as at 31 December 2019, 2020 and 2021, and the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for the financial years ended 31 December 2019, 2020 and 2021, and notes to the combined financial statements, including a summary of significant accounting policies, as set out on pages A-5 to A-65.

In our opinion, the accompanying combined financial statements of the Group are properly drawn up in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the combined financial position of the Group as at 31 December 2019, 2020 and 2021 and of the combined financial performance, combined changes in equity and combined cash flows of the Group for the financial years ended 31 December 2019, 2020 and 2021.

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 combined 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.

Responsibilities of Management and Directors for the Combined Financial Statements

Management is responsible for the preparation of combined financial statements that give a true and fair view in accordance with 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 combined financial statements and to maintain accountability of assets.

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

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

APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2019, 2020 AND 2021

INDEPENDENT AUDITOR’S REPORT ON THE COMBINED FINANCIAL STATEMENTS OF YKGI LIMITED AND ITS SUBSIDIARY CORPORATIONS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2019, 2020 AND 2021 (CONTINUED)

Auditor’s Responsibilities for the Audit of the Combined Financial Statements

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

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

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

We communicate with 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.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2019, 2020 AND 2021**

**INDEPENDENT AUDITOR’S REPORT ON
THE COMBINED FINANCIAL STATEMENTS OF
YKGI LIMITED AND ITS SUBSIDIARY CORPORATIONS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2019, 2020 AND 2021 (CONTINUED)**

Restriction on Distribution and Use

This report is made solely for the inclusion in the Offer Document of the Company to be issued in relation to the proposed offering of the shares of YKGI Limited on the Catalist, the sponsor-supervised Board of Singapore Exchange Securities Trading Limited and for no other purpose.

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

26 January 2023

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2019, 2020 AND 2021**

**YKGI Limited and Its Subsidiary Corporations
Combined Statements of Comprehensive Income
For the financial years ended 31 December 2019, 2020 and 2021**

	Note	2019	2020	2021
		\$	\$	\$
Revenue	4	31,610,306	38,991,809	56,110,888
Other income	5	303,190	5,124,830	4,959,522
Expenses				
- Purchases and related costs		(8,990,064)	(9,606,597)	(16,511,369)
- Changes in inventories		368,684	(196,879)	621,276
- Employee benefits	6	(7,920,203)	(10,321,208)	(12,822,106)
- Depreciation of property, plant and equipment	14	(5,253,220)	(7,253,522)	(8,485,231)
- Other expenses	7	(8,249,418)	(10,446,654)	(13,711,202)
- Finance costs	8	(504,776)	(631,900)	(589,236)
Total expenses		<u>(30,548,997)</u>	<u>(38,456,760)</u>	<u>(51,497,868)</u>
Profit before income tax		1,364,499	5,659,879	9,572,542
Income tax expense	9	<u>(174,536)</u>	<u>(622,016)</u>	<u>(510,889)</u>
Net profit, representing total comprehensive income for the financial year		<u>1,189,963</u>	<u>5,037,863</u>	<u>9,061,653</u>
Net profit attributable to:				
Equity holders of the Company		1,039,976	4,920,073	8,924,010
Non-controlling interests	22	<u>149,987</u>	<u>117,790</u>	<u>137,643</u>
		<u>1,189,963</u>	<u>5,037,863</u>	<u>9,061,653</u>
Earnings per share (“EPS”) for net profit attributable to equity holders of the Company (Cents per share)				
Basic and diluted EPS	10	<u>0.29</u>	<u>1.39</u>	<u>2.51</u>

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2019, 2020 AND 2021**

**YKGI Limited and Its Subsidiary Corporations
Combined Statements of Financial Position
As at 31 December 2019, 2020 and 2021**

	Note	2019	2020	2021
		\$	\$	\$
ASSETS				
Current assets				
Cash and bank balances	11	6,654,711	9,804,345	13,600,649
Trade and other receivables	12	3,332,675	4,866,784	3,995,563
Inventories	13	558,383	361,504	982,780
		<u>10,545,769</u>	<u>15,032,633</u>	<u>18,578,992</u>
Non-current assets				
Property, plant and equipment	14	13,472,801	14,688,763	13,064,196
Intangible assets	16	230,057	205,408	180,759
Investment in an associated company	17	1	1	1
		<u>13,702,859</u>	<u>14,894,172</u>	<u>13,244,956</u>
Total Assets		<u>24,248,628</u>	<u>29,926,805</u>	<u>31,823,948</u>
LIABILITIES				
Current liabilities				
Trade and other payables	18	7,584,259	7,355,410	5,359,802
Bank borrowings	19	1,600,770	2,500,000	–
Lease liabilities	15(h)	4,027,004	6,253,751	5,713,166
Current income tax liabilities		174,536	612,641	655,389
		<u>13,386,569</u>	<u>16,721,802</u>	<u>11,728,357</u>
Non-current liabilities				
Lease liabilities	15(h)	5,500,698	4,420,881	2,888,639
Provisions	20	334,000	558,000	817,000
		<u>5,834,698</u>	<u>4,978,881</u>	<u>3,705,639</u>
Total liabilities		<u>19,221,267</u>	<u>21,700,683</u>	<u>15,433,996</u>
Net assets		<u>5,027,361</u>	<u>8,226,122</u>	<u>16,389,952</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	21	1,720,516	1,726,514	1,889,714
Retained profits*		2,940,465	6,160,438	13,963,425
		<u>4,660,981</u>	<u>7,886,952</u>	<u>15,853,139</u>
Non-controlling interests	22	366,380	339,170	536,813
Total equity		<u>5,027,361</u>	<u>8,226,122</u>	<u>16,389,952</u>

* Retained profits of the Group are distributable.

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2019, 2020 AND 2021**

**YKGI Limited and Its Subsidiary Corporations
Combined Statements of Changes in Equity
For the financial years ended 31 December 2019, 2020 and 2021**

		Attributable to equity holders of the Company			Non- controlling interests \$	Total equity \$
Note	Share capital \$	Retained profits \$	Total \$			
2019						
Beginning of financial year		1,140,519	2,520,489	3,661,008	216,393	3,877,401
Net profit for the financial year		—	1,039,976	1,039,976	149,987	1,189,963
Issuance of new ordinary shares - Incorporation of subsidiary corporations	21, 22	579,997	—	579,997	20,000	599,997
Dividends declared	22, 24	—	(620,000)	(620,000)	(20,000)	(640,000)
End of financial year		<u>1,720,516</u>	<u>2,940,465</u>	<u>4,660,981</u>	<u>366,380</u>	<u>5,027,361</u>
2020						
Beginning of financial year		1,720,516	2,940,465	4,660,981	366,380	5,027,361
Net profit for the financial year		—	4,920,073	4,920,073	117,790	5,037,863
Issuance of new ordinary shares - Incorporation of subsidiary corporations	21, 22	5,998	—	5,998	—	5,998
Dividends declared	22, 24	—	(1,700,100)	(1,700,100)	(145,000)	(1,845,100)
End of financial year		<u>1,726,514</u>	<u>6,160,438</u>	<u>7,886,952</u>	<u>339,170</u>	<u>8,226,122</u>
2021						
Beginning of financial year		1,726,514	6,160,438	7,886,952	339,170	8,226,122
Net profit for the financial year		—	8,924,010	8,924,010	137,643	9,061,653
Issuance of new ordinary shares - Incorporation of subsidiary corporations	21, 22	163,300	—	163,300	60,000	223,300
Struck-off of a subsidiary corporation	21	(100)	—	(100)	—	(100)
Dividends declared	24	—	(1,121,023)	(1,121,023)	—	(1,121,023)
End of financial year		<u>1,889,714</u>	<u>13,963,425</u>	<u>15,853,139</u>	<u>536,813</u>	<u>16,389,952</u>

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2019, 2020 AND 2021**

**YKGI Limited and Its Subsidiary Corporations
Combined Statements of Cash Flows
For the financial years ended 31 December 2019, 2020 and 2021**

	Note	2019 \$	2020 \$	2021 \$
Cash flows from operating activities				
Net profit		1,189,963	5,037,863	9,061,653
Adjustments for:				
- Amortisation of intangible assets	7	16,433	24,649	24,649
- Depreciation of property, plant and equipment	14	5,253,220	7,253,522	8,485,231
- Gain on termination of leases	5	–	(26,642)	–
- Gain on disposal of property, plant and equipment	5	–	–	(200,679)
- Interest expense	8	504,776	631,900	589,236
- Income tax expense	9	174,536	622,016	510,889
- Rental concession income		–	(2,257,476)	(623,819)
		7,138,928	11,285,832	17,847,160
Changes in working capital:				
- Inventories		(368,804)	196,879	(621,276)
- Trade and other receivables		(1,017,088)	(1,534,109)	871,221
- Trade and other payables		197,090	771,151	(1,995,608)
Cash generated from operations		5,950,126	10,719,753	16,101,497
Income tax paid		(85,334)	(183,911)	(468,141)
Net cash provided by operating activities		5,864,792	10,535,842	15,633,356
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment		–	–	273,529
Additions to intangible assets	16	(246,490)	–	–
Additions to property, plant and equipment		(2,044,576)	(1,586,064)	(1,982,742)
Struck-off of a subsidiary corporation		–	–	(100)
Net cash used in investing activities		(2,291,066)	(1,586,064)	(1,709,313)
Cash flows from financing activities				
Proceeds from issuance of shares	21	579,997	5,998	163,300
Proceed from issuance of ordinary shares to non-controlling interests	22	20,000	–	60,000
Dividends paid to equity holders of the Company	24	(620,000)	(1,700,100)	(1,121,023)
Dividends paid to non-controlling interests	22	(20,000)	(145,000)	–
Proceeds from borrowings		1,000,000	1,000,000	–
Repayments of borrowings		(96,375)	(100,770)	(2,500,000)
Principal repayment of lease liabilities		(3,591,129)	(3,228,372)	(6,140,780)
Loan from/(Repayment of loan from) a related party		1,000,000	(1,000,000)	–
Interest paid		(504,776)	(631,900)	(589,236)
Net cash used in financing activities		(2,232,283)	(5,800,144)	(10,127,739)
Net increase in cash and bank balances		1,341,443	3,149,634	3,796,304
Cash and bank balances				
Beginning of the financial year		5,313,268	6,654,711	9,804,345
End of the financial year	11	6,654,711	9,804,345	13,600,649

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2019, 2020 AND 2021**

**YKGI Limited and Its Subsidiary Corporations
Combined Statements of Cash Flows
For the financial years ended 31 December 2019, 2020 and 2021**

Reconciliation of liabilities arising from financing activities

	1 January 2019	Proceeds from borrowings	Principal and interest payments	Interest expense	Non-cash changes		31 December 2019
	\$	\$	\$	\$	Adoption of SFRS(I) 16 - Leases	Additions	\$
Bank borrowings	697,145	1,000,000	(162,172)	65,797	–	–	1,600,770
Lease liabilities	–	–	(4,024,108)	432,979	10,173,416	2,945,415	9,527,702
Loan to a director	–	1,000,000	(6,000)	6,000	–	–	1,000,000
Finance lease liabilities	283,425	–	–	–	(283,425)	–	–

	1 January 2020	Proceeds from borrowings	Principal and interest payments	Interest expense	Non-cash changes			31 December 2020
	\$	\$	\$	\$	Additions	Lease termination	Rental concession	\$
Bank borrowings	1,600,770	1,000,000	(217,171)	116,401	–	–	–	2,500,000
Lease liabilities	9,527,702	–	(3,743,871)	515,499	7,269,169	(636,391)	(2,257,476)	10,674,632
Loan to a director	1,000,000	–	(1,000,000)	–	–	–	–	–

	1 January 2021	Principal and interest payments	Interest expense	Non-cash changes			31 December 2021
	\$	\$	\$	Additions	Lease termination	Rental concession	\$
Bank borrowings	2,500,000	(2,525,009)	25,009	–	–	–	–
Lease liabilities	10,674,632	(6,705,007)	564,227	5,960,567	(1,268,795)	(623,819)	8,601,805

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

APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2019, 2020 AND 2021

YKGI Limited and Its Subsidiary Corporations Notes to the Combined Financial Statements For the financial years ended 31 December 2019, 2020 and 2021

These notes form an integral part of and should be read in conjunction with the combined 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 32 Woodlands Terrace Singapore 738452.

The combined financial statements of YKGI Limited (the “Company”) and its subsidiary corporations (collectively, the “Group”) have been prepared for the purpose of inclusion in filings associated with the proposed initial public offering (“IPO”) of ordinary shares in the capital of the Company on Catalist, the sponsor-supervised listing platform of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The combined financial statements are presented in Singapore Dollar (“\$”) except otherwise indicated.

The principal activity of the Company is that of an investment holding. The principal activities of the subsidiary corporations are disclosed below.

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations:

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
Yew Kee Duck and Noodle House Pte. Ltd. (formerly known as Yu Kee Duck and Noodle House Pte. Ltd.)	Singapore	Letting and operating of self-owned or leased food courts, coffee shops and canteens (with mainly rental income); Food caterers	100
Yew Kee Management Pte. Ltd. (formerly known as Yu Kee Management Pte. Ltd.)	Singapore	Manufacture of cooked-food preparations (e.g frozen dinners); Food caterers	100
Yew Kee Three Pte. Ltd. (formerly known as Yu Kee Three Pte. Ltd.)	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
Yew Kee Two Pte. Ltd. (formerly known as Yu Kee Two Pte. Ltd.)	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100

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31 DECEMBER 2019, 2020 AND 2021**

**YKGI Limited and Its Subsidiary Corporations
Notes to the Combined Financial Statements
For the financial years ended 31 December 2019, 2020 and 2021**

1. General information (continued)

1.1 The Company (continued)

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations (continued):

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
Ubi 179 Food House Pte. Ltd.	Singapore	Cafes – coffee shops (including eating house); Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers)	100
SM30 Simei Pte. Ltd.	Singapore	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	100
108 Sembawang Pte. Ltd.	Singapore	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	100
207 (Duck Rice) Pte. Ltd.	Singapore	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	100
10 (XO Noodle) Pte. Ltd.	Singapore	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	100
480 Local Delight Pte. Ltd.	Singapore	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	100

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**YKGI Limited and Its Subsidiary Corporations
Notes to the Combined Financial Statements
For the financial years ended 31 December 2019, 2020 and 2021**

1. General information (continued)

1.1 The Company (continued)

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations (continued):

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
Admiralty Local Delight Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
51 Hougang Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
2 Bukit Panjang Pte.Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
Punggol WP83 Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
Yew Kee Collective Pte. Ltd. (formerly known as Yu Kee Group Pte. Ltd.)	Singapore	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)	100
Ying’s Traditional Food Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Letting and operating of self-owned or leased food courts, coffee shops and canteens (with mainly rental income)	100

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YKGI Limited and Its Subsidiary Corporations
Notes to the Combined Financial Statements
For the financial years ended 31 December 2019, 2020 and 2021

1. General information (continued)

1.1 The Company (continued)

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations (continued):

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
Fine Food F&B Pte. Ltd.	Singapore	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)	50
Fine Food (Nanyang) Pte. Ltd.	Singapore	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)	80
TAKACC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
CACC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
SUNCC Pte. Ltd. (formerly known as WEGCC Pte. Ltd.)	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
NUSCC Pte. Ltd. (formerly known as T3CC Pte. Ltd.)	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100

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**YKGI Limited and Its Subsidiary Corporations
Notes to the Combined Financial Statements
For the financial years ended 31 December 2019, 2020 and 2021**

1. General information (continued)

1.1 The Company (continued)

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations (continued):

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
JPCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
NOVCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
HILLCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
102CR Food Pte. Ltd.	Singapore	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)	100
NEXCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
YISCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
MSQCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
WLPCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100

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**YKGI Limited and Its Subsidiary Corporations
Notes to the Combined Financial Statements
For the financial years ended 31 December 2019, 2020 and 2021**

1. General information (continued)

1.1 The Company (continued)

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations (continued):

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
NTUCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
WPTCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
HGMCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
STARCC Pte Ltd	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
JEWCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
313CC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
JEMCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
PASCC Pte. Ltd. (formerly known as BLCC Pte. Ltd.)	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100

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**YKGI Limited and Its Subsidiary Corporations
Notes to the Combined Financial Statements
For the financial years ended 31 December 2019, 2020 and 2021**

1. General information (continued)

1.1 The Company (continued)

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations (continued):

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
AMKCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
CTRCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
WSCC Pte. Ltd. (formerly known as FUSCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
TPCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
PLQCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
CWPCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
LOTCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
KWMCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100

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1. General information (continued)

1.1 The Company (continued)

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations (continued):

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
CPOCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
EASTCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
YK Food (One) Pte. Ltd.	Singapore	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)	100
YK Food (Two) Pte. Ltd.	Singapore	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)	100
YK Food (Three) Pte. Ltd.	Singapore	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)	100
YK Food (Four) Pte. Ltd.	Singapore	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)	100
YK Food (Five) Pte. Ltd.	Singapore	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)	100

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1. General information (continued)

1.1 The Company (continued)

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations (continued):

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
CNPCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
PastaGo Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
Yew Kee Bakery Pte. Ltd.	Singapore	Retail sale of confectionary and bakery products (not manufactured on site) and manufacture of bakery products	100
YKGI Hawker Management Pte. Ltd.	Singapore	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)	100

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 Catalist:

(a) Incorporation of the Company

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 \$100 comprising 100 Share held by Seah & Family Pte. Ltd. (“Seah & Family”).

(b) Disposal of Billion Land Pte. Ltd.

On 15 August 2022, the Company’s subsidiary corporation, Yew Kee Two Pte. Ltd. (formerly known as Yu Kee Two Pte. Ltd.) disposed of 1 share representing 20.0% of the issued and paid-up capital of Billion Land Pte. Ltd. (“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 \$0.4 million. 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.

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1. General information (continued)

1.2 Restructuring exercise (continued)

(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 of the issued and paid-up share capital of each of the corresponding subsidiary corporations 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.

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 who all nominated Seah & Family to hold such new shares. 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 & Family, 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 consideration shares issued
Seah Boon Lock	Yew Kee Management Pte. Ltd. (formerly known as Yu 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. (formerly known as Yu Kee Group 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. (formerly known as Yu 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. (formerly known as Yu 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

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1.2 Restructuring exercise (continued)

(c) Share Swap (continued)

Sellers	Subsidiary corporation	Number of ordinary shares acquired	Number of consideration shares issued
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. (formerly known as FUSCC 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	CWPC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100
Seah Boon Lock	MSQCC Pte. Ltd.	400	400
Wee Lay Teng		400	400
Seah Qin Quan		100	100
Seah Kun Miao		100	100

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1. General information (continued)

1.2 Restructuring exercise (continued)

(c) Share Swap (continued)

Sellers	Subsidiary corporation	Number of ordinary shares acquired	Number of consideration shares issued
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
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

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1. General information (continued)

1.2 Restructuring exercise (continued)

(c) Share Swap (continued)

Sellers	Subsidiary corporation	Number of ordinary shares acquired	Number of consideration shares issued
Seah Boon Lock	SUNCC Pte. Ltd. (formerly known as WEGCC 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. (formerly known as T3CC 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
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

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1. General information (continued)

1.2 Restructuring exercise (continued)

(c) Share Swap (continued)

Sellers	Subsidiary corporation	Number of ordinary shares acquired	Number of consideration shares issued
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
Seah Boon Lock	Yew Kee Three Pte. Ltd. (formerly known as Yu 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	102CR 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

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1. General information (continued)

1.2 Restructuring exercise (continued)

(c) Share Swap (continued)

Sellers	Subsidiary corporation	Number of ordinary shares acquired	Number of consideration shares issued
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
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

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1. General information (continued)

1.2 Restructuring exercise (continued)

(c) Share Swap (continued)

Sellers	Subsidiary corporation	Number of ordinary shares acquired	Number of consideration shares issued
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

(d) Issuance of Shares to Seah & Family

On 23 December 2022, the Company issued 67,534 shares to Seah & Family, for a consideration of \$7,534. Following such issuance of shares, 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 the Company into a Public Company

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 combined financial statements of the Group have been prepared to reflect the operations of the combining entities as a single economic enterprise and consist of those companies under common control during the financial years ended 31 December 2019, 2020 and 2021. As at 31 December 2019, 2020 and 2021, the Group comprised entities set out in Note 1.1 to the combined financial statements, except for the Company, YK Food (Three) Pte. Ltd., YK Food (Four) Pte. Ltd., CNPCC Pte. Ltd., Yew Kee Bakery Pte. Ltd., YK Food (Five) Pte. Ltd. and YKGI Hawker Management Pte. Ltd. which were incorporated after 31 December 2021.

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1. General information (continued)

1.2 Restructuring exercise (continued)

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 combined financial statements at their historical carrying amounts. Although the Restructuring Exercise was completed after 31 December 2021, the combined 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

These combined financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) and the related Interpretations to SFRS(I) (“INT SFRS(I)”) as issued by the Singapore Accounting Standards Council. These are the Group’s first financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 – *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied.

The combined financial statements are prepared on a going concern basis under the historical cost convention except where a SFRS(I) requires an alternative treatment (such as fair values) as disclosed where appropriate in these combined financial statements.

The preparation of these combined 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 estimates and assumptions are significant to the combined financial statements are disclosed in Note 3 to the combined financial statements.

Interpretation and amendments to published standards effective in 2019, 2020 and 2021

On 1 January 2019, 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).

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2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Interpretation and amendments to published standards effective in 2019, 2020 and 2021 (continued)

The adoption of these new or amended SFRS(I)s and INT SFRS(I)s did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the financial years ended 31 December 2019, 2020 and 2021 except for the following:

A. Adoption of SFRS(I) 16 – *Leases*

SFRS(I) 16 resulted in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The Group’s accounting policy on leases after the adoption of SFRS(I) 16 is as disclosed in Note 2.13 to the combined financial statements.

The Group applied SFRS(I) 16 for the first time for the annual period beginning on 1 January 2019. The Group applied SFRS(I) 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised at 1 January 2019. Accordingly, opening retained profits as at 1 January 2019 is not restated – i.e. it is presented, as previously reported, SFRS(I) 1-17 – *Leases* and related interpretations. The details of the changes in accounting policies are disclosed in Note 2.13 to the combined financial statements.

The effect of adoption of SFRS(I) 16 on the Group’s combined financial statements as at 1 January 2019 are as follows:

	Increase/ (Decrease)
	\$
Property, plant and equipment (Note 14)	9,889,991
Finance lease liabilities	(283,425)
Lease liabilities	<u>10,173,416</u>

B. Early adoption of amendments to SFRS(I) 16 – *Leases*

When the Group is the lessee

The Group has elected to early adopt the amendments to SFRS(I) 16 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

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2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

B. Early adoption of amendments to SFRS(I) 16 – *Leases* (continued)

- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- (c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply the practical expedient to all leases. As a result of applying this practical expedient, the following rent concessions was recognised as rental concession income (i.e. other income) in profit or loss for the respective financial years ended 31 December 2019, 2020 and 2021.

	2019	2020	2021
	\$	\$	\$
COVID-19 related rental concession income (Note 5)	—	2,257,476	1,622,336

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 beverage

Revenue is recognised at the point in time when the customer accepts the ordered products and the control over the products 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 products 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.

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2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

(a) Revenue from sales of food and beverage (continued)

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 combined 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.

(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.

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2. Significant accounting policies (continued)

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 combined 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.

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 combined 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.

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2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(a) Subsidiary corporations (continued)

(ii) Acquisitions (continued)

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 combined 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 combined financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

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

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

The combined financial statements of the Group were prepared by applying the pooling of interest method as the Restructuring Exercise as described in Note 1.2 to the combined 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.

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2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(a) Subsidiary corporations (continued)

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

Pursuant to this:

- (1) Assets and liabilities are brought into the combined financial statements at their existing carrying amounts from the perspective of the controlling party;
- (2) The combined statements of comprehensive income include the results of the acquired entities since the earliest date the entities are under common control;
- (3) No adjustments are made to reflect the fair values on the date of combination or recognise any new assets or liabilities;
- (4) No additional goodwill is recognised as a result of the combination;
- (5) The cost of investment is recorded at the aggregate of the nominal value of the equity shares issued; and
- (6) On consolidation, the 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.

(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.

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2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally comprised by shareholding giving rise to voting rights of 20% and above.

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

(i) Acquisitions

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued, or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated companies and are included in the carrying amounts of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost adjusted thereafter to recognise the Group's share of its associated companies post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income. When the Group's shares of losses in associated companies equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated companies. If the associated companies subsequently report profits, the Group resumes recognising its share of those profits only after its share of the profits equal the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated company. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated company are changed where necessary to ensure consistency with accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies are derecognised when the Group loses significant influence and joint control. If the retained equity interest in the former associated companies is a financial asset, the retained equity interest is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and fair value and any proceeds on partial disposal, is recognised in profit or loss.

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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:

	<u>Useful lives</u>
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 combined financial statements until they are no longer in use.

(c) 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.

(d) 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.

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2. Significant accounting policies (continued)

2.6 Borrowing costs

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

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 first-in, first-out 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 and fair value through profit or loss (“FVPL”).

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.

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2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(a) Classification and measurement (continued)

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

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 a fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, and unlisted debt securities.

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.

(i) Amortised cost

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.

(ii) FVPL

Debt instruments that are held for trading as well as those that do not meet the criteria or classification as amortised cost or fair value through other comprehensive losses are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in “other income”.

(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.

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2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(b) Impairment (continued)

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.

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the combined 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.

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2. Significant accounting policies (continued)

2.12 Trade and other payables (continued)

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.

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.

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2. Significant accounting policies (continued)

2.13 Leases (continued)

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

- Lease liabilities (continued)

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.

(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.

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2. Significant accounting policies (continued)

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 combined 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.

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.

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2. Significant accounting policies (continued)

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 combined financial statements of the Group are presented in Singapore Dollar (“\$”), 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 combined 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.

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.

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2. Significant accounting policies (continued)

2.19 Provisions (continued)

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 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 analysing potential impairments identified, the Group uses projections of future cash flows 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 14 to the combined 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.

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4. Revenue

Disaggregation of revenue from contracts with customers

	2019	2020	2021
	\$	\$	\$
Revenue from contracts with customers:			
(i) Sales of food and beverage – Point in time			
- F&B operations business	21,193,565	19,826,054	24,327,491
- Franchise business	3,670,080	14,243,233	26,684,281
- Food court business	2,588,070	1,916,308	1,954,273
	27,451,715	35,985,595	52,966,045
(ii) Management services - Over time			
- Food court business	1,904,795	1,118,865	1,311,356
	29,356,510	37,104,460	54,277,401
Rental income	2,253,796	1,887,349	1,833,487
	31,610,306	38,991,809	56,110,888

5. Other income

	2019	2020	2021
	\$	\$	\$
Government grants ⁽¹⁾	174,396	2,292,863	2,684,874
Rental concession income ⁽²⁾	—	2,257,476	1,622,336
Gain on disposal of property, plant and equipment	—	—	200,679
Gain on termination of leases	—	26,642	—
Others ⁽³⁾	128,794	547,849	451,633
	303,190	5,124,830	4,959,522

(1) Included in the government grants were wages subsidies scheme, special government credit and spring government grant. Wages subsidies scheme includes Jobs Support Scheme, a temporary scheme introduced by the government in response to COVID-19 to help enterprises retain local employees of \$2,101,444 and \$2,310,364 for the respective financial years ended 31 December 2020 and 2021.

(2) The rental concession income was in relation to the practical expedient which the Group has applied as disclosed in Note 2.1(B) to the combined financial statements and comprised:

- Property tax rebate of \$1,169,690 received by the Group from government through landlord in the financial year ended 31 December 2020. In accordance to COVID-19 (Temporary measures) Act 2020, owner of qualifying non-residential properties (“qualifying properties”) is granted a property tax rebate up to 100% on their property tax payable from 1 January 2020 to 31 December 2020. Owners of qualifying properties are required to unconditionally and fully pass on their tenants on property tax rebate that is attributable to the rented property based on the period it was rented out.
- Rental support scheme of \$998,517 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 \$1,087,786 and \$623,819 related to rental rebate received from landlords for the financial years ended 31 December 2020 and 2021 respectively.

(3) Included in others for the financial year ended in December 2020 of \$343,580 was income from waiver of non-trade payables to related parties in relation to closure of food outlets entities not managed by the Group.

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6. Employee benefits

	2019	2020	2021
	\$	\$	\$
Salaries and wages	6,658,396	8,743,354	10,321,465
Employer's contribution to defined contribution plans including the Central Provident Fund	584,675	862,150	1,433,478
Other short-term benefits	677,132	715,704	1,067,163
	<u>7,920,203</u>	<u>10,321,208</u>	<u>12,822,106</u>

Key management's remuneration is disclosed in Note 23(b) to the combined financial statements.

7. Other expenses

	2019	2020	2021
	\$	\$	\$
Amortisation of intangible assets (Note 16)	16,433	24,649	24,649
Advertising and promotion	304,979	141,849	429,782
Cleaning fees	1,405,912	1,167,192	1,217,795
Franchise and royalty fees	170,322	372,931	550,415
Foreign worker levies	530,294	349,881	639,034
License fees	884,979	918,919	1,321,388
Rental expenses (Note 15(d))	1,229,346	1,746,430	1,599,384
Repair and maintenance	930,627	841,018	806,050
Transaction and service charges	301,071	2,331,392	4,111,699
Utilities	1,317,296	1,393,187	1,569,588
Others	1,158,159	1,159,206	1,441,418
Total other expenses	<u>8,249,418</u>	<u>10,446,654</u>	<u>13,711,202</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 \$116,226, \$138,520 and \$134,734 for the financial years ended 31 December 2019, 2020 and 2021 respectively as disclosed in Note 23(a)(i) to the combined financial statements.

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8. Finance costs

	2019	2020	2021
	\$	\$	\$
Interest expenses			
- Bank borrowings	65,797	116,401	25,009
- Lease liabilities (Note 15(c))	432,979	515,499	564,227
- Loan from a related party (Note 23(a)(ii))	6,000	–	–
	<u>504,776</u>	<u>631,900</u>	<u>589,236</u>

9. Income taxes

	2019	2020	2021
	\$	\$	\$
Tax expense attributable to profit is made up of:			
- Profit for the financial year - current income tax	174,863	621,688	573,184
- (Over)/Under provision of current income tax in prior financial years	(327)	328	(62,295)
	<u>174,536</u>	<u>622,016</u>	<u>510,889</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:

	2019	2020	2021
	\$	\$	\$
Profit before income tax	<u>1,364,499</u>	<u>5,659,879</u>	<u>9,572,542</u>
Tax calculated at tax rate of 17%	231,965	962,179	1,627,332
Effects of:			
- income not subject to tax	(6,238)	(428,257)	(670,888)
- expenses not deductible for tax purposes	86,923	221,916	157,903
- stepped income exemption and rebates	(209,459)	(164,443)	(479,768)
- (over)/under provision of current income tax	(327)	328	(62,295)
- others	71,672	30,293	(61,395)
	<u>174,536</u>	<u>622,016</u>	<u>510,889</u>

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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 2019, 2020 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.

11. Cash and bank balances

	2019	2020	2021
	\$	\$	\$
Cash at bank	5,975,824	9,155,379	12,821,659
Cash on hand	678,887	648,966	678,790
	<u>6,654,711</u>	<u>9,804,345</u>	<u>13,500,449</u>

12. Trade and other receivables

	2019	2020	2021
	\$	\$	\$
Trade receivables - Non-related parties	683,142	832,500	135,484
Goods and services tax receivables	8,488	–	153,539
Refundable security deposits	2,303,708	2,900,568	3,128,891
Prepayments	337,337	1,133,716	577,649
	<u>3,332,675</u>	<u>4,866,784</u>	<u>3,995,563</u>

Included in the prepayments as at 31 December 2019, 2020 and 2021 was an advance payment to a supplier for the purchase raw materials of \$313,165, \$991,455 and \$511,954 respectively.

13. Inventories

	2019	2020	2021
	\$	\$	\$
Raw materials and consumables	<u>558,383</u>	<u>361,504</u>	<u>982,780</u>

The costs of inventories recognised as an expense during the respective financial years ended 31 December 2019, 2020 and 2021 amounted to \$8,621,380, \$9,803,476 and \$15,890,093.

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14. Property, plant and equipment

	Cold room and equipment	Computers	Furniture and fittings	Leasehold property	Motor vehicles	Office equipment	Renovation	Drink and food outlets	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
2019									
Cost									
Beginning of financial year	2,367,037	121,161	907,294	1,665,166	1,046,429	10,050	2,164,393	–	8,281,530
Adoption of SFRS(I) 16	–	–	–	–	–	–	–	9,889,991	9,889,991
Additions	789,946	27,007	105,440	–	–	–	1,456,183	2,945,415	5,323,991
End of financial year	3,156,983	148,168	1,012,734	1,665,166	1,046,429	10,050	3,620,576	12,835,406	23,495,512
Accumulated depreciation									
Beginning of financial year	1,753,396	113,940	518,706	441,271	717,314	7,383	1,217,481	–	4,769,491
Depreciation charge	489,320	14,282	282,618	33,303	131,756	1,333	777,252	3,523,356	5,253,220
End of financial year	2,242,716	128,222	801,324	474,574	849,070	8,716	1,994,733	3,523,356	10,022,711
Net book value									
End of financial year	914,267	19,946	211,410	1,190,592	197,359	1,334	1,625,843	9,312,050	13,472,801
2020									
Cost									
Beginning of financial year	3,156,983	148,168	1,012,734	1,665,166	1,046,429	10,050	3,620,576	12,835,406	23,495,512
Additions	619,428	–	42,982	–	–	31,809	1,115,845	7,269,169	9,079,233
Disposal/Write-off	(27,231)	–	–	–	–	–	–	–	(27,231)
Lease termination	–	–	–	–	–	–	–	(1,044,184)	(1,044,184)
End of financial year	3,749,180	148,168	1,055,716	1,665,166	1,046,429	41,859	4,736,421	19,060,391	31,503,330
Accumulated depreciation									
Beginning of financial year	2,242,716	128,222	801,324	474,574	849,070	8,716	1,994,733	3,523,356	10,022,711
Depreciation charge	557,258	10,484	147,424	33,303	131,759	13,369	952,173	5,407,752	7,253,522
Disposal/Write-off	(27,231)	–	–	–	–	–	–	–	(27,231)
Lease termination	–	–	–	–	–	–	–	(434,435)	(434,435)
End of financial year	2,772,743	138,706	948,748	507,877	980,829	22,085	2,946,906	8,496,673	16,814,567
Net book value									
End of financial year	976,437	9,462	106,968	1,157,289	65,600	19,774	1,789,515	10,563,718	14,688,763

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14. Property, plant and equipment (continued)

	Cold room and equipment	Computers	Furniture and fittings	Leasehold property	Motor vehicles	Office equipment	Renovation	Drink and food outlets	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
2021									
Cost									
Beginning of financial year	3,749,180	148,168	1,055,716	1,665,166	1,046,429	41,859	4,736,421	19,060,391	31,503,330
Additions	876,649	1,972	21,953	–	1,038,945	46,778	910,445	5,305,567	8,202,309
Disposal/Written-off	(31,500)	–	(30,000)	–	(794,641)	–	(5,697)	–	(861,838)
Lease termination	–	–	–	–	–	–	–	(2,155,224)	(2,155,224)
End of financial year	4,594,329	150,140	1,047,669	1,665,166	1,290,733	88,637	5,641,169	22,210,734	36,688,577
Accumulated depreciation									
Beginning of financial year	2,772,743	138,706	948,748	507,877	980,829	22,085	2,946,906	8,496,673	16,814,567
Depreciation charge	564,903	9,346	80,132	33,303	260,367	16,314	946,378	6,574,488	8,485,231
Disposal/Written-off	(22,035)	–	(25,108)	–	(738,501)	–	(3,344)	–	(788,988)
Lease termination	–	–	–	–	–	–	–	(886,429)	(886,429)
End of financial year	3,315,611	148,052	1,003,772	541,180	502,695	38,399	3,889,940	14,184,732	23,624,381
Net book value									
End of financial year	1,278,718	2,088	43,897	1,123,986	788,038	50,238	1,751,229	8,026,002	13,064,196

- a) Right-of-use (“ROU”) 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 15 to the combined financial statements.
- b) As at 31 December 2019, 2020 and 2021, leasehold property of the Group with carrying amount of \$1,190,592, \$1,157,289, and \$1,123,986 respectively is mortgaged as collateral for the Group’s bank borrowing (Note 19).

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15. 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 beverage. There are restrictions or covenants imposed by the leases to sublet the outlets 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 majority of the extension options are exercisable by the Group and not by the lessor.

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

	2019	2020	2021
	\$	\$	\$
Drink and food outlets	9,312,050	10,563,718	8,026,000
Motor vehicles	197,359	65,600	499,201
	<u>9,509,409</u>	<u>10,629,318</u>	<u>8,525,201</u>

(b) Depreciation charge during the financial year

	2019	2020	2021
	\$	\$	\$
Drink and food outlets	3,523,356	5,407,752	6,574,488
Motor vehicles	131,756	131,759	215,827
	<u>3,655,112</u>	<u>5,539,511</u>	<u>6,790,315</u>

(c) Interest expense

	2019	2020	2021
	\$	\$	\$
Interest expense on lease liabilities (Note 8)	<u>432,979</u>	<u>515,499</u>	<u>564,227</u>

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15. Leases – The Group as a lessee (continued)

(d) Lease expense not capitalised in lease liabilities

	2019	2020	2021
	\$	\$	\$
Variable lease payments which do not depend on an index or rate	1,221,575	1,673,856	1,545,548
Short-term leases	7,771	72,574	53,836
Total (Note 7)	<u>1,229,346</u>	<u>1,746,430</u>	<u>1,599,384</u>

(e) Total cash outflow for all leases in the respective financial years ended 31 December 2019, 2020 and 2021 was \$5,253,454, \$5,490,301 and \$8,304,391.

(f) Addition of ROU assets in the respective financial years ended 31 December 2019, 2020 and 2021 was \$2,945,415, \$7,269,169 and \$5,960,567.

(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 \$1,221,575, \$1,673,856 and \$1,545,548 for the respective financial years ended 31 December 2019, 2020 and 2021 (Note 15(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

	2019	2020	2021
	\$	\$	\$
Current	4,027,004	6,253,751	5,713,166
Non-current	5,500,698	4,420,881	2,888,639
Total lease liabilities	<u>9,527,702</u>	<u>10,674,632</u>	<u>8,601,805</u>

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16. Intangible assets

	2019	2020	2021
	\$	\$	\$
Franchise rights			
Cost			
Beginning of financial year	–	246,490	246,490
Additions	246,490	–	–
End of financial year	246,490	246,490	246,490
Accumulated amortisation			
Beginning of financial year	–	16,433	41,082
Amortisation charge (Note 7)	16,433	24,649	24,649
End of financial year	16,433	41,082	65,731
Carrying amount			
End of financial year	230,057	205,408	180,759

17. Investment in an associated company

	2019	2020	2021
	\$	\$	\$
Beginning and end of financial year	1	1	1

The Group has the following associated company:

Name of company	Principal activity	Country of incorporation	Group		
			2019	2020	2021
			%	%	%
Billion Land Pte. Ltd.	Investment holdings	Singapore	20	20	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 2019, 2020 and 2021 as the associated company was dormant and did not have operations.

On 15 August 2022, the Company’s subsidiary corporation, Yew Kee Two Pte. Ltd. (formerly known as Yu Kee Two Pte. Ltd.) disposed of 1 share representing 20.0% of the issued and paid-up capital of Billion Land Pte. Ltd. (“Billion Land”) to Wee Lay Teng. 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 \$0.4 million. 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 a dormant investment holding company that does not undertake any business operations of the Group.

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18. Trade and other payables

	2019	2020	2021
	\$	\$	\$
Trade payables - Non-related parties	1,211,940	530,396	1,206,543
Non-trade payables			
- Directors	3,172,651	3,359,933	865,477
- Associated company	70,273	70,273	70,273
- Non-related parties	245,108	201,238	254,431
	3,488,032	3,631,444	1,190,181
Goods and services tax payables	122,654	355,488	356,157
Loan from a related party	1,000,000	—	—
Accrued expenses	1,534,633	2,488,082	2,338,421
Deposits from tenants	227,000	350,000	268,500
	<u>7,584,259</u>	<u>7,355,410</u>	<u>5,359,802</u>

Non-trade payables to directors and associated company are unsecured, interest-free and repayable on demand. Subsequent to 31 December 2021, non-trade payables to associated company have been waived in full.

As at 31 December 2019, loan from a related party was unsecured and interest-bearing at 0.4% per annum. The loan from a related party was fully settled during the financial year ended 31 December 2020.

19. Bank borrowings

	2019	2020	2021
	\$	\$	\$
<i>Current</i>			
Secured	<u>1,600,770</u>	<u>2,500,000</u>	<u>—</u>

The bank borrowings were secured by mortgage over a leasehold property of the Group (Note 14(b)) and joint and several guarantee by a director and a key management of the Group.

20. Provisions

	2019	2020	2021
	\$	\$	\$
<i>Non-current</i>			
Provision for reinstatement costs	<u>334,000</u>	<u>558,000</u>	<u>817,000</u>

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.

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20. Provisions (continued)

Movement of provision for reinstatement costs are as follows:

	2019	2020	2021
	\$	\$	\$
Beginning of financial year	159,000	334,000	558,000
Additional	175,000	224,000	259,000
End of financial year	<u>334,000</u>	<u>558,000</u>	<u>817,000</u>

21. Share capital

The share capital in the combined statements of financial position as at 31 December 2019, 2020 and 2021 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 before completion of the Restructuring Exercise (Note 1.2).

	Number of ordinary shares		
	2019	2020	2021
Beginning of financial year	1,140,519	1,720,516	1,726,514
Issuance of new ordinary shares - Incorporation of subsidiary corporations	579,997	5,998	163,300
Struck-off of a subsidiary corporation	—	—	(100)
End of financial year	<u>1,720,516</u>	<u>1,726,514</u>	<u>1,889,714</u>

	2019	2020	2021
	\$	\$	\$
Beginning of financial year	1,140,519	1,720,516	1,726,514
Issuance of new ordinary shares - Incorporation of subsidiary corporations	579,997	5,998	163,300
Struck-off of a subsidiary corporation	—	—	(100)
End of financial year	<u>1,720,516</u>	<u>1,726,514</u>	<u>1,889,714</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.

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21. Share capital (continued)

The share capital of the Group as at 31 December 2019, 2020 and 2021 comprises the following entities:

	2019	2020	2021
	\$	\$	\$
- Yew Kee Duck and Noodle House Pte. Ltd. (formerly known as Yu Kee Duck and Noodle House Pte. Ltd.)	100,000	100,000	100,000
- Yew Kee Management Pte. Ltd. (formerly known as Yu Kee Management Pte. Ltd.)	340,000	340,000	340,000
- Yew Kee Three Pte. Ltd. (formerly known as Yu Kee Three Pte. Ltd.)	2	2	2
- Yew Kee Two Pte. Ltd. (formerly known as Yu Kee Two Pte. Ltd.)	500,000	500,000	500,000
- Ubi 179 Food House Pte. Ltd.	100,000	100,000	100,000
- SM30 Simei Pte. Ltd.	2	2	2
- 108 Sembawang Pte. Ltd.	3	3	3
- 207 (Duck Rice) Pte. Ltd.	100	100	100
- 10(XO) Noodle Pte. Ltd.	2	2	2
- 480 Local delight Pte. Ltd.	2	2	2
- Admiralty Local Delight Pte. Ltd.	2	2	2
- 51 Hougang Pte. Ltd.	100	100	100
- 2 Bukit Panjang Pte. Ltd.	100	100	100
- Punggol WP83 Pte. Ltd.	3	3	3
- Yew Kee Collective Pte. Ltd. (formerly known as Yu Kee Group Pte. Ltd.)	499,997	499,995	499,995
- Ying’s Traditional Food Pte. Ltd.	100	100	100
- Fine Food F&B Pte. Ltd.	100,000	100,000	100,000
- Fine Food (Nanyang) Pte. Ltd.	80,000	80,000	160,000
- YTP (Yew Tee) Pte. Ltd.	3	3	3
- Tong Fong Fatt YK Pte. Ltd.	100	100	–
- TAKACC Pte. Ltd.	–	1,000	1,000
- CACC Pte. Ltd.	–	1,000	1,000
- SUNCC Pte. Ltd. (formerly known as WEGCC Pte. Ltd.)	–	1,000	1,000
- NUSCC Pte. Ltd. (formerly known as T3CC Pte. Ltd.)	–	1,000	1,000
- JPCC Pte. Ltd.	–	1,000	1,000
- NOVCC Pte. Ltd.	–	1,000	1,000
Balance carried forward	1,720,516	1,726,514	1,806,414

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21. Share capital (continued)

The share capital of the Group as at 31 December 2019, 2020 and 2021 comprises the following entities (continued):

	2019	2020	2021
	\$	\$	\$
Balance brought forward	1,720,516	1,726,514	1,806,414
- HILCC Pte. Ltd.	—	—	1,000
- 102CR Food Pte. Ltd.	—	—	100
- NEXCC Pte. Ltd.	—	—	1,000
- YISCC Pte. Ltd.	—	—	1,000
- MSQCC Pte. Ltd.	—	—	1,000
- WLPCC Pte. Ltd.	—	—	1,000
- NTUCC Pte. Ltd.	—	—	1,000
- WPTCC Pte. Ltd.	—	—	1,000
- HGMCC Pte. Ltd.	—	—	1,000
- STARCC Pte. Ltd.	—	—	1,000
- JEWCC Pte. Ltd.	—	—	1,000
- 313CC Pte. Ltd.	—	—	1,000
- JEMCC Pte. Ltd.	—	—	1,000
- BLCC Pte. Ltd.	—	—	1,000
- AMKCC Pte. Ltd.	—	—	1,000
- CTRCC Pte. Ltd.	—	—	1,000
- WSCC Pte. Ltd. (formerly known as FUSCC Pte. Ltd.)	—	—	1,000
- TPCC Pte. Ltd.	—	—	1,000
- PLQCC Pte. Ltd.	—	—	1,000
- CWPCC Pte. Ltd.	—	—	1,000
- LOTCC Pte. Ltd.	—	—	1,000
- KWMCC Pte. Ltd.	—	—	1,000
- CPOCC Pte. Ltd.	—	—	1,000
- EASTCC Pte. Ltd.	—	—	1,000
- PastaGo Pte. Ltd.	—	—	60,000
- YK Food (One) Pte. Ltd.	—	—	100
- YK Food (Two) Pte. Ltd.	—	—	100
	<u>1,720,516</u>	<u>1,726,514</u>	<u>1,889,714</u>

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22. Non-controlling interests

	2019	2020	2021
	\$	\$	\$
Beginning of financial year	216,393	366,380	339,170
Additional	149,987	117,790	137,643
Dividends declared	(20,000)	(145,000)	–
Issuance of share capital	20,000	–	60,000
End of financial year	<u>366,380</u>	<u>339,170</u>	<u>536,813</u>
Analysed as:			
- Fine Food F&B Pte. Ltd.	346,587	286,114	378,386
- Fine Food (Nanyang) Pte. Ltd.	19,793	53,056	118,427
- PastaGo Pte. Ltd.	–	–	40,000
	<u>366,380</u>	<u>339,170</u>	<u>536,813</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.

23. Related party transactions

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

(a) Related party transactions

	2019	2020	2021
	\$	\$	\$
(i) Miscellaneous fees payable/paid to:			
- Directors	34,226	54,876	44,072
- Related parties	82,000	83,644	90,662
	<u>116,226</u>	<u>138,520</u>	<u>134,734</u>
(ii) Interest expense on loan from a related party (Note 8)	<u>6,000</u>	<u>–</u>	<u>–</u>

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

	2019	2020	2021
	\$	\$	\$
Salaries and bonuses	519,800	652,116	790,140
Employer’s contribution to the Central Provident Fund	70,706	86,577	103,495
	<u>590,506</u>	<u>738,693</u>	<u>893,635</u>

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24. Dividends

	2019	2020	2021
	\$	\$	\$
Interim and final dividends declared			
- Yew Kee Collective Pte. Ltd. (formerly known as Yu Kee Group Pte. Ltd.) of \$0.40 per share in respect of financial years ended 31 December 2019 and 2021 respectively	—	200,000	200,000
- 2 Bukit Panjang Pte. Ltd. of \$1,000 per share in respect of financial year ended 31 December 2020	—	—	100,000
- 108 Sembawang Pte. Ltd. of \$33,333 per share in respect of financial years ended 31 December 2018 and 2020 respectively	100,000	—	100,000
- 10(XO) Noodle Pte. Ltd. of \$250,000, \$50,000, and \$50,000 per share in respect of financial years ended 31 December 2018, 2019, and 2020 respectively	500,000	100,000	100,000
- 207 (Duck Rice) Pte. Ltd. of \$1,500 per share in respect of the financial year ended 31 December 2019	—	150,000	—
- Yew Kee Three Pte. Ltd. (formerly known as Yu Kee Three Pte. Ltd.) of \$50,000 per share in respect of the financial year ended 31 December 2020	—	—	100,000
- Ying’s Traditional Food Pte. Ltd. of \$2,500 per share in respect of the financial year ended 31 December 2019	—	250,000	—
- Ubi 179 Food House Pte. Ltd. of \$1.00 per share in respect of the financial year ended 31 December 2020	—	—	100,000
- Punggol WP83 Pte. Ltd. of \$33,333 per share in respect of the financial year ended 31 December 2020	—	—	100,000
- Fine Food F&B Pte. Ltd. of \$0.20 and \$1.45 per share in respect of the financial year ended 31 December 2019	20,000	145,000	—
- YTP (Yew Tee) Pte. Ltd. of \$107,007.67 per share in respect of the financial year ended 31 December 2021	—	—	321,023
- Tong Fong Fatt YK Pte. Ltd. of \$8,551 per share in respect of the financial year ended 31 December 2020	—	855,100	—
	<u>620,000</u>	<u>1,700,100</u>	<u>1,121,023</u>

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25. 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.

(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 2019, 2020 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.

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25. Financial risk management (continued)

(b) Credit risk (continued)

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.

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 combined statements 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. The Group assesses concentration of credit risk by monitoring the individual profile of its trade receivables on an ongoing basis. At 31 December 2019, 2020 and 2021, the Group has concentrated credit risk on 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 Group 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.

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25. Financial risk management (continued)

(b) Credit risk (continued)

(i) Impairment of trade receivables (continued)

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 Group considers historical loss rates for each category of customers. Based on management’s evaluation, no loss allowance for trade receivables is recognised for the respective financial years ended 31 December 2019, 2020 and 2021.

There has been no change in the estimation techniques or significant assumptions made during the respective financial years ended 31 December 2019, 2020 and 2021.

(ii) Cash and bank balances

As at 31 December 2019, 2020 and 2021, the Group held cash and bank balances of \$6,654,711, \$9,804,345 and \$13,600,649 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.

(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 combined financial statements.

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.

	Within 1 year \$	Within 2 and 5 years \$
2019		
Trade and other payables	7,461,605	–
Lease liabilities	4,027,004	6,198,850
Bank borrowings	1,600,770	–
2020		
Trade and other payables	6,999,922	–
Lease liabilities	6,253,751	4,652,977
Bank borrowings	2,500,000	–
2021		
Trade and other payables	5,003,645	–
Lease liabilities	5,713,166	3,040,292

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25. Financial risk management (continued)

(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 equity holders of the Company. The Group’s overall strategy remains unchanged from 31 December 2019.

As at 31 December 2019, 2020 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.

(f) Financial instruments by category

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

	2019	2020	2021
	\$	\$	\$
Financial assets, at amortised cost	9,641,561	13,537,413	16,865,024
Financial liabilities, at amortised cost	<u>18,590,077</u>	<u>20,174,554</u>	<u>13,605,450</u>

26. 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 Group 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.

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26. Segment information (continued)

(ii) F&B Operations Business

The F&B operations business 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 the Company’s 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”).

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 respective financial years ended 31 December 2019, 2020 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.

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26. Segment information (continued)

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

	Food Court Business	F&B Operations Business	Franchise Business	Other segment	Total
	\$	\$	\$	\$	\$
2019					
Revenue	6,746,661	21,193,565	3,670,080	–	31,610,306
Other income	6,408	297,831	(1,049)	–	303,190
Segment profit/(loss)	363,514	(2,260,380)	(32,357)	(722,262)	1,869,275
Finance costs	(43,841)	(326,278)	(68,860)	(65,797)	(504,776)
Profit/(loss) before income tax	319,673	1,934,102	(101,217)	(788,059)	1,364,499
Income tax expense					(174,536)
Net profit					1,189,963
Segment assets	1,191,222	15,239,431	6,095,819	1,722,156	24,248,628
Addition to:					
- Property, plant and equipment	–	931,014	1,082,733	30,829	2,044,576
- Intangible assets	–	–	246,490	–	246,490
Segment liabilities	698,049	10,801,930	5,724,173	1,997,115	19,221,267
2020					
Revenue	4,922,522	19,826,054	14,243,233	–	38,991,809
Other income	488,011	3,419,695	1,217,124	–	5,124,830
Segment profit/(loss)	275,872	3,275,771	3,725,856	(985,720)	6,291,779
Finance costs	(54,440)	(220,206)	(240,853)	(116,401)	(631,900)
Profit/(loss) before income tax	221,432	3,055,565	3,485,003	(1,102,121)	5,659,879
Income tax expense					(622,016)
Net profit					5,037,863
Segment assets	2,448,160	14,140,515	11,790,563	1,547,567	29,926,805
Addition to:					
- Property, plant and equipment	227,847	126,348	1,214,378	17,491	1,586,064
Segment liabilities	1,810,650	8,027,709	8,966,697	2,895,627	21,700,683

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26. Segment information (continued)

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

	Food Court Business	F&B Operations Business	Franchise Business	Other segment	Total
	\$	\$	\$	\$	\$
2021					
Revenue	5,099,116	24,327,491	26,684,281	–	56,110,888
Other income	592,342	2,541,553	1,825,627	–	4,959,522
Segment profit/(loss)	147,512	6,361,445	4,793,483	(1,140,662)	10,161,778
Finance costs	(67,007)	(177,185)	(320,035)	(25,009)	(589,236)
Profit/(loss) before income tax	80,505	6,184,260	4,473,448	(1,165,671)	9,572,542
Income tax expense					(510,889)
Net profit					9,061,653
Segment assets	3,221,447	8,350,133	19,224,700	1,027,668	31,823,948
Addition to:					
- Property, plant and equipment	45,818	564,821	1,517,436	372,667	2,500,742
Segment liabilities	2,072,541	1,096,115	11,389,644	875,696	15,433,996

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the respective financial year ended 31 December 2019, 2020 and 2021. The breakdown of revenue by major products and services is disclosed in Note 4 to the combined 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.

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27. Events after the balance sheet date

i. Incorporation of YK Food (Three) Pte. Ltd. (“YK Food (Three)”)

YK Food (Three) was incorporated on 1 April 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 \$1 comprising 100 Share. The principal activities of YK Food (Three) are stalls selling, cooked food and prepared drinks.

ii. Incorporation of YK Food (Four) Pte. Ltd. (“YK Food (Four)”)

YK Food (Four) was incorporated on 6 May 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 \$1 comprising 100 Share. The principal activities of YK Food (Four) are stalls selling, cooked food and prepared drinks.

iii. Incorporation of CNPCC Pte. Ltd. (“CNPCC”)

CNPCC was incorporated on 1 June 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 \$1 comprising 1,000 Share. The principal activities of CNPCC are stalls selling, cooked food and prepared drinks.

iv. Incorporation of Yew Kee Bakery Pte. Ltd. (“Yew Kee Bakery”)

Yew Kee Bakery was incorporated on 6 July 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 \$1 comprising 100 Share. The principal activities of Yew Kee Bakery are retail of sales of confectionery and bakery products and manufacture of bakery products.

v. Incorporation of YK Food (Five) Pte. Ltd. (“YK Food (Five)”)

YK Food (Five) was incorporated on 1 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 \$1 comprising 100 Share. The principal activities of YK Food (Five) are stalls selling, cooked food and prepared drinks.

vi. Incorporation of YKGI Hawker Management Pte. Ltd. (“YKGI Hawker Management”)

YKGI Hawker Management was incorporated on 20 December 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 \$1 comprising 300,000 Share. The principal activities of YKGI Hawker Management are stalls selling, cooked food and prepared drinks.

28. New or revised accounting standards and interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after 1 January 2022 or later periods and which the Group has not early adopted. The management anticipates that the adoption of the new standards, amendments and interpretations in the future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

29. Authorisation of combined financial statements

These combined financial statements have been prepared for inclusion in the offer documents and were authorised for issue by the Directors of the Company on 26 January 2023.

**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE
UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS FOR
THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

**YKGI LIMITED AND
ITS SUBSIDIARY CORPORATIONS**
(Incorporated in the Republic of Singapore)

**UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE
UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS FOR
THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

**YKGI Limited and Its Subsidiary Corporations
Directors’ Statement
For the six months period ended 30 June 2022**

In the opinion of the directors,

- (a) the unaudited interim condensed combined financial statements of YKGI Limited (the “Company”) and its subsidiary corporations (collectively, the “Group”) as set out on pages B-4 to B-35 are drawn up so as to present fairly the unaudited interim condensed combined statement of financial position as at 30 June 2022, the unaudited interim condensed combined statements of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the six months period ended 30 June 2022 in accordance with Singapore Financial Reporting Standards (International) 1-34 – *Interim Financial Reporting*; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

The directors have, on the date of this statement, authorised these unaudited interim condensed combined financial statements for issue.

.....
Seah Boon Lock
Director

.....
Seah Qin Quan
Director

26 January 2023

APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

INDEPENDENT AUDITOR’S REVIEW REPORT ON THE UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS OF YKGI LIMITED AND ITS SUBSIDIARY CORPORATIONS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

Board of Directors
YKGI Limited
32 Woodlands Terrace
Singapore 738452

Dear Sirs

Report on the Review of Unaudited Interim Condensed Combined Financial Statements

Introduction

We have reviewed the accompanying unaudited interim condensed combined financial statements of YKGI Limited (the “Company”) and its subsidiary corporations (collectively, the “Group”), which comprise the unaudited interim condensed combined statement of financial position as at 30 June 2022, the related unaudited interim condensed combined statements of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the six months period ended 30 June 2022, and selected explanatory notes, as set out in pages B-4 to B-35. Management is responsible for the preparation and fair presentation of these unaudited interim condensed combined financial statements in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 – *Interim Financial Reporting*. Our responsibility is to express a conclusion on the unaudited interim condensed combined financial statements based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unaudited interim condensed combined financial statements are not prepared, in all material respects, in accordance with SFRS(I) 1-34.

**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE
UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS FOR
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**INDEPENDENT AUDITOR’S REVIEW REPORT ON
THE UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS
OF YKGI LIMITED AND ITS SUBSIDIARY CORPORATIONS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022 (CONTINUED)**

Other matter

Other than the Group’s combined statement of financial position as at 31 December 2021 which has been audited, all other comparative figures have not been audited nor reviewed. The unaudited interim condensed combined financial information for the corresponding six months period ended 30 June 2021 is the responsibility of management.

Restriction on Distribution and Use

This report is made solely for the inclusion in the Offer Document of the Group to be issued in relation to the proposed offering of the shares of YKGI Limited on the Catalist, the sponsor-supervised Board of Singapore Exchange Securities Trading Limited and for no other purpose.

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

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

Singapore

26 January 2023

**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE
UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS FOR
THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

**YKGI Limited and Its Subsidiary Corporations
Unaudited Interim Condensed Combined Statements of Comprehensive Income
For the six months period ended 30 June 2022**

		Six months period ended 30 June	
		2021	2022
		(Unaudited)	(Unaudited)
	Note	\$	\$
Revenue	4	27,621,388	26,762,641
Other income	5	2,156,755	907,500
Expenses			
- Purchases and related costs		(7,983,324)	(6,645,556)
- Change of inventories		342,626	(245,068)
- Employee benefits	6	(6,804,439)	(6,988,701)
- Depreciation of property, plant and equipment		(3,577,876)	(4,298,975)
- Other expenses	7	(7,402,989)	(6,629,204)
- Finance costs	8	(329,286)	(264,355)
Total expenses		<u>(25,755,288)</u>	<u>(25,071,859)</u>
Profit before income tax		4,022,855	2,598,282
Income tax expense		(211,105)	(190,364)
Net profit, representing total comprehensive income for the financial period		<u>3,811,750</u>	<u>2,407,918</u>
Net profit attributable to:			
Equity holders of the Company		3,717,127	2,356,831
Non-controlling interests		94,623	51,087
		<u>3,811,750</u>	<u>2,407,918</u>
Earnings per share (“EPS”) for net profit attributable to equity holders of the Company (Cents per share)			
Basic and diluted EPS	9	<u>1.05</u>	<u>0.66</u>

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

**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE
UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS FOR
THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

YKGI Limited and Its Subsidiary Corporations
Unaudited Interim Condensed Combined Statement of Financial Position
As at 30 June 2022

		31 December 2021 (Audited) \$	30 June 2022 (Unaudited) \$
	Note		
ASSETS			
Current assets			
Cash and bank balances	10	13,600,649	14,836,861
Trade and other receivables	11	3,995,563	5,327,783
Inventories	12	982,780	737,712
		<u>18,578,992</u>	<u>20,902,356</u>
Non-current assets			
Property, plant and equipment	13	13,064,196	10,708,814
Intangible assets	15	180,759	168,435
Investment in associated company	16	1	1
		<u>13,244,956</u>	<u>10,877,250</u>
Total Assets		<u>31,823,948</u>	<u>31,779,606</u>
LIABILITIES			
Current liabilities			
Trade and other payables	17	5,359,802	5,852,607
Lease liabilities	14(h)	5,713,166	4,396,914
Current income tax liabilities		655,389	836,660
		<u>11,728,357</u>	<u>11,086,181</u>
Non-current liabilities			
Lease liabilities	14(h)	2,888,639	2,558,834
Provisions	18	817,000	817,000
		<u>3,705,639</u>	<u>3,375,834</u>
Total liabilities		<u>15,433,996</u>	<u>14,462,015</u>
Net assets		<u>16,389,952</u>	<u>17,317,591</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	19	1,889,714	1,890,811
Retained profits		13,963,425	14,978,880
		<u>15,853,139</u>	<u>16,869,691</u>
Non-controlling interests	20	536,813	447,900
Total equity		<u>16,389,952</u>	<u>17,317,591</u>

* Retained profits of the Group are distributable.

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

**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE
UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS FOR
THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

YKGI Limited and Its Subsidiary Corporations
Unaudited Interim Condensed Combined Statement of Changes in Equity
For the six months period ended 30 June 2022

	Attributable to equity holders of the Company			Non-controlling interests	Total equity
	Share capital	Retained profit	Total		
	\$	\$	\$	\$	\$
(Unaudited)					
Balance at 1 January 2021	1,726,514	6,160,438	7,886,952	339,170	8,226,122
Issuance of new shares	22,100	–	22,100	–	22,100
Net profit for the financial period	–	3,717,127	3,717,127	94,623	3,811,750
Balance at 30 June 2021	<u>1,748,614</u>	<u>9,877,565</u>	<u>11,626,179</u>	<u>433,793</u>	<u>12,059,972</u>
(Unaudited)					
Balance at 1 January 2022	1,889,714	13,963,425	15,853,139	536,813	16,389,952
Issuance of new shares	1,100	–	1,100	–	1,100
Net profit for the financial period	–	2,356,831	2,356,831	51,087	2,407,918
Struck-off of a subsidiary corporation	(3)	–	(3)	–	(3)
Dividends declared	–	(1,341,376)	(1,341,376)	(140,000)	(1,481,376)
Balance at 30 June 2022	<u>1,890,811</u>	<u>14,978,880</u>	<u>16,869,691</u>	<u>447,900</u>	<u>17,317,591</u>

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

**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE
UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS FOR
THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

**YKGI Limited and Its Subsidiary Corporations
Unaudited Interim Condensed Combined Statement of Cash Flow
For the six months period ended 30 June 2022**

		Six months period ended 30 June	
	Note	2021 (Unaudited) \$	2022 (Unaudited) \$
Cash flows from operating activities			
Net profit		3,811,750	2,407,918
Adjustments for:			
- Amortisation of intangible assets	7	12,324	12,324
- Depreciation of property, plant and equipment		3,577,876	4,298,975
- Gain on disposal of property, plant and equipment	5	(159,751)	(202,236)
- Rental concession income		(385,245)	–
- Income tax expense		211,105	190,364
- Interest expense	8	329,286	264,355
		<u>7,397,345</u>	<u>6,971,700</u>
Changes in working capital:			
- Inventories		(342,626)	245,068
- Trade and other receivables		(1,924,060)	(1,332,220)
- Trade and other payables		(6,030)	492,802
Cash generated from operations		<u>5,124,629</u>	<u>6,377,350</u>
Income tax paid		(457,391)	(9,093)
Net cash provided by operating activities		<u>4,667,238</u>	<u>6,368,257</u>
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		234,816	579,645
Additions to property, plant and equipment		(1,222,887)	(219,684)
Net cash (used in)/provided by investing activities		<u>(988,071)</u>	<u>359,961</u>
Cash flows from financing activities			
Proceeds from issuance of shares		22,100	1,100
Dividends paid to equity holders of the Company		–	(1,341,376)
Dividends paid to non-controlling interests		–	(140,000)
Principal repayment of lease liabilities		(2,525,323)	(3,747,375)
Repayments of borrowings		(2,500,000)	–
Interest paid		(329,286)	(264,355)
Net cash used in financing activities		<u>(5,332,509)</u>	<u>(5,492,006)</u>
Net (decrease)/increase in cash and bank balances		<u>(1,653,342)</u>	<u>1,236,212</u>
Beginning of the financial period		9,804,345	13,600,649
End of the financial period		<u>8,151,003</u>	<u>14,836,861</u>

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

**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE
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THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

YKGI Limited and Its Subsidiary Corporations
Unaudited Interim Condensed Combined Statement of Cash Flow
For the six months period ended 30 June 2022

Reconciliation of liabilities arising from financing activities

	1 January 2021	Principal and interest payments	Non-cash changes		30 June 2021
			Interest expense	Additions	
	\$	\$	\$	\$	\$
Bank borrowings	2,500,000	(2,525,009)	25,009	—	—
Lease liabilities	10,674,632	(2,829,600)	304,277	3,324,455	(385,245)
					11,088,519

	1 January 2022	Principal and interest payments	Non-cash changes		30 June 2022
			Interest expense	Additions	
	\$	\$	\$	\$	\$
Lease liabilities	8,601,805	(4,011,730)	264,355	2,101,318	6,955,748

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

APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

YKGI Limited and Its Subsidiary Corporations Unaudited Interim Condensed Combined Notes to Financial Statements For the six months period ended 30 June 2022

These notes form an integral part of and should be read in conjunction with the unaudited interim condensed combined 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 32 Woodlands Terrace Singapore 738452.

The unaudited interim condensed combined financial statements of YKGI Limited (the “Company”) and its subsidiary corporations (collectively, the “Group”) have been prepared for the purpose of inclusion in filings associated with the proposed initial public offering (“IPO”) of ordinary shares in the capital of the Company on Catalist, the sponsor-supervised listing platform of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The unaudited interim condensed combined financial statements are presented in Singapore Dollar (“\$”) except otherwise indicated.

The principal activity of the Company is that of an investment holding. The principal activities of the subsidiary corporations are disclosed below.

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations:

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
Yew Kee Duck and Noodle House Pte. Ltd. (formerly known as Yu Kee Duck and Noodle House Pte. Ltd.)	Singapore	Letting and operating of self-owned or leased food courts, coffee shops and canteens (with mainly rental income); Food caterers	100
Yew Kee Management Pte. Ltd. (formerly known as Yu Kee Management Pte. Ltd.)	Singapore	Manufacture of cooked-food preparations (e.g frozen dinners); Food caterers	100
Yew Kee Three Pte. Ltd. (formerly known as Yu Kee Three Pte. Ltd.)	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
Yew Kee Two Pte. Ltd. (formerly known as Yu Kee Two Pte. Ltd.)	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100

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**YKGI Limited and Its Subsidiary Corporations
Unaudited Interim Condensed Combined Notes to Financial Statements
For the six months period ended 30 June 2022**

1. General information (continued)

1.1 The Company (continued)

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations (continued):

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
Ubi 179 Food House Pte. Ltd.	Singapore	Cafes – coffee shops (including eating house); Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers)	100
SM30 Simei Pte. Ltd.	Singapore	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	100
108 Sembawang Pte. Ltd.	Singapore	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	100
207 (Duck Rice) Pte. Ltd.	Singapore	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	100
10 (XO Noodle) Pte. Ltd.	Singapore	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	100

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Unaudited Interim Condensed Combined Notes to Financial Statements
For the six months period ended 30 June 2022

1. General information (continued)

1.1 The Company (continued)

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations (continued):

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
480 Local Delight Pte. Ltd.	Singapore	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	100
Admiralty Local Delight Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
51 Hougang Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
2 Bukit Panjang Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
Punggol WP83 Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
Yew Kee Collective Pte. Ltd. (formerly known as Yu Kee Group Pte. Ltd.)	Singapore	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)	100
Ying’s Traditional Food Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Letting and operating of self-owned or leased food courts, coffee shops and canteens (with mainly rental income)	100

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YKGI Limited and Its Subsidiary Corporations
Unaudited Interim Condensed Combined Notes to Financial Statements
For the six months period ended 30 June 2022

1. General information (continued)

1.1 The Company (continued)

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations (continued):

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
Fine Food F&B Pte. Ltd.	Singapore	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)	50
Fine Food (Nanyang) Pte. Ltd.	Singapore	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)	80
TAKACC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
CACC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
SUNCC Pte. Ltd. (formerly known as WEGCC Pte. Ltd.)	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
NUSCC Pte. Ltd. (formerly known as T3CC Pte. Ltd.)	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
JPCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100

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YKGI Limited and Its Subsidiary Corporations
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For the six months period ended 30 June 2022

1. General information (continued)

1.1 The Company (continued)

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations (continued):

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
NOVCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
HILLCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
102CR Food Pte. Ltd.	Singapore	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)	100
NEXCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
YISCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
MSQCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
WLPCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
NTUCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100

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YKGI Limited and Its Subsidiary Corporations
Unaudited Interim Condensed Combined Notes to Financial Statements
For the six months period ended 30 June 2022

1. General information (continued)

1.1 The Company (continued)

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations (continued):

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
WPTCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
HGMCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
STARCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
JEWCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
313CC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
JEMCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
PASCC Pte. Ltd. (formerly known as BLCC Pte. Ltd.)	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
AMKCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
CTRCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100

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YKGI Limited and Its Subsidiary Corporations
Unaudited Interim Condensed Combined Notes to Financial Statements
For the six months period ended 30 June 2022

1. General information (continued)

1.1 The Company (continued)

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations (continued):

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
WSCC Pte. Ltd. (formerly known as FUSCC Pte. Ltd.)	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
TPCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
PLQCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
CWPCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
LOTCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
KWMCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
CPOCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
EASTCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100

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1. General information (continued)

1.1 The Company (continued)

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations (continued):

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
YK Food (One) Pte. Ltd.	Singapore	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)	100
YK Food (Two) Pte. Ltd.	Singapore	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)	100
YK Food (Three) Pte. Ltd.	Singapore	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)	100
YK Food (Four) Pte. Ltd.	Singapore	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)	100
YK Food (Five) Pte. Ltd.	Singapore	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)	100
CNPCC Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	100
PastaGo Pte. Ltd.	Singapore	Stalls selling cooked food and prepared drinks (including stalls at food courts and mobile food hawkers); Food caterers	60
Yew Kee Bakery Pte. Ltd.	Singapore	Retail sale of confectionary and bakery products (not manufactured on site) and manufacture of bakery products	100

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1. General information (continued)

1.1 The Company (continued)

The Group, after the restructuring exercise, comprises the Company and the following subsidiary corporations (continued):

Name of companies	Country of business/ incorporation	Principal activities	Equity holding (%)
YKGI Hawker Management Pte. Ltd.	Singapore	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)	100

2. Significant accounting policies and other explanatory notes

2.1 Basis of preparation

These unaudited interim condensed combined financial statements for the six months period ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 – *Interim Financial Reporting*.

These unaudited interim condensed combined financial statements do not include all the information and full disclosures normally included in a complete set of financial statements, and should be read in conjunction with the Group’s audited combined financial statements for the financial years ended 31 December 2019, 2020 and 2021 which is included in Appendix A of the Offer Document of the Company.

The preparation of the Group’s unaudited interim condensed combined financial statements in conformity with SFRS(I) 1-34 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 unaudited interim condensed combined financial statements are disclosed in Note 3 to the combined financial statements.

Early adoption of amendments to SFRS(I) 16 – *Leases*

The Group has elected to early adopt the amendments to SFRS(I) 16 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- (c) there is no substantive change to other terms and conditions of the lease.

2.2 Summary of significant accounting policies

The unaudited interim condensed combined financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies in the Group’s audited combined financial statements for the financial years ended 31 December 2019, 2020 and 2021 which is included in Appendix A of the Offer Document of the Company.

The accounting policies applied in these unaudited interim condensed combined financial statements are the same as those applied in the Group’s audited combined financial statements for the latest financial year ended 31 December 2021.

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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 analysing potential impairments identified, the Group uses projections of future cash flows 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 13 to the combined 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.

4. Revenue

Disaggregation of revenue from contracts with customers

	Six months period ended 30 June	
	2021 (Unaudited) \$	2022 (Unaudited) \$
Revenue from contracts with customers:		
(i) Sales of food and beverage – point in time		
- F&B operations business	11,871,007	13,019,209
- Franchise business	13,006,311	10,655,644
- Food court business	1,006,117	1,184,508
	25,883,435	24,859,361
(ii) Management services - over time		
- Food court business	796,049	877,844
	26,679,484	25,737,205
Rental income	941,904	1,025,436
	27,621,388	26,762,641

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5. Other income

	Six months period ended 30 June	
	2021	2022
	(Unaudited)	(Unaudited)
	\$	\$
Government grants ⁽¹⁾	1,494,379	458,159
Rental concession income ⁽²⁾	385,245	171,926
Gain on disposal of property, plant and equipment	159,751	202,236
Others	117,380	75,179
	<u>2,156,755</u>	<u>907,500</u>

(1) Included in the government grants were wages subsidies scheme, special government credit and spring government grant. Wages subsidies scheme includes Jobs Support Scheme, a temporary scheme introduced by the government in response to COVID-19 to help enterprises retain local employees of \$1,164,061 and \$157,504 for the respective six months period 30 June 2021 and 2022.

(2) The rental concession income was in relation to the practical expedient which the Group has applied as disclosed in Note 2.1 to the combined financial statements.

6. Employee benefits

	Six months period ended 30 June	
	2021	2022
	(Unaudited)	(Unaudited)
	\$	\$
Salaries and wages	5,680,533	5,985,350
Employer's contribution to defined contribution plans including the Central Provident Fund	556,222	567,719
Other short-term benefits	567,684	435,632
	<u>6,804,439</u>	<u>6,988,701</u>

Key management's remuneration is disclosed in Note 21(b) to the combined financial statements.

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7. Other expenses

	Six months period ended 30 June	
	2021	2022
	(Unaudited)	(Unaudited)
	\$	\$
Amortisation of intangible assets	12,324	12,324
Advertising and promotion	208,604	144,038
Cleaning fees	645,109	604,634
Franchise and royalty fees	287,182	217,797
Foreign worker levies	329,745	450,104
License fees	699,018	602,088
Rental expenses (Note 14(d))	1,419,790	1,157,920
Repair and maintenance	418,097	219,439
Transaction and service charges	1,824,957	1,797,490
Utilities	751,457	917,265
Others	806,706	506,105
Total other expenses	7,402,989	6,629,204

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 \$66,627 and \$65,999 for the six months period 30 June 2021 and 2022 respectively as disclosed in Note 21(a) to the combined financial statements.

8. Finance costs

	Six months period ended 30 June	
	2021	2022
	(Unaudited)	(Unaudited)
	\$	\$
Interest expenses		
- Bank borrowings	25,009	—
- Lease liabilities (Note 14(c))	304,277	264,355
	329,286	264,355

9. Earnings per share

The earnings per share have been calculated based on the net profit attributable to equity holders of the Company for each of the six months period ended 30 June 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 share.

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10. Cash and bank balances

	31 December 2021 (Audited) \$	30 June 2022 (Unaudited) \$
Cash on hand	778,990	705,881
Cash at bank	12,821,659	14,130,980
	<u>13,600,649</u>	<u>14,836,861</u>

11. Trade and other receivables

	31 December 2021 (Audited) \$	30 June 2022 (Unaudited) \$
Trade receivables - Non-related parties	135,484	72,127
Goods and services tax receivables	153,539	47,229
Refundable security deposits	3,128,891	3,526,158
Prepayments	577,649	1,682,269
	<u>3,995,563</u>	<u>5,327,783</u>

Included in the prepayments as at 31 December 2021 and 30 June 2022 was an advance payment to a supplier for the purchase raw materials of \$511,954 and \$1,233,896 respectively.

12. Inventories

	31 December 2021 (Audited) \$	30 June 2022 (Unaudited) \$
Raw materials and consumables	<u>982,780</u>	<u>737,712</u>

The costs of inventories recognised as expenses during the six months period ended 30 June 2021 and 2022 amounted to \$6,890,624 and \$7,640,698 respectively.

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13. Property, plant and equipment

	Cold room and equipment	Computers	Furniture & fittings	Leasehold property	Motor vehicles	Office equipment	Renovation	Drink and food outlets	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Audited									
31 December 2021									
<i>Cost</i>									
At 1 January 2021	3,749,180	148,168	1,055,716	1,665,166	1,046,429	41,859	4,736,421	19,060,391	31,503,330
Additions	876,649	1,972	21,953	–	1,038,945	46,778	910,445	5,305,567	8,202,309
Disposal/Written-off	(31,500)	–	(30,000)	–	(794,641)	–	(5,697)	–	(861,838)
Lease termination	–	–	–	–	–	–	–	(2,155,224)	(2,155,224)
At 31 December 2021	4,594,329	150,140	1,047,669	1,665,166	1,290,733	88,637	5,641,169	22,210,734	36,688,577
<i>Accumulated depreciation</i>									
At 1 January 2021	2,772,743	138,706	948,748	507,877	980,829	22,085	2,946,906	8,496,673	16,814,567
Depreciation charge	564,903	9,346	80,132	33,303	260,367	16,314	946,378	6,574,488	8,485,231
Disposal/Written-off	(22,035)	–	(25,108)	–	(738,501)	–	(3,344)	–	(788,988)
Lease termination	–	–	–	–	–	–	–	(886,429)	(886,429)
At 31 December 2021	3,315,611	148,052	1,003,772	541,180	502,695	38,399	3,889,940	14,184,732	23,624,381
<i>Net book value</i>									
At 31 December 2021	1,278,718	2,088	43,897	1,123,986	788,038	50,238	1,751,229	8,026,002	13,064,196
Unaudited									
30 June 2022									
<i>Cost</i>									
At 1 January 2022	4,594,329	150,140	1,047,669	1,665,166	1,290,733	88,637	5,641,169	22,210,734	36,688,577
Additions	63,915	–	–	–	455,000	7,826	147,943	1,646,318	2,321,002
Disposal/Written-off	–	–	–	–	(655,000)	–	–	–	(655,000)
At 30 June 2022	4,658,244	150,140	1,047,669	1,665,166	1,090,733	96,463	5,789,112	23,857,052	38,354,579
<i>Accumulated depreciation</i>									
At 1 January 2022	3,315,611	148,052	1,003,772	541,180	502,695	38,399	3,889,940	14,184,732	23,624,381
Depreciation charge	338,700	723	3,054	16,652	125,264	11,476	511,256	3,291,850	4,298,975
Disposal/Written-off	–	–	–	–	(277,591)	–	–	–	(277,591)
At 30 June 2022	3,654,311	148,775	1,006,826	557,832	350,368	49,875	4,401,196	17,476,582	27,645,765
<i>Net book value</i>									
At 30 June 2022	1,003,933	1,365	40,843	1,107,334	740,365	46,588	1,387,916	6,380,470	10,708,814

Right-of-use (“ROU”) 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 14 to the combined financial statements.

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14. 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 beverage. There are restrictions or covenants imposed by the leases to sublet the outlets to another party. Unless permitted by the owner, the right-of-use assets 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 majority of the extension options are exercisable by the Group and not by the lessor.

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 classified within property, plant and equipment

	31 December 2021 (Audited) \$	30 June 2022 (Unaudited) \$
Drink and food outlets	8,026,000	6,380,470
Motor vehicles	499,201	483,917
	<u>8,525,201</u>	<u>6,864,387</u>

(b) Depreciation charge during the financial period

	Six months period ended 30 June 2021 (Unaudited) \$	2022 (Unaudited) \$
Drink and food outlets	2,687,544	3,291,850
Motor vehicles	93,320	92,872
	<u>2,780,864</u>	<u>3,384,722</u>

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14. Leases – The Group as a lessee (continued)

(c) Interest expense

	Six months period ended 30 June	
	2021	2022
	(Unaudited)	(Unaudited)
	\$	\$
Interest expense on lease liabilities (Note 8)	304,277	264,355

(d) Lease expense not capitalised in lease liabilities

	Six months period ended 30 June	
	2021	2022
	(Unaudited)	(Unaudited)
	\$	\$
Lease expense		
- Variable rental	768,126	612,116
- Short-term leases	651,664	545,804
	1,419,790	1,157,920

(e) Total cash outflow for all leases for respective six months period ended 30 June 2021 and 2022 were \$4,249,390 and \$5,169,651.

(f) Additions of ROU assets for the respective six months period ended 30 June 2021 and 2022 were \$3,324,455 and \$2,101,318.

(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 \$768,126 and \$612,116 for the respective six months period ended 30 June 2021 and 2022 (Note 14(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.

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14. Leases – The Group as a lessee (continued)

(h) Lease liabilities

	31 December 2021 (Audited) \$	30 June 2022 (Unaudited) \$
Current	5,713,166	4,396,914
Non-current	2,888,639	2,558,834
Total lease liabilities	<u>8,601,805</u>	<u>6,955,748</u>

15. Intangible assets

	31 December 2021 (Audited) \$	30 June 2022 (Unaudited) \$
Cost		
Beginning and end of financial year/period	<u>246,490</u>	<u>246,490</u>
Accumulated amortisation		
Beginning of financial year/period	41,082	65,731
Charge for financial year/period	24,649	12,324
End of financial year/period	<u>65,731</u>	<u>78,055</u>
Carrying amount		
End of financial year/period	<u>180,759</u>	<u>168,435</u>

16. Investment in an associated company

	31 December 2021 (Audited) \$	30 June 2022 (Unaudited) \$
Beginning and end of financial year/period	<u>1</u>	<u>1</u>

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16. Investment in an associated company (continued)

The Group has the following associated company:

Name of company	Principal activity	Country of incorporation	Group	
			31 December 2021 %	30 June 2022 %
Billion Land Pte. Ltd.	Investment holdings	Singapore	20	20

No summarised financial information for the associated is presented as the associated company is not material to the Group. There was no share of results recognised for the financial year ended 31 December 2021 and the six months period ended 30 June 2022 as the associated company was dormant and did not have operations.

On 15 August 2022, the Company’s subsidiary corporation, Yew Kee Two Pte. Ltd. (formerly known as Yu Kee Two Pte. Ltd.) disposed of 1 share representing 20.0% of the issued and paid-up capital of Billion Land Pte. Ltd. (“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 a dormant investment holding company with no business operations. As at 31 December 2021, the net assets value of Billion Land was \$0.4 million. 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 a dormant investment holding company that does not undertake any of the business operations of the Group.

17. Trade and other payables

	31 December 2021 (Audited) \$	30 June 2022 (Unaudited) \$
Trade payables - Non-related parties	1,206,543	1,914,663
Non-trade payables		
- Directors	865,477	921,312
- Associated company	70,273	70,273
- Non-related parties	254,431	272,723
	<u>1,190,181</u>	<u>1,264,308</u>
Goods and services tax payable	356,157	348,157
Accrued expenses	2,338,421	2,011,511
Deposits from tenants	268,500	313,968
	<u>5,359,802</u>	<u>5,852,607</u>

Non-trade payables to directors and associated company are unsecured, interest-free and repayable on demand. Subsequent to 30 June 2022, non-trade payables to associated company have been waived in full.

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18. Provisions

	31 December 2021 (Audited) \$	30 June 2022 (Unaudited) \$
<i>Non-current</i>		
Provisions for reinstatement costs	817,000	817,000

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 range from less than 1 year to 3 years. The impact of discounting on the provision is assessed to be insignificant.

Movement of provision for reinstatement costs are as follows:

	31 December 2021 (Audited) \$	30 June 2022 (Unaudited) \$
Beginning of financial year/period	558,000	817,000
Additional	259,000	–
End of financial year/period	817,000	817,000

19. Share capital

	No. of shares		Amount	
	31 December 2021 (Audited)	30 June 2022 (Unaudited)	31 December 2021 (Audited) \$	30 June 2022 (Unaudited) \$
Beginning of financial year/period	1,726,514	1,889,714	1,726,514	1,889,714
Issuance of new ordinary shares - Incorporation of subsidiary corporations	163,300	1,100	163,300	1,100
Struck-off of a subsidiary corporation	(100)	(3)	(100)	(3)
End of financial year/period	1,889,714	1,890,811	1,889,714	1,890,811

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

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19. Share capital (continued)

	31 December 2021 (Audited) \$	30 June 2022 (Unaudited) \$
- Yew Kee Duck and Noodle House Pte. Ltd. (formerly known as Yu Kee Duck and Noodle House Pte. Ltd.)	100,000	100,000
- Yew Kee Management Pte. Ltd. (formerly known as Yu Kee Management Pte. Ltd.)	340,000	340,000
- Yew Kee Three Pte. Ltd. (formerly known as Yu Kee Three Pte. Ltd.)	2	2
- Yew Kee Two Pte. Ltd. (formerly known as Yu Kee Two Pte. Ltd.)	500,000	500,000
- Ubi 179 Food House Pte. Ltd.	100,000	100,000
- SM30 Simei Pte. Ltd.	2	2
- 108 Sembawang Pte. Ltd.	3	3
- 207 (Duck Rice) Pte. Ltd	100	100
- 10(XO) Noodle Pte. Ltd.	2	2
- 480 Local delight Pte. Ltd.	2	2
- Admiralty Local Delight Pte. Ltd	2	2
- 51 Hougang Pte. Ltd.	100	100
- 2 Bukit Panjang Pte. Ltd.	100	100
- Punggol WP83 Pte. Ltd.	3	3
- Yew Kee Collective Pte. Ltd. (formerly known as Yu Kee Group Pte. Ltd.)	499,995	499,995
Balance carried forward	<u>1,540,311</u>	<u>1,540,311</u>

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19. Share capital (continued)

	31 December 2021 (Audited) \$	30 June 2022 (Unaudited) \$
Balance carried forward	1,540,311	1,540,311
- Ying’s Traditional Food Pte. Ltd.	100	100
- Fine Food F&B Pte. Ltd.	100,000	100,000
- Fine Food (Nanyang) Pte. Ltd.	160,000	160,000
- YTP (Yew Tee) Pte. Ltd.	3	–
- TAKACC Pte. Ltd.	1,000	1,000
- CACC Pte. Ltd.	1,000	1,000
- SUNCC Pte. Ltd. (formerly known as WEGCC Pte. Ltd.)	1,000	1,000
- NUSCC Pte. Ltd. (formerly known as T3CC Pte. Ltd.)	1,000	1,000
- JPCC Pte. Ltd.	1,000	1,000
- NOVCC Pte. Ltd.	1,000	1,000
- HILCC Pte. Ltd.	1,000	1,000
- 102CR Food Pte. Ltd.	100	100
- NEXCC Pte. Ltd.	1,000	1,000
- YISCC Pte. Ltd.	1,000	1,000
- MSQCC Pte. Ltd.	1,000	1,000
- WLPCC Pte. Ltd.	1,000	1,000
- NTUCC Pte. Ltd.	1,000	1,000
- WPTCC Pte. Ltd.	1,000	1,000
- HGMCC Pte. Ltd.	1,000	1,000
- STARCC Pte. Ltd.	1,000	1,000
- JEWCC Pte. Ltd.	1,000	1,000
- 313CC Pte. Ltd.	1,000	1,000
- JEMCC Pte. Ltd.	1,000	1,000
- BLCC Pte. Ltd.	1,000	1,000
- AMKCC Pte. Ltd.	1,000	1,000
- CTRCC Pte. Ltd.	1,000	1,000
- WSCC Pte. Ltd. (formerly known as FUSCC Pte. Ltd.)	1,000	1,000
- TPCC Pte. Ltd.	1,000	1,000
- PLQCC Pte. Ltd.	1,000	1,000
- CWPCC Pte. Ltd.	1,000	1,000
- LOTCC Pte. Ltd.	1,000	1,000
- KWMCC Pte. Ltd.	1,000	1,000
- CPOCC Pte. Ltd.	1,000	1,000
- EASTCC Pte. Ltd.	1,000	1,000
Balance carried forward	<u>1,829,514</u>	<u>1,829,514</u>

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19. Share capital (continued)

	31 December 2021 (Audited) \$	30 June 2022 (Unaudited) \$
Balance carried forward	1,829,514	1,829,514
- PastaGo Pte. Ltd.	60,000	60,000
- YK Food (One) Pte. Ltd.	100	100
- YK Food (Two) Pte. Ltd.	100	100
- YK Food (Three) Pte. Ltd.	–	1,000
- YK Food (Four) Pte. Ltd.	–	100
	<u>1,889,714</u>	<u>1,890,811</u>

20. Non-controlling interests

	31 December 2021 (Audited) \$	30 June 2022 (Unaudited) \$
Beginning of financial year/period	339,170	536,813
Additional	137,643	51,087
Issuance of share capital	60,000	–
Dividends declared	–	(140,000)
End of financial year/period	<u>536,813</u>	<u>447,900</u>
Analysis as:		
- Fine Food F&B Pte. Ltd.	378,386	335,120
- Fine Food (Nanyang) Pte. Ltd.	118,427	106,277
- PastaGo Pte. Ltd.	40,000	6,503
	<u>536,813</u>	<u>447,900</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.

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21. 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

	Six months period ended 30 June	
	2021	2022
	(Unaudited)	(Unaudited)
	\$	\$
Miscellaneous fees payable/paid to:		
- Directors	19,600	24,806
- Related parties	47,027	41,193
	<u>66,627</u>	<u>65,999</u>

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

	Six months period ended 30 June	
	2021	2022
	(Unaudited)	(Unaudited)
	\$	\$
Salaries and wages	363,839	381,269
Employer’s contribution to defined contribution plans	53,942	46,395
	<u>417,781</u>	<u>427,664</u>

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YKGI Limited and Its Subsidiary Corporations Unaudited Interim Condensed Combined Notes to Financial Statements For the six months period ended 30 June 2022

22. Dividends

	Six months period ended 30 June	
	2021	2022
	(Unaudited) \$	(Unaudited) \$
Final dividends declared		
- Yew Kee Collective Pte. Ltd. (formerly known as Yu Kee Group Pte. Ltd.) of \$1.0934 per shares in respect of financial year ended 31 December 2021	–	546,697
- 207 (Duck Rice) Pte. Ltd. of \$712.50 per shares in respect of financial year ended 31 December 2021	–	71,250
- Ying's Traditional Food Pte. Ltd. of \$2,046.10 per shares in respect of financial year ended 31 December 2021	–	204,610
- 51 Hougang Pte. Ltd. of \$709.30 per shares in respect of financial year ended 31 December 2021	–	70,930
- 10(XO Noodle) Pte. Ltd. of \$93,944.50 per shares in respect of financial year ended 31 December 2021		187,889
- Fine Food F&B Pte. Ltd. of \$1.00 per shares in respect of financial year ended 31 December 2021	–	100,000
- Fine Food (Nanyang) Pte. Ltd. of \$1.00 per shares in respect of financial year ended 31 December 2021	–	160,000
	–	1,341,376

23. 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 Group 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.

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YKGI Limited and Its Subsidiary Corporations Unaudited Interim Condensed Combined Notes to Financial Statements For the six months period ended 30 June 2022

23. Segment information (continued)

(ii) F&B Operations Business

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 the Company’s 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”).

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 respective six months period ended 30 June 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 Board of Directors assesses the performance of the operating segments based on a measure of profit before income tax. This measurement basis excludes the effects of expenditure from the operating segments such as restructuring costs and impairment loss that are not expected to recur regularly in every period which are separately analysed.

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23. Segment information (continued)

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

	Food Court Business	F&B Operations Business	Franchise Business	Other segment	Total
	\$	\$	\$	\$	\$
30 June 2021 (Unaudited)					
Revenue	2,744,070	11,871,007	13,006,311	–	27,621,388
Other income	478,219	1,082,410	596,126	–	2,156,755
Segment profit/(loss)	(771,442)	2,708,988	2,941,180	(526,585)	4,352,141
Finance costs	(37,622)	(277,580)	(14,084)	–	(329,286)
Profit/(loss) before income tax	(809,064)	2,431,408	2,927,096	(526,585)	4,022,855
Income tax expense					(211,105)
Net profit					3,811,750
Segment assets	2,429,119	14,620,738	13,516,257	978,917	31,545,031
Addition to:					
- Property, plant and equipment	45,818	425,300	427,852	323,917	1,222,887
Segment liabilities	2,429,120	3,539,682	13,516,256	–	19,485,058
30 June 2022 (Unaudited)					
Revenue	3,087,788	13,019,209	10,655,644	–	26,762,641
Other income	191,249	565,832	150,419	–	907,500
Segment profit/(loss)	318,894	2,365,403	731,268	(552,928)	2,862,637
Finance costs	(20,929)	(109,671)	(133,755)	–	(264,355)
Profit/(loss) before income tax	297,965	2,255,732	597,513	(552,928)	2,598,282
Income tax expense					(190,364)
Net profit					2,407,918
Segment assets	2,805,854	5,355,275	23,163,477	455,000	31,779,606
Addition to:					
- Property, plant and equipment	–	209,684	10,000	–	219,684
Segment liabilities	734,816	1,090,235	11,857,377	779,587	14,462,015

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YKGI Limited and Its Subsidiary Corporations Unaudited Interim Condensed Combined Notes to Financial Statements For the six months period ended 30 June 2022

23. Segment information (continued)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the respective six months period ended 30 June 2021 and 2022. The breakdown of revenue by major products and services is disclosed in Note 4 to the combined 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.

24. New or revised accounting standards and interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after 1 January 2023 or later periods and which the Group has not early adopted. The management anticipates that the adoption of the new standards, amendments and interpretations in the future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

25. Events after the balance sheet date

i. Incorporation of Yew Kee Bakery Pte. Ltd. (“Yew Kee Bakery”)

Yew Kee Bakery was incorporated on 6 July 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 \$1 comprising 100 Share held. The principal activities of Yew Kee Bakery are retail of sales of confectionery and bakery products and manufacture of bakery products.

ii. Incorporation of YK Food (Five) Pte. Ltd. (“YK Food (Five)”)

YK Food (Five) was incorporated on 1 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 \$1 comprising 100 Share. The principal activities of YK Food (Five) are stalls selling, cooked food and prepared drinks.

iii. Incorporation of YKGI Hawker Management Pte. Ltd. (“YKGI Hawker Management”)

YKGI Hawker Management was incorporated on 20 December 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 \$1 comprising 300,000 Share. The principal activities of YKGI Hawker Management are stalls selling, cooked food and prepared drinks.

26. Authorisation of unaudited interim condensed combined financial statements

The unaudited interim condensed combined financial statements for the six months period ended 30 June 2022 have been prepared for inclusion in the Offer Document were authorised for issue by the Board of Directors on 26 January 2023.

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
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INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 AND
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**YKGI LIMITED AND
ITS SUBSIDIARY CORPORATIONS**
(Incorporated in the Republic of Singapore)

**UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 AND
THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
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**INDEPENDENT AUDITOR’S ASSURANCE REPORT ON
THE COMPILATION OF UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION OF
YKGI LIMITED AND ITS SUBSIDIARY CORPORATIONS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 AND
THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

Board of Directors
YKGI Limited
32 Woodlands Terrace
Singapore 738452

Dear Sirs

Report on the Compilation of Unaudited Pro Forma Combined Financial Information

We have completed our assurance engagement to report on the compilation of the unaudited pro forma combined financial information of YKGI Limited (the “Company”) and its subsidiary corporations (the “Group”). The unaudited pro forma combined financial information of the Group consists of the pro forma combined statements of financial position as at 31 December 2021 and 30 June 2022, the pro forma combined statements of cash flows for the financial year ended 31 December 2021 and the six months period ended 30 June 2022, and related notes as set out on pages C-4 to C-14 of the Offer Document issued by the Company. The applicable criteria on the basis of which management has compiled the unaudited pro forma combined financial information is described in Note 3.

The unaudited pro forma combined financial information has been compiled by management to illustrate the impact of the significant events set out in Note 2 (“Significant Events”) on the unaudited pro forma combined financial position of the Group as at 31 December 2021 and 30 June 2022 and the unaudited pro forma combined cash flows of the Group for the financial year ended 31 December 2021 and the six months period ended 30 June 2022 as if the Significant Events had occurred on 31 December 2021 and 30 June 2022 respectively.

The pro forma adjustments do not have any material effect on the combined statements of comprehensive income of the Group for the financial year ended 31 December 2021 and the six months period ended 30 June 2022. Accordingly, the unaudited pro forma combined statements of comprehensive income for the financial year ended 31 December 2021 and the six months period ended 30 June 2022 have not been presented.

As part of this process, information about the Group’s combined financial position as at 31 December 2021 and 30 June 2022 and combined cash flows for the financial year ended 31 December 2021 and the six months period ended 30 June 2022 have been extracted by Management from the Group’s audited combined financial statements for the financial year ended 31 December 2021 and unaudited interim condense combined financial statements for the six months period ended 30 June 2022, on which an audit report and a review report have been published respectively.

Management’s Responsibility for the Unaudited Pro Forma Combined Financial Information

Management is responsible for compiling the unaudited pro forma combined financial information of the Group on the basis of the applicable criteria as described in Note 3.

APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE COMPILATION OF UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 AND THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION OF YKGI LIMITED AND ITS SUBSIDIARY CORPORATIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 AND THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Singapore Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor’s Responsibilities

Our responsibility is to express an opinion about whether the unaudited pro forma combined financial information has been compiled, in all material respects, by management on the basis of the applicable criteria as described in Note 3.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (“SSAE”) 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* (“SSAE 3420”), issued by the Institute of Singapore Chartered Accountants. This standard requires that the auditors comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the unaudited pro forma combined financial information of the Group on the basis of the applicable criteria as described in Note 3.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma combined financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma combined financial information.

The purpose of the unaudited pro forma combined financial information included in the Offer Document is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at the respective dates would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma combined financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the management in the compilation of the unaudited pro forma combined financial information provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- (i) The related pro forma adjustments give appropriate effect to those criteria; and
- (ii) The unaudited pro forma combined financial information of the Group reflects the proper application of those adjustments to the unadjusted financial information.

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**INDEPENDENT AUDITOR’S ASSURANCE REPORT ON
THE COMPILATION OF UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION OF
YKGI LIMITED AND ITS SUBSIDIARY CORPORATIONS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 AND
THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

Auditor’s Responsibilities (continued)

The procedures selected depend on the auditor’s judgment, having regard to his understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma combined financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma combined financial information of the Group.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) The unaudited pro forma combined financial information has been compiled:
 - (i) in a manner consistent with the accounting policies adopted by the Group in its latest audited financial statements, which are in accordance with Singapore Financial Reporting Standards (International);
 - (ii) on the basis of the applicable criteria stated in Note 3 of the unaudited pro forma combined financial information of the Group; and
- (b) Each material adjustment made to the information used in the preparation of the unaudited pro forma combined financial information is appropriate for the purpose of preparing such unaudited financial information.

Restriction on Distribution and Use

This report is made solely for the inclusion in the Offer Document of the Group to be issued in relation to the proposed offering of the shares of YKGI Limited on the Catalist, the sponsor-supervised Board of Singapore Exchange Securities Trading Limited and for no other purpose.

The engagement director on the review resulting in this independent auditor’s assurance report is Meriana Ang Mei Ling.

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

Singapore

26 January 2023

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
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THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

**YKGI Limited and Its Subsidiary Corporations
Unaudited Pro Forma Combined Statements of Financial Position
As at 31 December 2021 and 30 June 2022**

	31 December 2021 \$	30 June 2022 \$
ASSETS		
Current assets		
Cash and bank balances	4,494,273	7,211,861
Trade and other receivables	3,995,563	5,327,783
Inventories	982,780	737,712
	<u>9,472,616</u>	<u>13,277,356</u>
Non-current assets		
Property, plant and equipment	13,064,196	10,708,814
Intangible assets	180,759	168,435
Investment in associated company	1	1
	<u>13,244,956</u>	<u>10,877,250</u>
Total Assets	<u>22,717,572</u>	<u>24,154,606</u>
LIABILITIES		
Current liabilities		
Trade and other payables	12,334,802	12,827,607
Lease liabilities	5,713,166	4,396,914
Current income tax liabilities	655,389	836,660
	<u>18,703,357</u>	<u>18,061,181</u>
Non-current liabilities		
Lease liabilities	2,888,639	2,558,834
Provisions	817,000	817,000
	<u>3,705,639</u>	<u>3,375,834</u>
Total liabilities	<u>22,408,996</u>	<u>21,437,015</u>
Net assets	<u>308,576</u>	<u>2,717,591</u>
EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital	1,889,714	1,890,811
Retained profits	(1,757,951)	598,880
	<u>131,763</u>	<u>2,489,691</u>
Non-controlling interests	176,813	227,900
Total equity	<u>308,576</u>	<u>2,717,591</u>

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THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

YKGI Limited and Its Subsidiary Corporations

Unaudited Pro Forma Combined Statement of Cash Flow

For the financial year ended 31 December 2021 and the six months period ended 30 June 2022

	31 December 2021	30 June 2022
	\$	\$
Cash flows from operating activities		
Net profit	9,061,653	2,407,918
Adjustments for:		
- Amortisation of intangible assets	24,649	12,324
- Depreciation of property, plant and equipment	8,485,231	4,298,975
- Gain on disposal of property, plant and equipment	(200,679)	(202,236)
- Interest expense	589,236	264,355
- Income tax expense	510,889	190,364
- Rental concession income	(623,819)	–
	<u>17,847,160</u>	<u>6,971,700</u>
Changes in working capital:		
- Inventories	(621,276)	245,068
- Trade and other receivables	871,221	(1,332,220)
- Trade and other payables	(1,995,608)	492,802
Cash generated from operations	<u>16,101,497</u>	<u>6,377,350</u>
Income tax paid	(468,141)	(9,093)
Net cash provided by operating activities	<u>15,633,356</u>	<u>6,368,257</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	273,529	579,645
Additions to property, plant and equipment	(1,982,742)	(219,684)
Struck-off of a subsidiary corporation	(100)	–
Net cash (used in)/provided by investing activities	<u>(1,709,313)</u>	<u>359,961</u>

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
THE COMPILATION OF UNAUDITED PRO FORMA COMBINED FINANCIAL
INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 AND
THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

YKGI Limited and Its Subsidiary Corporations

Unaudited Pro Forma Combined Statement of Cash Flow

For the financial year ended 31 December 2021 and the six months period ended 30 June 2022

	31 December 2021	30 June 2022
	\$	\$
Cash flows from financing activities		
Proceeds from issuance of shares	163,300	1,100
Proceeds from issuance of ordinary shares	60,000	–
Dividends paid to equity holders of the Company	(10,087,399)	(8,746,376)
Dividends paid to non-controlling interest	(140,000)	(360,000)
Repayments of borrowings	(2,500,000)	–
Principal repayment of lease liabilities	(6,140,780)	(3,747,375)
Interest paid	(589,236)	(264,355)
Net cash used in financing activities	<u>(19,234,115)</u>	<u>(13,117,006)</u>
Net decrease in cash and bank balances	(5,310,072)	(6,388,788)
Cash and bank balances		
Beginning of the financial year/period	9,804,345	13,600,649
End of the financial year/period	<u><u>4,494,273</u></u>	<u><u>7,211,861</u></u>

APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE COMPILATION OF UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 AND THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

YKGI Limited and Its Subsidiary Corporations

Notes to the Unaudited Pro Forma Combined Financial Information

For the financial year ended 31 December 2021 and the six months period ended 30 June 2022

1. General information

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 32 Woodlands Terrace Singapore 738452.

The principal activity of the Company is that of an investment holding.

The principal activities of the subsidiary corporations are disclosed in Note 1.1 to the audited combined financial statements for the financial years ended 31 December 2019, 2020 and 2021 as set out in Appendix A of the Offer Document.

2. Significant events

Save for the following significant events discussed below (“Significant Events”), Management, as at the date of this report, are not aware of any other significant acquisitions, disposal of assets and subsidiary corporations or significant changes made to the capital structure of the Group subsequent to 31 December 2021.

(a) Declaration of final dividends

On 25 January, 26 January and 9 March 2022, aggregate final one-tier tax exempt dividends amounted to \$1,481,376 were declared by below subsidiary corporations in respect of the financial year ended 31 December 2021 to be paid to the persons who were registered shareholders as at 31 December 2021 (“Existing Shareholders”), which were determined based on the available profits of the respective entity as at 31 December 2021. These dividends have been paid to the Existing Shareholders during the six months period ended 30 June 2022.

	\$
Yew Kee Collective Pte. Ltd.	546,697
207 (Duck Rice) Pte. Ltd.	71,250
Ying’s Traditional Food Pte. Ltd	204,610
51 Hougang Pte. Ltd.	70,930
10 (XO Noodle) Pte. Ltd.	187,889
Fine Food F&B Pte. Ltd.	200,000
Fine Food (Nanyang) Pte. Ltd.	200,000
	1,481,376

(b) Declaration of interim dividends

On 21 September and 11 October 2022, an aggregate interim one-tier tax exempt dividends amounted to \$14,600,000 were declared by below subsidiary corporations in respect of the financial year ending 31 December 2022 to be paid to the persons who were registered shareholders as at 31 October 2022 (“Existing Shareholders”), which were determined based on the available profits of the respective entity as at 31 October 2022. For the purpose of preparing the unaudited pro forma combined financial information, part of the dividends declared of \$6,975,000 are assumed to have not been paid to the Existing Shareholders.

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
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YKGI Limited and Its Subsidiary Corporations

Notes to the Unaudited Pro Forma Combined Financial Information

For the financial year ended 31 December 2021 and the six months period ended 30 June 2022

2. Significant events (continued)

(b) Declaration of interim dividends (continued)

	\$
Yew Kee Collective Pte. Ltd.	4,105,000
Yew Kee Management Pte. Ltd.	465,000
Yew Kee Duck & Noodle House Pte. Ltd.	1,350,000
10 (XO Noodle) Pte. Ltd.	250,000
2 Bukit Panjang Pte. Ltd.	240,000
108 Sembawang Pte. Ltd.	300,000
207 (Duck Rice) Pte. Ltd.	100,000
Admiralty Local Delight Pte. Ltd.	200,000
Yew Kee Three Pte. Ltd.	180,000
Ying’s Traditional Food Pte. Ltd.	250,000
Ubi 179 Food House Pte. Ltd.	240,000
51 Hougang Pte. Ltd.	180,000
480 Local Delight Pte. Ltd.	120,000
SM30 Simei Pte. Ltd.	170,000
Punggol WP83 Pte. Ltd.	240,000
HILLCC Pte. Ltd.	100,000
NOVCC Pte. Ltd.	380,000
TAKACC Pte. Ltd.	280,000
SUNCC Pte. Ltd.	100,000
313CC Pte. Ltd.	250,000
AMKCC Pte. Ltd.	300,000
CPOCC Pte. Ltd.	40,000
CTRCC Pte. Ltd.	190,000
CWPCC Pte. Ltd.	300,000
WSCC Pte. Ltd.	50,000
HGMCC Pte. Ltd.	320,000
JEMCC Pte. Ltd.	280,000
LOTCC Pte. Ltd.	100,000
MSQCC Pte. Ltd.	200,000
NEXCC Pte. Ltd.	380,000
PLQCC Pte. Ltd.	460,000
STARCC Pte. Ltd.	320,000
TPCC Pte. Ltd.	450,000
WLPCC Pte. Ltd.	330,000
WPTCC Pte. Ltd.	460,000
YISCC Pte. Ltd.	270,000
Fine Food (Nanyang) Pte. Ltd.	350,000
Fine Food F&B Pte. Ltd.	300,000
	<u>14,600,000</u>

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
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YKGI Limited and Its Subsidiary Corporations

Notes to the Unaudited Pro Forma Combined Financial Information

For the financial year ended 31 December 2021 and the six months period ended 30 June 2022

3. Basis of preparation of the unaudited pro forma combined financial information of the Group

- (a) The unaudited pro forma combined financial information of the Group have been compiled based on the following:
- the audited combined financial statements of the Group for the financial year ended 31 December 2021 which were prepared by Management in accordance with Singapore Financial Reporting Standards (International) and audited by CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation) in accordance with Singapore Standards on Auditing.
 - the unaudited interim condensed combined financial statements of the Group for the six months period ended 30 June 2022, which were prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) and reviewed by CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation) in accordance with Singapore Standard on Review Engagement.

The independent auditors’ reports of the financial statements were not subject to any qualification.

- (b) The unaudited pro forma combined financial information of the Group has been prepared using the same accounting policies and methods of computation in the preparation of the audited combined financial statements for the financial years ended 31 December 2019, 2020 and 2021.

The unaudited pro forma combined financial information of the Group for the financial year ended 31 December 2021 and the six months period ended 30 June 2022 are prepared for illustrative purposes only. These are prepared based on certain assumptions and after making certain adjustments to show what the unaudited pro forma combined financial position of the Group as at 31 December 2021 and 30 June 2022, and the unaudited pro forma combined cash flows of the Group for the financial year ended 31 December 2021 and the six months period ended 30 June 2022 would have been if the Significant Events had occurred on 31 December 2021 and 30 June 2022 respectively.

The pro forma adjustments do not have any effect on the combined statements of comprehensive income of the Group for the financial year ended 31 December 2021 and the six months ended 30 June 2022. Accordingly, the unaudited pro forma combined statements of comprehensive income for financial year ended 31 December 2021 and the six months ended 30 June 2022 have not been presented.

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
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Notes to the Unaudited Pro Forma Combined Financial Information

For the financial year ended 31 December 2021 and the six months period ended 30 June 2022

3. Basis of preparation of the unaudited pro forma combined financial information of the Group (continued)

- (c) Based on the assumption described above, the following material adjustments have been made to the audited combined statements of financial position as at 31 December 2021 and 30 June 2022 respectively, in arriving at the unaudited pro forma combined statements of financial position and the unaudited pro forma combined statements of cash flows of the Group included herein:

Declaration of final and interim dividends

	31 December 2021	30 June 2022
	\$	\$
Cash and bank balances	(9,106,376)	(7,625,000)
Dividend payable	6,975,000	6,975,000
Retained profits	(15,721,376)	(14,380,000)
Non-controlling interests	<u>(360,000)</u>	<u>(220,000)</u>

- (d) The unaudited pro forma combined financial information of the Group, because of its nature, is not necessarily indicative of the results of the operations, cash flows and financial position that would have been attained had the Significant Events occurred earlier. Save as disclosed in Note 2, Management, for the purpose of preparing this set of unaudited pro forma combined financial information of the Group, has not considered the effects of other events.

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Notes to the Unaudited Pro Forma Combined Financial Information

For the financial year ended 31 December 2021 and the six months period ended 30 June 2022

4. Statement of pro forma adjustments

4.1 Unaudited pro forma combined statement of financial position of the Group as at 31 December 2021

	Audited combined statement of financial position	Unaudited pro forma adjustments Notes 2(a), 2(b)	Unaudited pro forma combined statement of financial position
	\$	\$	\$
ASSETS			
Current assets			
Cash and bank balances	13,600,649	(9,106,376)	4,494,273
Trade and other receivables	3,995,563	–	3,995,563
Inventories	982,780	–	982,780
	<u>18,578,992</u>	<u>(9,106,376)</u>	<u>9,472,616</u>
Non-current assets			
Property, plant and equipment	13,064,196	–	13,064,196
Intangible assets	180,759	–	180,759
Investment in associated company	1	–	1
	<u>13,244,956</u>	<u>–</u>	<u>13,244,956</u>
Total Assets	<u>31,823,948</u>	<u>(9,106,376)</u>	<u>22,717,572</u>
LIABILITIES			
Current liabilities			
Trade and other payables	5,359,802	6,975,000	12,334,802
Lease liabilities	5,713,166	–	5,713,166
Current income tax liabilities	655,389	–	655,389
	<u>11,728,357</u>	<u>6,975,000</u>	<u>18,703,357</u>
Non-current liabilities			
Lease liabilities	2,888,639	–	2,888,639
Provisions	817,000	–	817,000
	<u>3,705,639</u>	<u>–</u>	<u>3,705,639</u>
Total liabilities	<u>15,433,996</u>	<u>6,975,000</u>	<u>22,408,996</u>
Net assets	<u>16,389,952</u>	<u>(16,081,376)</u>	<u>308,576</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	1,889,714	–	1,889,714
Retained profits	13,963,425	(15,721,376)	(1,757,951)
	<u>15,853,139</u>	<u>(15,721,376)</u>	<u>131,763</u>
Non-controlling interests	536,813	(360,000)	176,813
Total equity	<u>16,389,952</u>	<u>(16,081,376)</u>	<u>308,576</u>

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YKGI Limited and Its Subsidiary Corporations

Notes to the Unaudited Pro Forma Combined Financial Information

For the financial year ended 31 December 2021 and the six months period ended 30 June 2022

4. Statement of pro forma adjustments (continued)

4.2 Unaudited pro forma combined statement of financial position of the Group as at 30 June 2022

	Unaudited combined statement of financial position	Unaudited pro forma adjustments Note 2(b)	Unaudited pro forma combined statement of financial position
	\$	\$	\$
ASSETS			
Current assets			
Cash and bank balances	14,836,861	(7,625,000)	7,211,861
Trade and other receivables	5,327,783	–	5,327,783
Inventories	737,712	–	737,712
	<u>20,902,356</u>	<u>(7,625,000)</u>	<u>13,277,356</u>
Non-current assets			
Property, plant and equipment	10,708,814	–	10,708,814
Intangible assets	168,435	–	168,435
Investment in associate company	1	–	1
	<u>10,877,250</u>	<u>–</u>	<u>10,877,250</u>
Total Assets	<u>31,779,606</u>	<u>(7,625,000)</u>	<u>24,154,606</u>
LIABILITIES			
Current liabilities			
Trade and other payables	5,852,607	6,975,000	12,827,607
Lease liabilities	4,396,914	–	4,396,914
Current income tax liabilities	836,660	–	836,660
	<u>11,086,181</u>	<u>6,975,000</u>	<u>18,061,181</u>
Non-current liabilities			
Lease liabilities	2,558,834	–	2,558,834
Provisions	817,000	–	817,000
	<u>3,375,834</u>	<u>–</u>	<u>3,375,834</u>
Total liabilities	<u>14,462,015</u>	<u>6,975,000</u>	<u>21,437,015</u>
Net assets	<u>17,317,591</u>	<u>(14,600,000)</u>	<u>2,717,591</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	1,890,811	–	1,890,811
Retained profits	14,978,880	(14,380,000)	598,880
	<u>16,869,691</u>	<u>(14,380,000)</u>	<u>2,489,691</u>
Non-controlling interests	447,900	(220,000)	227,900
Total equity	<u>17,317,591</u>	<u>(14,600,000)</u>	<u>2,717,591</u>

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YKGI Limited and Its Subsidiary Corporations

Notes to the Unaudited Pro Forma Combined Financial Information

For the financial year ended 31 December 2021 and the six months period ended 30 June 2022

4. Statement of pro forma adjustments (continued)

4.3 Unaudited pro forma combined statement of cash flow of the Group for the financial year ended 31 December 2021

	Audited combined statement of cash flows	Unaudited pro forma adjustments Notes 2(a), 2(b)	Unaudited pro forma combined statement of cash flows
	\$	\$	\$
Cash flows from operating activities			
Net profit	9,061,653	–	9,061,653
Adjustments for:			
- Amortisation of intangible assets	24,649	–	24,649
- Depreciation of property, plant and equipment	8,485,231	–	8,485,231
- Gain on disposal of property, plant and equipment	(200,679)	–	(200,679)
- Interest expense	589,236	–	589,236
- Income tax expense	510,889	–	510,889
- Rental concession income	(623,819)	–	(623,819)
	17,847,160	–	17,847,160
Changes in working capital:			
- Inventories	(621,276)	–	(621,276)
- Trade and other receivables	871,221	–	871,221
- Trade and other payables	(1,995,608)	–	(1,995,608)
Cash generated from operations	16,101,497	–	16,101,497
Income tax paid	(468,141)	–	(468,141)
Net cash provided by operating activities	15,633,356	–	15,633,356
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment	273,529	–	273,529
Additions to property, plant and equipment	(1,982,742)	–	(1,982,742)
Struck-off of a subsidiary corporation	(100)	–	(100)
Net cash used in investing activities	(1,709,313)	–	(1,709,313)
Cash flows from financing activities			
Proceeds from issuance of shares	163,300	–	163,300
Proceeds from issuance of shares non-controlling interests	60,000	–	60,000
Dividends paid to equity holders of the Company	(1,121,023)	(8,966,376)	(10,087,399)
Dividends paid to non-controlling interests	–	(140,000)	(140,000)
Repayments of borrowings	(2,500,000)	–	(2,500,000)
Principal repayment of lease liabilities	(6,140,780)	–	(6,140,780)
Interest paid	(589,236)	–	(589,236)
Net cash used in financing activities	(10,127,739)	(9,106,376)	(19,234,115)
Net increase/(decrease) in cash and bank balances	3,796,304	(9,106,376)	(5,310,072)
Cash and bank balances			
Beginning of the financial year	9,804,345	–	9,804,345
End of the financial year	13,600,649	(9,106,376)	4,494,273

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YKGI Limited and Its Subsidiary Corporations

Notes to the Unaudited Pro Forma Combined Financial Information

For the financial year ended 31 December 2021 and the six months period ended 30 June 2022

4. Statement of pro forma adjustments (continued)

4.4 Unaudited pro forma combined statement of cash flow of the Group for the six months ended 30 June 2022

	Unaudited combined statement of cash flows	Unaudited pro forma adjustments Note 2(b)	Unaudited pro forma combined statement of cash flows
	\$	\$	\$
Cash flows from operating activities			
Net profit	2,407,918	–	2,407,918
Adjustments for:			
- Amortisation of intangible assets	12,324	–	12,324
- Depreciation of property, plant and equipment	4,298,975	–	4,298,975
- Gain on disposal of property, plant and equipment	(202,236)	–	(202,236)
- Income tax expense	190,364	–	190,364
- Interest expense	264,355	–	264,355
	6,971,700	–	6,971,700
Changes in working capital:			
- Inventories	245,068	–	245,068
- Trade and other receivables	(1,332,220)	–	(1,332,220)
- Trade and other payables	492,802	–	492,802
Cash generated from operations	6,377,350	–	6,377,350
Income tax paid	(9,093)	–	(9,093)
Net cash provided by operating activities	6,368,257	–	6,368,257
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment	579,645	–	579,645
Additions to property, plant and equipment	(219,684)	–	(219,684)
Net cash provided by investing activities	359,961	–	359,961
Cash flows from financing activities			
Proceeds from issuance of shares	1,100	–	1,100
Dividends paid to equity holders of the Company	(1,341,376)	(7,405,000)	(8,746,376)
Dividends paid to non-controlling interest	(140,000)	(220,000)	(360,000)
Principal repayment of lease liabilities	(3,747,375)	–	(3,747,375)
Interest paid	(264,355)	–	(264,355)
Net cash used in financing activities	(5,492,006)	(7,625,000)	(13,117,006)
Net increase/(decrease) in cash and bank balances	1,236,212	(7,625,000)	(6,388,788)
Cash and bank balances			
Beginning of the financial period	13,600,649	–	13,600,649
End of the financial period	14,836,861	(7,625,000)	7,211,861

APPENDIX D – SUMMARY OF OUR CONSTITUTION

SUMMARY OF OUR CONSTITUTION

The discussion below provides information about certain provisions of our Constitution. This description is only a summary and is qualified by reference to our Constitution, a copy of which will be displayed at our registered office at 32 Woodlands Terrace Singapore 738452.

The following are extracts of the provisions in our Constitution relating to:

(a) A director's power to vote on a proposal, arrangement or contract in which he is interested

Regulation 91(1) – Powers of Directors to contract with Company

No Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement with the Company either as vendor, purchaser or otherwise nor shall such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but every Director and Chief Executive Officer shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests of the Directors and Chief Executive Officers in transactions or proposed transactions with the Company or of any office or property held by a Director or Chief Executive Officer which might create duties or interests in conflict with his duties or interests as a Director or Chief Executive Officer and any transactions to be entered into by or on behalf of the Company in which any Director shall be in any way interested shall be subject to any requirements that may be imposed by the Exchange or the Act. No Director shall vote in regard to any contract, arrangement or transaction, or proposed contract, arrangement or transaction in which he has directly or indirectly a personal material interest as aforesaid or in respect of any allotment of shares in or debentures of the Company to him and if he does so vote his vote shall not be counted. A Director shall also not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

Regulation 91(2) – Relaxation of restriction on voting

A Director, notwithstanding his interest, may be counted in the quorum present at any meeting where he or any other Director is appointed to hold any office or place of profit. under the Company, or where the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company, or where the Directors resolve to enter into or make any arrangements with him or on his behalf pursuant to this Constitution or where the terms of any such appointment or arrangements as hereinbefore mentioned are considered, and he may vote on any such matter other than in respect of the appointment of or arrangements with himself or the fixing of the terms thereof.

Regulation 92(2) – Exercise of voting power

The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such Director of the Company may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company.

APPENDIX D – SUMMARY OF OUR CONSTITUTION

- (b) A director's power to vote on remuneration (including pension or other benefits) for himself or for any other director and whether the quorum at a meeting of the board of directors to vote on directors' remuneration may include the director whose remuneration is the subject of the vote**

Regulation 87(1) – Fees

The fees of the Directors shall be determined from time to time by the Company in general meetings and such fees shall not be increased except pursuant to an ordinary resolution passed at a general meeting, where notice of the proposed increase shall have been given in the notice convening the meeting. Such fees shall be divided among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for the proportion of fee related to the period during which he has held office.

Regulation 87(2) – Extra remuneration

Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which, in the opinion of the Directors, are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this Regulation.

Regulation 87(3) – Remuneration of Director

The fees (including any remuneration under Regulation 87(2) above) in the case of a Director other than an Executive Director shall be payable by a fixed sum, and shall not at any time be by a commission on or a percentage of the profits or turnover, and no Director whether an Executive Director or otherwise shall be remunerated by a commission on or a percentage of turnover.

Regulation 88 – Expenses

The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.

Regulation 89 – Pensions to Directors and dependents

Subject to the Act, the Directors on behalf of the Company may pay a gratuity or other retirement, superannuation, death or disability benefits to any Director or former Director who had held any other salaried office or place of profit with the Company or to his widow or dependants or relations or connections or to any persons in respect of and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

Regulation 90 – Benefits for employees

The Directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund or life assurance scheme or any other scheme whatsoever for the benefit of and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any persons (including Directors and other officers) who are or shall have been at any time in the employment or service of the Company or of the predecessors in business of the Company or of any subsidiary company, and the wives, widows, families or dependants of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or of its Members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

APPENDIX D – SUMMARY OF OUR CONSTITUTION

Regulation 95 – Remuneration of Chief Executive Officer/Managing Director

The remuneration of a Chief Executive Officer/Managing Director (or any Director holding an equivalent appointment) shall from time to time be fixed by the Directors and may subject to this Constitution be by way of salary or commission or participating in profits or by any or all of these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover.

Regulation 104(1) – Alternate Directors

Any Director of the Company may at any time under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person who is not a Director or alternate Director and who is approved by a majority of his co-Directors to be his alternate Director for such period as he thinks fit and may at any time remove any such alternate Director from office. An alternate Director so appointed shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company. Any fee paid to an alternate Director shall be deducted from the remuneration otherwise payable to his appointor.

There are no specific provisions in our Constitution relating to a Director's power to vote on remuneration (including pension or other benefits) for himself or herself or for any other Director, and whether the quorum at a meeting of the board of directors to vote on Directors' remuneration may include the Director whose remuneration is the subject of the vote.

(c) The borrowing powers exercisable by the directors and how such borrowing powers may be varied

Regulation 119 – Directors' borrowing powers

The Directors may at their discretion exercise all the powers of the Company to borrow or otherwise raise money, to mortgage, charge or hypothecate all or any property or business of the Company including any uncalled or called but unpaid capital and to issue debentures or give any other security, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

(d) The retirement or non-retirement of a director under an age limit requirement

Regulation 94 – Chief Executive Officer/Managing Director to be subject to retirement by rotation

Any Director who is appointed as a Chief Executive Officer/Managing Director (or an equivalent appointment) shall be subject to the same provisions as to retirement by rotation, resignation and removal as the other Directors of the Company notwithstanding the provisions of his contract of service in relation to his executive office and if he ceases to hold the office of Director from any cause he shall *ipso facto* and immediately cease to be a Chief Executive Officer/Managing Director.

Regulation 99 – Retirement of Directors by rotation

Subject to this Constitution and to the Act, at each Annual General Meeting at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. For the avoidance of doubt, each Director shall retire from office at least once every three (3) years.

Regulation 100 – Selection of Directors to retire

The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment or have been in office for the three (3) years since their last election. However as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

APPENDIX D – SUMMARY OF OUR CONSTITUTION

Regulation 101 – Deemed re-elected

The Company at the meeting at which a Director retires under any provision of this Constitution may by ordinary resolution fill up the vacated office by electing a person thereto. In default the retiring Director shall be deemed to have been re-elected, unless:

- (i) at such meeting it is expressly resolved not to fill up such vacated office or a resolution for the re-election of such Director is put to the meeting and lost; or
- (ii) such Director is disqualified under the Act from holding office as a Director or has given notice in writing to the Company that he is unwilling to be re-elected; or
- (iii) where such Director is disqualified from acting as a Director in any jurisdiction for reasons other than on technical grounds; or
- (iv) the nominating committee appointed has given notice in writing to the directors that such director is not suitable for re-appointment, having regard to the Director's contribution and performance.

The retirement of any Director who is deemed to have been re-elected shall not have effect until the conclusion of the meeting and such Director will continue in office without a break.

(e) The number of shares, if any, required for the qualification of a director

Regulation 84 – Qualifications

A Director need not be a Member and shall not be required to hold any share qualification in the Company and shall be entitled to attend and speak at general meetings.

(f) The rights, preferences and restrictions attaching to each class of shares

Regulation 4 – Issue of new shares

Subject to the Act and this Constitution, no shares may be issued by the Directors without the prior sanction of an ordinary resolution of the Company in general meeting pursuant to Section 161 of the Act but subject thereto and to Regulation 49, and to any special rights attached to any shares for the time being issued, the Directors may issue, allot or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration (or, where permitted under the Act and the listing rules of the Exchange, for no consideration) and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued in such denominations or with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors. Regulation 4A.

The Company may issue shares for which no consideration is payable to the Company.

Regulation 5(1) – Rights attached to certain shares

Preference shares may be issued subject to such limitations thereof as may be prescribed by the Exchange upon which shares in the Company may be listed and the rights attaching to shares other than ordinary shares shall be expressed in this Constitution. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending general meetings of the Company. The total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any time. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital, or winding up, or sanctioning a sale of the undertaking of the Company, or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares is more than six (6) months in arrears.

APPENDIX D – SUMMARY OF OUR CONSTITUTION

Regulation 5(2)

The Company has power to issue further preference capital ranking equally with, or in priority to preference shares from time to time already issued or about to be issued.

Regulation 7(2) – Rights of preference shareholders

The repayment of preference capital other than redeemable preference capital, or any other alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned. Provided always that where the necessary majority for such a special resolution is not obtained at the general meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the general meeting, shall be as valid and effectual as a special resolution carried at the general meeting.

Regulation 17(1) – Entitlement to certificate

Shares must be allotted and certificates despatched within ten (10) market days of the final closing date for an issue of shares unless the Exchange shall agree to an extension of time in respect of that particular issue. The Depository must despatch statements to successful investor applicants confirming the number of shares held under their Securities Accounts. Persons entered in the Register of Members as registered holders of shares shall be entitled to certificates within ten (10) market days after lodgement of any transfer. Every registered shareholder shall be entitled to receive share certificates in reasonable denominations for his holding and where a charge is made for certificates, such charge shall not exceed two dollars (S\$2) (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed). Where a registered shareholder transfers part only of the shares comprised in a certificate or where a registered shareholder requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the registered shareholder shall pay a fee not exceeding two dollars (S\$2) (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed) for each such new certificate as the Directors may determine. Where the Member is a Depositor, the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement.

Regulation 22(1) – Directors' power to decline to register

Subject to this Constitution, there shall be no restriction on the transfer of fully paid securities except where required by law or by the rules, bye-laws or listing rules of the Exchange but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve. If the Directors shall decline to register any such transfer of shares, they shall within ten (10) market days beginning with the date on which the application for a transfer of shares was made, give to both the transferor and the transferee written notice of their refusal to register in accordance with and pursuant to the requirements of the Act and the listing rules of the Exchange.

Regulation 48 – Rights and privileges of new shares

Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine; subject to the provisions of this Constitution and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.

APPENDIX D – SUMMARY OF OUR CONSTITUTION

Regulation 70(1) – Voting rights of Members

Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Regulation 6, each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way.

Regulation 70(3)

Notwithstanding anything contained in this Constitution, a Depositor shall not be entitled to attend any general meeting and to speak and vote thereat unless his name is certified by the Depository to the Company as appearing on the Depository Register not later than seventy-two (72) hours before the time of the relevant general meeting or such cut-off time as provided under the Securities and Futures Act (the **cut-off time**), whichever is earlier, as a Depositor on whose behalf the Depository holds shares in the Company. For the purpose of determining the number of votes which a Depositor or his proxy may cast on a poll, the Depositor or his proxy shall be deemed to hold or represent that number of shares entered in the Depositor's Securities Account at the cut-off time as certified by the Depository to the Company, or where a Depositor has apportioned the balance standing to his Securities Account as at the cut-off time between two (2) proxies, to apportion the said number of shares between the two (2) proxies in the same proportion as specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the number of shares standing to the credit of that Depositor's Securities Account as at the cut-off time, and the true balance standing to the Securities Account of a Depositor as at the time of the relevant general meeting, if the instrument is dealt with in such manner as aforesaid.

Regulation 71 – Voting rights of joint holders

Where there are joint holders of any share, any one (1) of such persons may vote and be reckoned in a quorum at any meeting either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto, but if more than one (1) of such joint holders is so present at any meeting, then the person present whose name stands first on the Register of Members or the Depository Register (as the case may be) in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Regulation be deemed joint holders thereof.

Regulation 72 – Voting rights of Members of unsound mind

If a Member who is mentally disordered or whose person or estate is liable to be dealt with in any way under the law relating to mental capacity may vote, whether on a show or hands or on a poll, by a person who properly has the management of the estate of the Member, and any such person may vote by proxy or attorney, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than seventy-two (72) hours before the time appointed for holding the meeting or such cut-off time as provided under the Act, whichever is earlier.

Regulation 73 – Right to vote

Subject to the provisions of this Constitution, every Member either personally or by proxy or by attorney or in the case of a corporation by a representative shall be entitled to be present and to vote at any general meeting and to be reckoned in the quorum thereat in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid. In the event a Member has appointed more than one (1) proxy, only one (1) proxy is counted in determining the quorum. Save as expressly provided herein or in the Act, no person other than a Member duly registered, and only in respect of shares upon which all calls due to the Company have been paid, shall be entitled to be present or to vote on any question, either personally or by proxy at any general meeting.

APPENDIX D – SUMMARY OF OUR CONSTITUTION

(g) Any change in capital

Regulation 51(1) – Power to consolidate, cancel and subdivide shares

The Company may by ordinary resolution alter its share capital in the manner permitted under the Act including without limitation:

- (i) consolidate and divide all or any of its shares;
- (ii) cancel the number of shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or which have been forfeited and diminish its share capital in accordance with the Act;
- (iii) subdivide its shares or any of them (subject to the provisions of the Act), provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to new shares; and
- (iv) subject to the provisions of this Constitution and the Act, convert its share capital or any class of shares from one currency to another currency.

Regulation 51(3) – Repurchase of Company's shares

The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the provisions of the Act and any other relevant rule, law or regulation enacted or promulgated by any relevant competent authority from time to time (collectively, the **Relevant Laws**), on such terms and subject to such conditions as the Company may in general meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid may be cancelled or held as treasury shares and dealt with in accordance with the Relevant Laws. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.

Regulation 52 – Power to reduce capital

The Company may by special resolution reduce its share capital or any other undistributable reserve in any manner subject to any requirements and consents required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these presents and the Act, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and where any such cancelled shares were purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly.

APPENDIX D – SUMMARY OF OUR CONSTITUTION

- (h) **Any change in the respective rights of the various classes of shares including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law**

Regulation 7(1) – Variation of rights

If at any time the share capital is divided into different classes, the repayment of preference capital other than redeemable preference capital and the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, only be made, varied or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class and to every such special resolution, the provisions of Section 184 of the Act shall, with such adaptations as are necessary, apply. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall *mutatis mutandis* apply; but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class. Provided always that where the necessary majority for such a special resolution is not obtained at the general meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two (2) months of the general meeting shall be as valid and effectual as a special resolution carried at the general meeting. The foregoing provisions of this Regulation shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

Regulation 8 – Creation or issue of further shares with special rights

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by this Constitution, be deemed to be varied by the creation or issue of further shares ranking equally therewith.

- (i) **Any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement operates**

Regulation 131(1) – Unclaimed dividends

The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends, howsoever and whatsoever. If the Depositor returns any such dividend or money to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or money against the Company if a period of six (6) years has elapsed from the date of the declaration of such dividend or the date on which such other money was first payable.

- (j) **Any limitation on the right to own shares including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on the shares**

Regulation 12 – No trust recognised

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share.

APPENDIX D – SUMMARY OF OUR CONSTITUTION

Regulation 21 – Person under disability

No share shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs, but nothing herein contained shall be construed as imposing on the company any liability in respect of the registration of such transfer if the company has no actual knowledge of the same.

Regulation 49(1) – Issue of new shares to Members

Subject to any direction to the contrary that may be given by the Company in general meeting, or except as permitted under the Exchange's listing rules, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined. After the expiration of the aforesaid time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in a manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Regulation.

Regulation 48(2)

Notwithstanding Regulation 49(1) above but subject to the Act and the byelaws and listing rules of the Exchange, the Company may by ordinary resolution in general meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the ordinary resolution to:

- (i) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or
- (ii) make or grant Instruments; and/or
- (iii) (notwithstanding the authority conferred by the ordinary resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the ordinary resolution was in force;

provided that:

- (a) the aggregate number of shares or Instruments to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed any applicable limits and complies with the manner of calculation prescribed by the Exchange;
- (b) in exercising the authority conferred by the ordinary resolution, the Company shall comply with the listing rules for the time being in force (unless such compliance is waived by the Exchange) and the Constitution; and
- (c) (unless revoked or varied by the Company in general meeting) the authority conferred by the ordinary resolution shall not continue in force beyond the conclusion of the next Annual General Meeting following the passing of the ordinary resolution, or the date by which such Annual General Meeting is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).

APPENDIX D – SUMMARY OF OUR CONSTITUTION

Regulation 49(3)

Notwithstanding Regulation 49(1) above but subject to the Act, the Directors shall not be required to offer any new shares to Members to whom by reason of foreign securities laws such offers may not be made without registration of the shares or a prospectus or other document, but may sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.

APPENDIX E – DESCRIPTION OF OUR SHARES

The following statements are brief summaries of the more important rights and privileges of our Shareholders as conferred by the laws of Singapore and our Constitution. These statements summarise the material provisions of our Constitution but are qualified in entirety by reference to our Constitution, a copy of which will be available for inspection at our registered offices during normal business hours for a period of six (6) months from the date of the registration of this Offer Document with the SGX-ST. Please see “*Appendix D – Summary of our Constitution*” of this Offer Document for a summary of our Constitution.

Legal Framework

The following statements are brief summaries of the laws of Singapore relating to the legal framework in Singapore and our Board, which are qualified in their entirety by reference to the laws of Singapore.

Singapore has a common law system based on a combination of case law and statutes. The Companies Act is the principal legislation governing companies incorporated under the laws of Singapore and provides for three (3) main forms of corporate vehicles, being the company limited by shares, the company limited by guarantee and the unlimited company.

Companies are incorporated by filing with the Accounting and Corporate Regulatory Authority in Singapore certain electronic forms, including the constitutional documents which comprise its constitution.

The constitution of a Singapore incorporated company may set out the specific objects and powers of the company, or may give the company full power to carry on or undertake any business activity. The constitution generally contains provisions relating to share capital and variation of rights, transfers and transmissions of shares, meetings of shareholders, directors and directors’ meetings, powers and duties of directors, accounts, dividends and reserves, capitalisation of profits, secretary, common seal, winding-up and indemnity of the officers of a company.

Shares

The Shares, which have identical rights in all respects, rank equally with one another. Our Constitution provides that we may issue shares of a different class with preferential, deferred, qualified or special rights, privileges or conditions as our Board may think fit, and may issue preference shares which are, or at our option are, redeemable, subject to certain limitations.

All of the Shares are in registered form. We may, subject to the provisions of the Companies Act and the rules of the SGX-ST, purchase our own Shares. However, we may not, except in the circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of the Shares.

As of the date of this Offer Document, the total issued and paid-up share capital of our Company is S\$2,158,750 comprising 355,000,000 Shares, all of which are fully paid up and there are no preference shares in issue. We may, subject to the provisions of the Companies Act and the Catalyst Rules, purchase our own Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our own ordinary shares.

We may only issue Shares with prior approval of our Shareholders at a general meeting.

APPENDIX E – DESCRIPTION OF OUR SHARES

Our Shareholders may by ordinary resolution give our Directors authority to allot and issue shares and/or convertible securities in our Company. Thereafter, Shares and/or convertible securities may be issued at any time and from time to time to such persons and on such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit. The maximum number of Shares to be issued upon conversion is determinable at the time of the issue of such convertible securities (whether by way of rights, bonus or otherwise). The aggregate number of Shares to be issued (including Shares to be issued pursuant to such convertible securities) must not exceed 100.0% of the issued share capital of our Company, of which the aggregate number of Shares (including Shares to be issued pursuant to such convertible securities) other than on a pro rata basis to existing Shareholders shall not exceed 50.0% of the issued share capital of our Company (the percentage of issued share capital being based on the issued share capital at the time of passing of the resolution after adjusting for new Shares arising from the conversion of any convertible securities or employee share options in issue at the time such authority is given and for any subsequent consolidation or subdivision of Shares). Unless revoked or varied by our Shareholders at a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of our Company or the expiration of the period within which the next annual general meeting of our Company is required by law to be held, whichever is the earlier.

New Shares

We may only issue new Shares with the prior approval of our Shareholders in a general meeting.

Shareholders

We only recognise the persons who are registered in our register of members and, in cases in which the person so registered is CDP or its nominee, as the case may be, we recognise the persons named as the Depositors in the Depository Register (as defined in the SFA) maintained by CDP for the Shares as holders of the Shares.

We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any of the Shares, or any interest in any fractional part of a Share, or other rights in respect of any Share, other than the absolute right thereto of the person whose name is entered in our register of members as the registered holder thereof, or of the person whose name is entered in the Depository Register maintained by CDP for that Share.

We may close our register of members at any time or times if we provide the SGX-ST with at least five (5) clear Market Days' notice, or such other periods as may be prescribed by the SGX-ST. However, our register of members may not be closed for more than 30 days in aggregate in any calendar year. We typically close our register of members to determine Shareholders' entitlement to receive dividends and other distributions.

Transfer of Shares

There is no restriction on the transfer of fully paid-up Shares except where required by law or the listing rules of, or bye-laws and rules, governing any securities exchange upon which the Shares are listed or as provided in our Constitution. Our Board may in their discretion decline to register any transfer of Shares on which we have a lien and in the case of Shares not fully paid-up may refuse to register a transfer to a transferee of whom they do not approve. A Shareholder may transfer any Shares registered in its own name by means of a duly signed instrument of transfer in a form approved by any securities exchange upon which the Shares are listed or in any other form acceptable to our Directors. Our Board may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. A Shareholder may transfer any Shares held through the SGX-ST book-entry settlement system by way of a book-entry transfer without the need for any instrument of transfer.

We will replace lost or destroyed certificates for Shares provided that the applicant pays a fee which will not exceed S\$2.00, and furnishes such evidence and a letter of indemnity as our Board may require.

APPENDIX E – DESCRIPTION OF OUR SHARES

GENERAL MEETINGS

General Meetings of Shareholders

We are required to hold a general meeting of Shareholders every year and not more than 15 months after the holding of the last preceding annual general meeting. All general meetings of the Company shall be held in Singapore. Under the Companies Act, we will be required to hold a general meeting of Shareholders within four (4) months from the end of our financial year. Our Board may convene an extraordinary general meeting whenever they think fit and it must do so upon the written request of Shareholders holding not less than 10% of the total number of paid-up Shares as carries the right to vote at general meetings (disregarding paid-up Shares held as treasury shares). In addition, two (2) or more Shareholders holding not less than 10% of our total number of issued Shares may call a meeting of our Shareholders.

Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including:

- voluntary winding-up;
- amendments to our constitution;
- a change of our corporate name; and
- a reduction in the share capital.

We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. For so long as the Shares are listed on the SGX-ST, at least 14 days' notice of any general meeting shall be given in writing to the SGX-ST and by advertisement in the daily press.

The notice must be given to every Shareholder who has supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. A proxy need not be a Shareholder. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register maintained by CDP 72 hours before the general meeting.

Except as otherwise provided in our Constitution, two (2) or more Shareholders must be present in person or by proxy or attorney to constitute a quorum at any general meeting. Under our Constitution:

- on a show of hands, every Shareholder present in person or by proxy shall have one (1) vote, provided that:
 - in the case of a Shareholder who is not a relevant intermediary (as defined below) and who is represented by two (2) proxies, only one (1) of the two (2) proxies as determined by that Shareholder or, failing such determination, by the chairman of the meeting (or by a person authorised by the chairman of the meeting) in his sole discretion shall be entitled to vote on a show of hands); and
 - in the case of a Shareholder who is a relevant intermediary and who is represented by two (2) or more proxies, each proxy shall be entitled to vote on a show of hands; and

APPENDIX E – DESCRIPTION OF OUR SHARES

- on a poll, every Shareholder present in person or by proxy shall have one (1) vote for each Share which he holds or represents.

The following types of members (“**relevant intermediaries**” and each a “**relevant intermediary**”) are allowed to appoint more than two (2) proxies: (i) a licensed bank or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity; (ii) a capital markets services licence holder which provides custodial services for securities and holds shares in that capacity; and (iii) the CPF Board, in respect of shares purchased on behalf of CPF members.

The Catalist Rules requires all resolutions at general meeting to be voted by poll. A poll may be demanded in certain circumstances, including:

- by the chairman of the meeting;
- by not less than two (2) Shareholders present in person or by proxy and entitled to vote at the meeting;
- by any Shareholder present in person or by proxy and representing not less than 5.0% of the total voting rights of all Shareholders having the right to vote at the meeting; and
- by any Shareholder present in person or by proxy and holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid-up equal to not less than 5.0% of the total sum paid up on all the shares conferring that right.

In the case of a tie vote, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote.

Limitations on Rights to Hold Shares

Singapore law and our Constitution do not impose any limitations on the right of non-resident or foreign Shareholders to hold or exercise voting rights attached to the Shares.

Dividends

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board. Our Board may also declare an interim dividend without the approval of our Shareholders.

We must pay all dividends out of our profit(s) available for distribution.

All dividends we pay are *pro rata* in amount to our Shareholders in proportion to the amount paid up or credited as paid on each Shareholder’s Shares, unless the rights attaching to an issue of any share or class of shares provide otherwise.

Unless otherwise directed, dividends may be paid by a cheque or warrant sent through the post to each Shareholder at his registered address appearing in our register of members or (as the case may be) the Depository Register. However, our payment to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

Bonus and Rights Issues

Our Board may, with the approval from our Shareholders at a general meeting, capitalise any sums standing to the credit of any of our Company’s reserve accounts or other undistributable reserve or any sum standing to the credit of profit or loss account and distribute the same as bonus Shares credited as paid-up to the Shareholders in proportion to their shareholdings.

Our Board may also issue bonus Shares to participants of any share incentive or option scheme or plan implemented by our Company and approved by our Shareholders in such manner and on such terms as our Board shall think fit.

APPENDIX E – DESCRIPTION OF OUR SHARES

Our Board may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any securities exchange upon which the Shares are listed.

Take-overs and Substantial Shareholdings

Under the Singapore Take-Over Code, issued by the MAS pursuant to Section 321 of the SFA, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting shares must extend a take-over offer for the remaining voting shares in accordance with the provisions of the Singapore Take-Over Code. In addition, a mandatory take-over offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% of the voting shares acquires additional voting shares representing more than 1.0% of the voting shares in any six-month period. Under the Singapore Take-Over Code, the following individuals and companies will be presumed to be persons acting in concert with each other unless the contrary is established:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its customer in respect of the shareholdings of:
 - (i) the adviser and persons controlling, controlled by or under the same control as the adviser; and
 - (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the customer total 10.0% or more of the customer's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and

APPENDIX E – DESCRIPTION OF OUR SHARES

- (h) the following persons and entities:
- (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act in accordance with the instructions of (i);
 - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
 - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Under the Singapore Take-Over Code, a mandatory offer made with consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert within the preceding six (6) months.

Liquidation or Other Return of Capital

If we are liquidated or in the event of any other return of capital, holders of the Shares will be entitled to participate in the distribution of any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares in our Company.

Indemnity

As permitted by Singapore law, our Constitution provides that our Company may, subject to the provisions of and so far as may be permitted by the Companies Act, indemnify our Board and officers against any liability incurred or to be incurred by them in the execution of their duties.

Subject to certain exceptions, our Company may not indemnify our Board and our officers against any liability attaching to them in connection with any negligence, default, breach of duty or breach of trust in relation to our Company. Such exceptions are: (i) the purchase and maintenance for our Directors and officers of insurance against any such liability; and (ii) circumstances where the provision for indemnity is against liability incurred by our Directors and officers to a person other than our Company, except when the indemnity is against (a) any liability of our Director or officer to pay a fine in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or (b) any liability incurred by our Director or officer (1) in defending criminal proceedings in which he is convicted; (2) in defending civil proceedings brought by our Company or a related company in which judgment is given against him; or (3) in connection with an application for relief under Section 76A(13) or Section 391 of the Companies Act in which the court refuses to grant him relief.

Substantial Shareholdings

Under the SFA, a person has a substantial shareholding in our Company if he has an interest (or interests) in one (1) or more voting shares (excluding treasury shares) in our Company and the total votes attached to that share or those shares, is not less than 5.0% of the aggregate of the total votes attached to all voting shares (excluding treasury shares) in our Company.

The SFA requires our Substantial Shareholders, or if they cease to be our Substantial Shareholders, to give notice to us using the forms prescribed by the MAS (which are available at www.mas.gov.sg) of particulars of the voting shares in our Company in which they have or had an interest (or interests) and the nature and extent of that interest or those interests, and of any change in the percentage level of their interest.

APPENDIX E – DESCRIPTION OF OUR SHARES

In addition, the deadline for a Substantial Shareholder to make disclosure to our Company under the SFA is two (2) Singapore business days after he becomes aware:

- that he is or (if he had ceased to be one) had been a Substantial Shareholder;
- of any change in the percentage level in his interest; or
- that he had ceased to be a Substantial Shareholder,

there being a conclusive presumption of a person being “aware” of a fact or occurrence at the time at which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware.

Following the above, we will in turn announce or otherwise disseminate the information stated in the notice to the SGX-ST as soon as practicable and in any case, no later than the end of the Singapore business day following the day on which we received the notice.

“Percentage level”, in relation to a Substantial Shareholder in our Company, means the percentage figure ascertained by expressing the total votes attached to all the voting shares in our Company in which the Substantial Shareholder has an interest (or interests) immediately before or (as the case may be) immediately after the relevant time as a percentage of the total votes attached to all the voting shares (excluding treasury shares) in our Company, and, if it is not a whole number, rounding that figure down to the next whole number.

Minority Rights

Section 216 of the Companies Act protects the rights of minority shareholders of Singapore incorporated companies by giving the Singapore courts a general power to make any order, upon application by any of our Shareholders, as they think fit to remedy any of the following situations:

- if our affairs are being conducted or the powers of our Board are being exercised in a manner oppressive to, or in disregard of the interests of, one (1) or more of our Shareholders; or
- if we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one (1) or more of our Shareholders, including the applicant.

Singapore courts have wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, Singapore courts may:

- direct or prohibit any act or cancel or vary any transaction or resolution;
- regulate the conduct of our affairs in the future;
- authorise civil proceedings to be brought in our name, or on our behalf, by a person or persons and on such terms as the court may direct;
- direct us or some of our Shareholders to purchase a minority Shareholder’s Shares and, in the case of our purchase of Shares, a corresponding reduction of our share capital;
- direct that our Constitution be amended; or
- direct that we be wound up.

In addition, Section 216A of the Companies Act allows a complainant (including a minority shareholder) to apply to court for leave to bring an action in a court proceeding or to commence an arbitration proceeding in the name and on behalf of a company.

APPENDIX F – TAXATION

The following is a discussion of certain tax matters arising under the current tax laws in Singapore, and is not intended to be and does not constitute legal or tax advice. The discussion is based on laws, regulations and interpretations now in effect and available as of the date of this Offer Document. These laws, regulations and interpretations, however, may change at any time, and any change could be retroactive to the date of issuance of our Shares. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts of Singapore could later disagree with the explanations or conclusions set out below.

The discussion is limited to a general description of certain Singapore income tax, capital gains tax, stamp duty and estate duty consequences with respect to the subscription for, purchase, ownership and disposal of our Shares and does not purport to be a comprehensive nor exhaustive description of all tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of our Shares.

Prospective investors of our Shares should consult their own tax advisors concerning the tax consequences of subscribing for, purchasing, owning and disposing of our Shares. Neither our Company, the Vendor, our Directors nor any other persons involved in this Placement accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, ownership or disposal of our Shares.

TAXATION IN SINGAPORE

Individual Income Tax

An individual is regarded as a tax resident in Singapore in a year of assessment (“YA”) if, in the calendar year preceding the YA, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore except for such temporary absences therefrom as may be reasonable and not inconsistent with a claim by such individual to be resident in Singapore.

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore. All foreign-sourced income received in Singapore on or after 1 January 2004 by a Singapore tax resident individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax if the Comptroller of Income Tax in Singapore (“**Comptroller**”) is satisfied that the tax exemption would be beneficial to the individual.

Currently, Singapore tax resident individuals are subject to tax at progressive rates, ranging from 0% to 22.0% (increased to 24.0% from YA 2024). Non-resident individuals are subject to Singapore income tax on their employment income accruing in or derived from Singapore at a flat rate of 15.0% or the resident rate, whichever is higher. Other non-employment income accruing in or derived from Singapore by non-resident individuals are taxed at 22.0% (increased to 24.0% from YA 2024), subject to certain exceptions and conditions.

Corporate Income Tax

A corporate taxpayer is regarded as resident in Singapore for Singapore tax purposes if the control and management of its business is exercised in Singapore. Broadly, “control and management” of a company’s business is vested in its board of directors and the place of residence of the company is where the directors meet.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed received in Singapore. Foreign-sourced income in the form of dividends, branch profits and service income received or deemed received in Singapore by Singapore tax resident companies on or after 1 June 2003 are exempt from Singapore income tax if the following conditions are met:

- (i) the income is subject to tax of a similar character to income tax (by whatever name called) under the law of the territory from which the income is received;

APPENDIX F – TAXATION

- (ii) at the time the income is received in Singapore by the person resident in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15.0%; and
- (iii) the Comptroller is satisfied that the tax exemption would be beneficial to the person resident in Singapore.

Certain concessions and clarifications have also been announced by the Inland Revenue Authority of Singapore with respect to such conditions.

A non-resident corporate taxpayer is subject to Singapore income tax on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed to be received in Singapore, subject to certain exceptions.

The prevailing corporate income tax rate in Singapore for both resident and non-resident companies is currently 17.0%. Under the Partial Tax Exemption (“**PTE**”) scheme, up to the YA2019, three-quarters of up to the first S\$10,000, and one-half of up to the next S\$290,000, of a company’s chargeable income otherwise subject to normal taxation is exempt from corporate income tax. The remaining chargeable income (after the tax exemption) will be fully taxable at the prevailing corporate income tax rate. With effect from YA 2020 onwards, the PTE scheme will be adjusted to allow for tax exemption on three-quarters of up to the first S\$10,000, and one-half of up to the next S\$190,000, of a company’s chargeable income otherwise subject to normal taxation is exempt from corporate income tax. Any chargeable income in excess of S\$200,000 will be fully taxable at the prevailing corporate income tax rate. All other conditions of the PTE scheme remain unchanged.

It is announced in the Budget 2018 by the Minister for Finance that companies will be granted a 20.0% corporate income tax rebate, capped at S\$10,000, for the YA 2019. For YA 2020, it was announced that companies will be granted a 25.0% income tax rebate, capped at S\$15,000. The aforementioned rebate will not apply to income derived by a non-Singapore tax resident company that is subject to final withholding tax. From YA 2021 onwards, companies are not granted any corporate income tax rebate.

Dividend Distributions

All Singapore-resident companies are currently under the one-tier corporate tax system (“**one-tier system**”).

Dividends received in respect of our Shares by either a resident or non-resident of Singapore are not subject to Singapore withholding tax, on the basis that our Company is a tax resident of Singapore and under the one-tier system.

Under the one-tier system, the tax on corporate profits is final and dividends paid by a Singapore-resident company are tax exempt in the hands of a shareholder, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

Shareholders/investors are advised to consult their own tax advisers in respect of the tax laws of their respective countries of residence which are applicable on such dividends received by them and the applicability of any double taxation agreement that their country of residence may have with other jurisdictions.

Bonus Shares

Generally, a capitalisation of profits followed by the issue of new shares, credited as fully paid, *pro-rata* to shareholders (“**bonus issue**”) does not represent a distribution of dividends by a company to its shareholders. Therefore, a Singapore resident shareholder receiving shares by way of a bonus issue should not have a liability to Singapore tax.

APPENDIX F – TAXATION

When a dividend is to be satisfied wholly or in part in the form of an allotment of ordinary shares credited as fully paid, the dividend declared will be treated as income to its shareholders. However, as our Company is under the one-tier system after 31 December 2007, any dividend paid on or after 1 January 2008 will be exempt from Singapore tax. Similarly, when shareholders are given the right to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash, the dividend declared will be treated as exempt (one-tier) dividend income and will not be subject to Singapore tax.

Gains on Disposal of Shares

Singapore does not impose tax on capital gains. There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital in nature.

However, gains arising from the disposal of our Shares which are considered gains derived from any trade, business, vocation or profession carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature. Gains derived from the disposal of our Shares may also be taxable if they constitute any gains or profits of any income nature under Section 10(1)(g) of the Income Tax Act 1947 of Singapore ("**Income Tax Act**").

Section 13W of the Income Tax Act provides a safe harbour in the form of an exemption of gains or profits arising from the disposal of ordinary shares. Broadly, to qualify for the tax exemption, the divesting company must be both the legal and beneficial owner of the ordinary shares which are disposed of and must have legally and beneficially held at least 20.0% of the ordinary shares in the investee company for a continuous period of at least 24 months ending on the date immediately prior to the date of disposal of such shares.

The rule is not applicable to the disposal of shares before 1 June 2022 relating to an unlisted investee company that is in the business of trading or holding Singapore immovable properties (other than the business of property development). For shares disposed on or after 1 June 2022, the above exemption will not apply to disposals of unlisted shares in an investee company that is in the business of trading, holding or developing immovable properties in Singapore or abroad, subject to certain exceptions or generally to a divesting company in the insurance business industry, or to the disposal of shares by a partnership, limited partnership or limited liability partnership where one (1) or more of the partners of which is a company or are companies.

Such tax exemption is applicable for disposals between 1 June 2012 and 31 December 2027 (both dates inclusive).

Shareholders are advised to consult their own accounting and tax advisers regarding the Singapore income tax consequences of their subscription for, purchase, ownership and disposal of our Shares.

Stamp Duty

There is no stamp duty payable on the subscription for, allotment or ownership of our Shares.

Where our Shares evidenced in certificated form are acquired in Singapore, stamp duty is payable on the agreement or instrument of transfer of our Shares at the rate of 0.2% of the consideration for, or market value of, our Shares, whichever is higher, and is rounded down to the nearest dollar, subject to a minimum duty of S\$1.

Stamp duty is borne by the purchaser unless there is an agreement to the contrary. Where an agreement or instrument of transfer is executed outside Singapore or no agreement or instrument of transfer is executed, no stamp duty is payable on the acquisition of our Shares. However, stamp duty may be payable if the agreement or instrument of transfer is executed outside Singapore and is received in Singapore.

If the agreement or instrument of transfer has been executed, it has to be stamped within (a) 14 days after signing the document if it is executed in Singapore; or (b) within 30 days after receiving the document in Singapore if the document is executed outside Singapore.

Stamp duty is not applicable to electronic transfers of our Shares through the scripless trading system operated by CDP.

APPENDIX F – TAXATION

Estate Duty

Singapore estate duty was abolished with respect to all deaths occurring on or after 15 February 2008.

Goods and Services Tax (“GST”)

The sale of our Shares by a GST-registered investor belonging in Singapore for GST purposes to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST incurred by the GST-registered investor in making an exempt supply is generally not recoverable from the Singapore Comptroller of GST.

Where our Shares are sold by a GST-registered investor in the course of or furtherance of a business carried on by such investor contractually to and for the direct benefit of a person belonging outside Singapore, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at 0%. Any input GST incurred by the GST-registered investor in making such a supply in the course of or furtherance of a business may be fully recoverable from the Singapore Comptroller of GST.

Services consisting of arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership of our Shares rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor's purchase, sale or holding of our Shares will be subject to GST at the standard rate of 7.0% (increased from 7.0% to 8.0% with effect from 1 January 2023 and 8.0% to 9.0% with effect from 1 January 2024) or such other rate prevailing from time to time. Similar services rendered by a GST-registered person contractually to and for the direct benefit of an investor belonging outside Singapore should generally, subject to the satisfaction of certain conditions, be subject to GST at 0%.

Investors should seek their own tax advice on the transitional rules for GST rate change and recoverability of GST incurred on expenses in connection with the purchase and sale of our Shares.

APPENDIX G – RULES OF THE YEW KEE EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

The Scheme shall be called the “Yew Kee Employee Share Option Scheme”.

2. DEFINITIONS

2.1 In the Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Act”	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time.
“Adoption Date”	The date on which the Scheme is adopted by resolution of the Shareholders of the Company.
“Auditors”	The auditors of the Company for the time being.
“Board”	The Board of Directors of the Company for the time being.
“Catalist”	The Catalist Board of the SGX-ST.
“CDP”	The Central Depository (Pte) Limited.
“Committee”	The remuneration committee of the Company, duly authorised and appointed by the Board to administer the Scheme.
“Company”	YKGI Limited
“Constitution”	The constitution of the Company, as amended or modified from time to time.
“Control”	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company.
“Controlling Shareholder”	A person who holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the Company (unless otherwise determined by the SGX-ST); or in fact exercises Control over the Company.
“Date of Grant”	The date on which an Option is granted to a Participant pursuant to Rule 7.
“Director”	A person holding office as a director for the time being of the Company.
“EGM”	An extraordinary general meeting of the Company.
“Exercise Price”	The price at which a Participant shall acquire each Share upon the exercise of an option, as determined in accordance with Rule 9, or such adjusted price as may be applicable pursuant to Rule 10.
“Financial Year”	Each period of 12 months or more or less than 12 months, at the end of which the balance of accounts of the company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company.
“Grantee”	The person to whom an offer of an option is made.

APPENDIX G – RULES OF THE YEW KEE EMPLOYEE SHARE OPTION SCHEME

<i>“Group”</i>	The Company and its Subsidiaries.
<i>“Group Executive”</i>	Any full-time employee of the Group (including any Group Director who meets the relevant age and rank criteria and who shall be regarded as a Group Executive for the purposes of the Scheme) selected by the Committee to participate in the Scheme in accordance with Rule 4.1(a).
<i>“Group Director”</i>	A Director of the Company (including non-executive directors of the Company).
<i>“Issued Shares”</i>	Issued Shares of the Company excluding treasury shares and subsidiary holdings from time to time.
<i>“Issued Share Capital”</i>	Issued share capital of the Company excluding treasury shares and subsidiary holdings from time to time.
<i>“Listing Manual”</i>	Section B: Rules of Catalist of the Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time.
<i>“Market Value”</i>	<p>In relation to a Share, on any day:</p> <ul style="list-style-type: none">(a) the average price of a Share on the SGX-ST over the five (5) immediately preceding a Trading Day; or(b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
<i>“Offer Date”</i>	The date on which an offer to grant an Option is made pursuant to the Scheme.
<i>“Option”</i>	The right to acquire Shares granted or to be granted to a Group Executive pursuant to the Scheme and for the time being subsisting.
<i>“Option Period”</i>	<p>Subject as provided in Rules 11 and 15, the period for the exercise of an Option being:</p> <ul style="list-style-type: none">(a) in the case of an Option granted with the Exercise Price set at Market Value, a period beginning one (1) year from the Offer Date of that Option and expiring on the tenth year from the relevant Offer Date or such earlier date as may be determined by the Committee, subject as provided in Rules 11 and 15, and any other conditions as may be determined by the Committee from time to time; and(b) in the case of an Option granted with the Exercise Price set at a discount to the Market Value, a period beginning two (2) years from the Offer Date of that Option and expiring on the tenth year from the relevant Offer Date or such earlier date as may be determined by the Committee from time to time.

APPENDIX G – RULES OF THE YEW KEE EMPLOYEE SHARE OPTION SCHEME

“Participant”	The holder of an Option.
“Record Date”	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions.
“Rules”	The rules of the Scheme, as amended or modified from time to time.
“S\$”	Singapore dollars.
“Scheme”	The Yew Kee Employee Share Option Scheme.
“SFA”	The Securities and Futures Act 2001 of Singapore as amended, modified or supplemented from time to time.
“SGX-ST”	The Singapore Exchange Securities Trading Limited.
“Shareholders”	The registered holders for the time being of the Shares (other than CDP) or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register.
“Shares”	Ordinary shares in the capital of the Company.
“Sponsor”	The sponsor of the Company from time to time, as required by the Listing Manual.
“Subsidiary”	A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Act.
“Trading Day”	A day on which the Shares are traded on Catalist.
“%”	Per centum or percentage.

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

2.3 Any reference to a time of a day in the Scheme is a reference to Singapore time

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

2.5 The term “Associate” shall have the meaning ascribed to it by the Listing Manual as set out below:

- (a) in relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means:
 - (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

APPENDIX G – RULES OF THE YEW KEE EMPLOYEE SHARE OPTION SCHEME

- (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more.
 - (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more.
- 2.6 The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the same meanings ascribed to them by Section 81SF of the SFA.

3. OBJECTIVES OF THE SCHEME

The Scheme will provide an opportunity for Group Executives who have contributed significantly to the growth and performance of the Group to participate in the equity of the Company.

The Scheme is primarily a share incentive scheme. It recognises the fact that the services of Group Executives are important to the success and continued well-being of the Group. Implementation of the Scheme will enable the Company to give recognition to the contributions made by such Group Executives. At the same time, it will give such Group Executives an opportunity to have a direct interest in the Company at no direct cost to its profitability and will also help to achieve the following positive objectives:

- (a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees and directors whose contributions are essential to the long-term growth and prosperity of the Group;
- (c) to instil loyalty to, and a stronger identification by Participants with the long-term prosperity of the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and
- (e) to align the interests of Participants with the interests of the Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

- 4.1 The following persons shall be eligible to participate in the Scheme at the absolute discretion of the Committee:
- (a) Group Executives
Full time employees of the Group and Group Directors who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time. The Participant must also not be an undischarged bankrupt and must not have entered into a composition with his creditors.
 - (b) Controlling Shareholders and Associates of Controlling Shareholders
Subject to Rule 4.2, persons who are qualified under Rule 4.1(a) above and who are also Controlling Shareholders or Associates of Controlling Shareholders.
- 4.2 Employees who are Controlling Shareholders or Associates of Controlling Shareholders shall (notwithstanding that they may meet the eligibility criteria in Rule 4.1(a) above) not participate in the Scheme unless:
- (a) their participation; and

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(b) the actual number of Shares and terms of any Options to be granted to them,

have been approved by the independent Shareholders in general meeting in separate resolutions for each such person, and in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the terms of each grant and the actual number of Options 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 Scheme of a Controlling Shareholder or an Associate of a Controlling Shareholder who is, at the relevant time already a Participant. For the purposes of obtaining such approval from the independent Shareholders, the Company shall procure that the circular, letter or notice to the shareholder in connection therewith shall set out the following:

- (a) clear justifications for the participation of each such Controlling Shareholders or Associates of Controlling Shareholders; and
- (b) clear rationale for the terms of the Options to be granted to each such Controlling Shareholders or Associates of Controlling Shareholders.

Such Controlling Shareholder and his Associate shall abstain from voting on the resolution in relation to his participation in the Scheme and the grant of Options to him.

- 4.3 For the purposes of determining eligibility to participate in the Plan, the secondment of an employee of the Group to another company within the Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full time employee of the Group.
- 4.4 Save as prescribed by the Listing Manual, there shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme, whether or not implemented by any other companies within the Group. Subject to the Act and any requirements of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.

5. MAXIMUM ENTITLEMENT

Subject to Rule 4 and Rule 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for acquisition in accordance with the Scheme shall be determined at the discretion of the Committee who shall take into account criteria such as rank, past performance, years of service and potential development of the Grantee.

6. LIMITATION ON THE SIZE OF THE SCHEME

- 6.1 The aggregate number of Shares over which the Committee 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 Scheme 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, shall not exceed 15.0% of the total number of Issued Shares on the day immediately preceding the Offer Date of the Option.
- 6.2 The aggregate number of Shares which may be issued or transferred pursuant to Options under the Scheme to Participants who are Controlling Shareholders and their Associates shall not exceed 25.0% of the Shares available under the Scheme.
- 6.3 The number of Shares which may be issued or transferred pursuant to Options under the Scheme to each Participant who is a Controlling Shareholder or his Associate shall not exceed 10.0% of the Shares available under the Scheme.
- 6.4 Shares which are the subject of Options which have lapsed for any reason whatsoever may be the subject of further Options granted by the Committee under the Scheme.

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7. OFFER DATE

- 7.1 The Committee may, save as provided in Rules 4, 5 and 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that no Options 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). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers to grant Options may only be made on or after the third Trading Day on which such announcement is released.
- 7.2 An offer to grant the Option to a Grantee shall be made by way of a letter ("**Letter of Offer**") in the form or substantially in the form set out in Annex 1, subject to such amendments as the Committee may determine from time to time. An Option may be granted subject to such conditions as may be determined by the Committee in its absolute discretion on the date of the grant of the Option.

8. ACCEPTANCE OF OFFER

- 8.1 An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within 30 days after the relevant Offer Date and not later than 5.00 p.m. on the 30th day from such Offer Date (a) by completing, signing and returning to the Company the Acceptance Form in or substantially in the form set out in Annex 2, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration or such other amount and such other documentation as the Committee may require and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with these Rules.
- 8.2 If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the 30 day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.
- 8.3 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or Exercise Notice (as defined in Rule 12) given pursuant to Rule 12 which does not strictly comply with the terms of the Scheme.
- 8.4 Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Grantee's duly appointed personal representative as provided in Rule 11.6 in the event of the death of such Grantee. If a Grantee shall do suffer or permit any such act of thing as a result of which he would or might be deprived of any rights under an Option without the prior approval of the Committee, that Option shall immediately lapse and become null, void and of no effect.
- 8.5 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 100 Shares. The Committee shall, within 15 Trading Days of receipt of the Acceptance Form and consideration, acknowledge receipt of the same.
- 8.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 8.7 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 8.1 within the 30 day period; or
 - (b) the Participant dies prior to his acceptance of the Option; or

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- (c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
- (d) the Grantee, being a Group Executive, ceases to be in the employment of the Group or (being a non-executive Director) ceases to be a Director of the Company, in each case, for any reason whatsoever prior to his acceptance of the Option; or
- (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

9. EXERCISE PRICE

9.1 Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and shall be fixed by the Committee at:

- (a) the Market Value; or
- (b) a price which is set at a discount to the Market Value, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20.0% of the Market Value in respect of that Option, or such other percentage as may be prescribed by the Listing Manual.

9.2 In making any determination under Rule 9.1(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee 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 Group Executive;
- (c) the contribution of the eligible Group Executive to the success and development of the Company and/or the Group; and
- (d) the prevailing market conditions.

In the event that the Company is no longer listed on the SGX-ST or any other relevant stock exchange or trading in the Shares on the SGX-ST or such stock exchange is suspended for any reason for 14 days or more, the exercise price for each share in respect of which an Option is exercisable shall be the fair market value of such Share as determined by the Committee in good faith.

10. ALTERATION OF CAPITAL

10.1 If a variation in the Issued Share Capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue capital reduction, subdivision, consolidation or distribution of Shares, or otherwise howsoever, provided that this shall not include the issue of securities as consideration for an acquisition) should take place, then:

- (a) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised; and/or
- (b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (c) the maximum entitlement in any one (1) Financial Year; and/or
- (d) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

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may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate, including retrospective adjustments, where such variation occurs after the date of exercise provided that no adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a bonus issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

- 10.2 Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made (a) if as a result, the Participant receives a benefit that a Shareholder does not receive; and (b) unless the Committee after considering all relevant circumstances considers it equitable to do so.
- 10.3 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities or the cancellation of Issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Listing Manual, undertaken by the Company on the SGX-ST during the period when a share repurchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment under the provisions of this Rule 10.
- 10.4 The restriction on the number of Shares to be offered to any Grantee under Rule 5 above, shall not apply to the number of additional Shares or Options over additional Shares issued or transferred by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.
- 10.5 Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised and the maximum entitlement in any one (1) Financial Year. Any adjustment shall take effect upon such written notification being given.

11. OPTION PERIOD

- 11.1 Options granted with the Exercise Price set at Market Value 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 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 for all Group Executives who are not non-executive directors of the Company or fifth anniversary of the relevant Offer Date in the case of a Participant who is a non-executive director of the Company, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.2 Options granted with the Exercise Price set at a discount to Market Value 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 for all Group Executives who are not non-executive directors of the Company or fifth anniversary of the relevant Offer Date in the case of a Participant who is a non-executive director of the Company, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.3 An Option shall, to the extent unexercised, immediately lapse and become null and void and a Participant shall have no claim against the Company:
 - (a) subject to Rules 11.4, 11.5 and 11.6, upon the Participant ceasing to be in the employment of the Company or any of the companies within the Group for any reason whatsoever; or

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- (b) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or
- (c) in the event of misconduct on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11.3(a), a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

11.4 If a Participant ceases to be employed by the Group by reason of his:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) redundancy;
- (c) retirement at or after a normal retirement age; or
- (d) retirement before that age with the consent of the Committee,

or for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.5 If a Participant ceases to be employed by a Subsidiary:

- (a) by reason of the Subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary, being transferred otherwise than to another company within the Group; or
- (b) for any other reason, provided the Committee gives its consent in writing, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.6 If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representatives of the Participant within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.7 If a Participant who is also a Group Director, ceases to be a Director for any reason whatsoever, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

12. EXERCISE OF OPTIONS, ALLOTMENT OR TRANSFER AND LISTING OF SHARES

12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Annex 3 (“**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

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12.2 Subject to the Act and the Listing Manual, the Company shall have the flexibility to deliver Shares to Participants upon the exercise of their Options by way of:

- (a) an issue and allotment of new Shares; and/or
- (b) subject to applicable laws, the transfer of existing Shares, including any Shares acquired by the Company pursuant to a share purchase mandate and/or held by the Company as treasury shares.

In determining whether to issue new Shares or to deliver existing Shares to Participants upon the exercise of their Options, the Company will take into account factors such as (but not limited to):

- (i) the prevailing market price of the Shares;
- (ii) the prevailing market price of the Shares relative to the financial performance of the Company;
- (iii) the cash position of the Company;
- (iv) the projected cash needs of the Company;
- (v) the dilution impact (if any);
- (vi) the cost to the Company of either issuing either new Shares or purchasing existing Shares; and
- (vii) the liquidity of the Shares based on the average daily trading volume of the Shares, and in particular whether the repurchase by the Company of existing Shares to deliver to Participants upon exercise of their Options would materially impact upon the market price of the Shares.

12.3 Subject to:

- (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
- (b) compliance with the Rules of the Scheme and the Constitution of the Company,

the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within 10 Trading Days after the date of the exercise of the Option in accordance with Rule 12.1, allot the Shares or, as the case may be, procure the transfer of existing Shares (which may include, where desired, any Shares held by the Company as treasury shares), in respect of which such Option has been exercised by the Participant and where required, or as the case may be, within five (5) Trading Days from the date of such allotment, despatch the relevant share certificates to CDP for the credit of the securities account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

12.4 The Company shall as soon as practicable after the exercise of an Option, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.

12.5 Shares which are all allotted or transferred on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in the name of, or transferred to, CDP to the credit of the securities account of the Participant maintained with CDP or the Participant's securities sub-account with a Depository Agent.

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- 12.6 Shares allotted and issued, and existing Shares procured by the Company for transfer, upon the exercise of an Option shall be subject to all provisions of the Constitution of the Company and shall rank *pari passu* in all respects with the then existing Issued Shares except for any dividends, rights, allotments or other distributions, the Record Date for which is prior to the date such Option is exercised.
- 12.7 Except as set out in Rule 12 and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.
- 12.8 The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

13. ALTERATIONS AND AMENDMENTS TO THE SCHEME

- 13.1 Any or all of the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee except that:
- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration, may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be issued and allotted or transferred upon exercise in full of all outstanding Options;
 - (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of Shareholders at a general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the Sponsor (acting as agent and on behalf of the SGX-ST) or (if required) any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 13.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive. For the avoidance of doubt, nothing in this Rule 13.1 shall affect the right of the Committee under any other provision of the Scheme to amend or adjust any Option.

- 13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without any other formality save for the prior approval of the Sponsor (acting as agent and on behalf of the SGX-ST)) amend or alter the Scheme in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Scheme to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 13.3 Written notice of any modification or alteration made in accordance with this Rule shall be given to all Participants.

14. DURATION OF THE SCHEME

- 14.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years, commencing on the date on which the Scheme is adopted by Shareholders in the EGM. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution general meeting and of any relevant authorities which may then be required.

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- 14.2 The Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- 14.3 The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Options which have been granted and at a accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

15. TAKE-OVER AND WINDING-UP OF THE COMPANY

- 15.1 In the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rules 11.1 and 11.2) holding Options as yet unexercised shall, notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise such Options in full or in part in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion, in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST and/or such other regulatory authority, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
- (b) the date of the expiry of the Option Period relating thereto,

whereupon any Option then remaining unexercised shall immediately lapse and become null and void.

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier, provided always that the date of exercise of any Option shall be before the tenth anniversary of the Offer Date. Any Option not so exercised by the said specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11, remain exercisable until the expiry of the Option Period.

- 15.2 If, under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rules 11.1 and 11.2) shall notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise any Option then held by them in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option shall lapse and become null and void, provided always that the date of exercise of any Option shall be before the tenth anniversary of the Offer Date.
- 15.3 If an order or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.

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- 15.4 In the event of a members' solvent voluntary winding-up (other than for amalgamation or reconstruction), Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rules 11.1 and 11.2) shall, subject to Rule 15.5, be entitled within 30 days of the passing of the resolution of such winding-up (but not after the expiry of the Option Period relating thereto) to exercise in full any unexercised Option then held by them in respect of such Shares comprised in that Option as may be determined by the Committee in its absolute discretion, after which such unexercised Option shall lapse and become null and void.
- 15.5 If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding-up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.
- 15.6 To the extent that an Option is not exercised within the periods referred to in this Rule 15, it shall lapse and become null and void.

16. ADMINISTRATION OF THE SCHEME

- 16.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board of the Company, provided that no member of the Committee shall participate in any deliberation or decision in respect of Options granted or to be granted to him.
- 16.2 Subject to the Listing Manual, the Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it, in its absolute discretion, thinks fit. Any matter pertaining or pursuant to the Scheme and any dispute and uncertainty as to the interpretation of the Scheme, or any rule, regulation or procedure thereunder or any rights under the Scheme shall be determined by the Committee.
- 16.3 Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Scheme).

Neither the Scheme nor the grant of Options under the Scheme shall impose on the Company or the Committee any liability whatsoever in connection with:

- (a) the lapsing or early expiry of any Options pursuant to any provision of the Scheme;
- (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Scheme; and/or
- (c) any decision or determination of the Committee made pursuant to any provision of the Scheme.

17. NOTICES AND COMMUNICATIONS

- 17.1 Any notice given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.

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17.2 Any notice or document required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.

17.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 17.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

18. TERMS OF EMPLOYMENT UNAFFECTED

18.1 The Scheme or any Option shall not form part of any contract of employment between the Company or any Subsidiary and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Scheme or any right which he may have to participate in it or any Option which he may hold and the Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

18.2 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company and/or any Subsidiary directly or indirectly or give rise to any cause of action at law or in equity against the Company or any Subsidiary.

19. TAXES, COSTS AND EXPENSES OF THE SCHEME

19.1 All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Scheme shall be borne by the Participant.

19.2 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with his Depository Agent.

19.3 Save for the taxes referred to in Rule 19.1 and such other costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs, and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of the Shares pursuant to the exercise of any Option, shall be borne by the Company.

20. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained and subject to the Act, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the Scheme including but not limited to the Company's delay or failure in issuing and allotting, or procuring the transfer of, the Shares or in applying for or procuring the listing of and quotation for the Shares on the SGX-ST or any other stock exchanges on which the Shares are quoted or listed.

21. DISPUTES

Any disputes or differences of any nature in connection with the Scheme (other than matters to be confirmed by the Auditors in accordance with the Scheme) shall be referred to the Committee and its decision shall be final and binding in all respects.

APPENDIX G – RULES OF THE YEW KEE EMPLOYEE SHARE OPTION SCHEME

22. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Scheme are to abstain from voting on any Shareholders' resolution relating to the Scheme (including the participation in the Scheme and the grant of Options to the Participants) and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, Shareholders who are eligible to participate in the Scheme shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Scheme, (b) the maximum discount which may be given in respect of any Option, and (c) participation by and grant of Options to Controlling Shareholders and their Associates.

23. CONDITION OF OPTIONS

Every Option shall be subject to the condition that no Shares shall be issued or transferred pursuant to the exercise of an Option if such issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue or transfer of Shares hereto.

24. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001

No person other than the Company or a Participant shall have any right to enforce any provision of the Scheme or any Option by the virtue of the Contracts (Rights of Third Parties) Act 2001 of Singapore.

25. GOVERNING LAW

The Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Company and the Participants, by accepting the offer of the grant of Options in accordance with the Scheme, shall submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

26. DISCLOSURES IN ANNUAL REPORTS

The following disclosures (as applicable) will be made by the Company in its annual report for as long as the Scheme continues in operation as required by the Listing Manual:

- (a) the names of the members of the Committee administering the Scheme;
- (b) the information required in the table below for the following Participants:
 - (i) Directors of the Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants, other than those in (i) and (ii) above, who have received 5.0% or more of the total number of Options available under the Scheme;

Name of Participant	Options granted under the Scheme during the financial year under review (including terms)	Aggregate Options granted since the commencement of the Scheme to the end of financial year under review	Aggregate Options exercised since commencement of the Scheme to the end of financial year under review	Aggregate Options outstanding as at end of financial year under review

APPENDIX G – RULES OF THE YEW KEE EMPLOYEE SHARE OPTION SCHEME

- (c) the number and proportion of Options granted at the following discounts to the Market Value in the financial year under review:
 - (i) Options granted at up to 10.0% discount; and
 - (ii) Options granted at between 10.0% but not more than 20.0% discount; and
- (d) such other information as may be required under the Listing Manual or the Act,

provided that if any of the above requirements are not applicable, an appropriate negative statement shall be included therein.

YKGI LIMITED EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial No.: _____

PRIVATE AND CONFIDENTIAL

Date:

To: [Name]
[Designation] [Address]
Dear Sir / Madam

We are pleased to inform you that you have been nominated by the Remuneration Committee of the Board of Directors of YKGI Limited ("**Company**") to participate in the Yew Kee Employee Share Option Scheme ("**Scheme**"). Terms as defined in the Scheme shall have the same meaning when used in this letter.

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S\$[1.00], to acquire _____ ordinary shares in the capital of the Company ("**Shares**") at the price of S\$ _____ per Share. The Option shall be subject to the terms of this Letter of Offer and the Scheme (as the same may be amended from time to time pursuant to the terms and conditions of the Scheme), a copy of which is enclosed herewith.

The Option is personal to you and may not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$[1.00] not later than _____ a.m./p.m. on the _____ day of _____ failing which this offer will forthwith lapse.

Yours faithfully
For and on behalf of
YKGI Limited

Name:
Designation:

YKGI LIMITED EMPLOYEE SHARE OPTION SCHEME**ACCEPTANCE FORM**

Serial No.: _____

To: The Remuneration Committee
YKGI Limited Employee Share Option Scheme c/o The Company Secretary
YKGI Limited ("**Company**")
32 Woodlands Terrace
Singapore 738452

Closing Time and Date for Acceptance of Option : _____

No. of ordinary shares ("**Shares**") in respect of which Option is offered : _____

Exercise Price per Share : S\$ _____

Total Amount Payable on Acceptance of Option : S\$ _____
(exclusive of the relevant CDP charges as defined below)

I have read your Letter of Offer dated _____ ("**Offer Date**") and agree to be bound by the terms thereof and of the YKGI Limited Employee Share Option Scheme stated therein. I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to acquire such shares.

I hereby accept the Option to acquire _____ ordinary shares in the capital YKGI Limited ("**Shares**") at S\$ _____ per Share and enclose a *cash/banker's draft/cashier's order/postal order no. _____ for S\$[1.00] being payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I also understand that I shall be responsible for all the fees of The Central Depository (Pte) Limited (the "**CDP**") relating to or in connection with the issue and allotment or transfer of any Shares in CDP's name, the deposit of share certificates with CDP, my securities account with CDP or my securities sub-account with a Depository Agent (as the case may be) (collectively, "**CDP charges**") and any stamp duties in respect thereof.

I confirm that as at the date hereof:

- (a) I am not less than 21 years old, nor an undischarged bankrupt, nor have I entered into a composition with any of my creditors;
- (b) I satisfy the eligibility requirements to participate in the Scheme as defined in Rule 4 of the Scheme; and
- (c) I satisfy the other requirements to participate in the Scheme as set out in the Rules of the Scheme.

APPENDIX G – RULES OF THE YEW KEE EMPLOYEE SHARE OPTION SCHEME

I hereby acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

I agree to keep all information pertaining to the grant of the Option to me confidential.

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC / Passport No. : _____

Signature : _____

Date : _____

* Delete as appropriate

Notes:

- (1) Option must be accepted in full or in multiples of 100 Shares.
- (2) The Acceptance Form must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".
- (3) The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

YEW KEE EMPLOYEE SHARE OPTION SCHEME**EXERCISE NOTICE**

Serial No.: _____

To: The Remuneration Committee
YKGI Limited Employee Share Option Scheme c/o The Company Secretary
YKGI Limited ("**Company**")
32 Woodlands Terrace
Singapore 738452

Total Number of ordinary shares ("**Shares**") at : _____
S\$ _____ per Share under an option
granted on _____ ("**Offer Date**")

Number of Shares previously allotted and issued : _____
or transferred thereunder

Outstanding balance of Shares which may be : _____
allotted and issued or transferred thereunder

Number of Shares now to be acquired (in : _____
multiples of 100)

1. Pursuant to your Letter of Offer dated ("**Offer Date**") and my acceptance thereof, I hereby exercise the Option to acquire Shares in YKGI Limited ("**Company**") at S\$ _____ per Share.
2. I hereby request the Company to allot and issue or transfer to me the number of Shares specified in paragraph 1 in the name of The Central Depository (Pte) Limited ("**CDP**") to the credit of my Securities Account with the CDP/Securities Sub-Account with a Depository Agent specified below and to deliver the share certificates relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP ("**CDP charges**") and any stamp duties in respect thereof:

Direct Securities Account Number : _____

Securities Sub-Account Number : _____

Name of Depository Agent : _____

3. I enclose a cheque/cashier's order/bank draft/postal order no. _____ for S\$ _____ in payment for the Exercise Price of S\$ _____ for the total number of the said Shares and the CDP charges of S\$ _____.
4. I agree to acquire the Shares subject to the terms of the Letter of Offer, the YKGI Limited Employee Share Option Scheme (as the same may be amended pursuant to the terms thereof from time to time) and the Constitution of the Company.
5. I declare that I am acquiring the Shares for myself and not as a nominee for any other person.

APPENDIX G – RULES OF THE YEW KEE EMPLOYEE SHARE OPTION SCHEME

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC / Passport No. : _____

Signature : _____

Date : _____

*Delete as appropriate

Notes:

- (1) An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof.
- (2) The form entitled "Exercise Notice" must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".

APPENDIX H – RULES OF THE YEW KEE PERFORMANCE SHARE PLAN

1. NAME OF THE PLAN

The Plan shall be called the “Yew Kee Performance Share Plan”.

2. DEFINITIONS

2.1 In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

<i>“Act”</i>	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time.
<i>“Adoption Date”</i>	The date on which the Plan is adopted by resolution of the Shareholders of the Company.
<i>“Auditors”</i>	The auditors of the Company for the time being.
<i>“Award”</i>	A contingent award of Shares granted under Rule 5.
<i>“Award Date”</i>	In relation to an Award, the date on which the Award is granted pursuant to Rule 5.
<i>“Award Letter”</i>	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee.
<i>“Board”</i>	The Board of Directors of the Company for the time being.
<i>“Catalist”</i>	The Catalist Board of the SGX-ST.
<i>“CDP”</i>	The Central Depository (Pte) Limited.
<i>“CEO”</i>	Chief Executive Officer.
<i>“Committee”</i>	The remuneration committee of the Company, duly authorised and appointed by the Board to administer the Plan.
<i>“Company”</i>	YKGI Limited, a company incorporated in Singapore.
<i>“Constitution”</i>	The constitution of the Company, as amended or modified from time to time.
<i>“Control”</i>	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company.
<i>“Controlling Shareholder”</i>	A person who holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the Company (unless otherwise determined by the SGX-ST); or in fact exercises Control over the Company.
<i>“Director”</i>	A person holding office as a director for the time being of the Company.
<i>“Group”</i>	The Company and its Subsidiaries.
<i>“Group Executive”</i>	Any full time employee of the Group and any Group Director who meets the relevant age and rank criteria selected by the Committee to participate in the Plan in accordance with Rule 4.1(a).

APPENDIX H – RULES OF THE YEW KEE PERFORMANCE SHARE PLAN

<i>“Group Director”</i>	A director of the Company (including non-executive directors of the Company).
<i>“Issued Shares”</i>	Issued Shares of the Company excluding treasury shares and subsidiary holdings from time to time.
<i>“Issued Share Capital”</i>	Issued share capital of the Company excluding treasury shares and subsidiary holdings from time to time.
<i>“Listing Manual”</i>	Section B: Rules of Catalist of the Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time.
<i>“Market Value”</i>	<p>In relation to a Share, on any day:</p> <ul style="list-style-type: none">(a) the average price of a Share on the SGX-ST over the five (5) immediately preceding a Trading Day; or(b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
<i>“Participant”</i>	Any eligible person selected by the Committee to participate in the Plan in accordance with the rules hereof.
<i>“Performance Condition”</i>	In relation to an Award, the condition specified on the Award Date in relation to that Award.
<i>“Performance Period”</i>	In relation to an Award, a period, the duration of which is to be determined by the Committee on the Award Date, during which the Performance Condition is to be satisfied.
<i>“Plan”</i>	The Yew Kee Performance Share Plan, as the same may be modified or altered from time to time.
<i>“Release”</i>	In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly.
<i>“Release Schedule”</i>	In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period.
<i>“Released Award”</i>	An Award which has been released in accordance with Rule 7.
<i>“Rules”</i>	The rules of the Plan, as amended or modified from time to time.

APPENDIX H – RULES OF THE YEW KEE PERFORMANCE SHARE PLAN

“SFA”	The Securities and Futures Act 2001 of Singapore as amended, modified or supplemented from time to time.
“SGX-ST”	The Singapore Exchange Securities Trading Limited.
“Shareholders”	The registered holders for the time being of the shares (other than the CDP) or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register.
“Shares”	Ordinary shares in the capital of the Company.
“Sponsor”	The sponsor of the Company from time to time, as required by the Listing Manual.
“Subsidiary”	A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Act.
“Substantial Shareholder”	A person who has an interest in the Shares, the total votes attached to which is not less than 5.0% of the total votes attached to all the voting shares (excluding treasury shares) in the Company.
“Trading Day”	A day on which the Shares are traded on Catalist.
“Vesting”	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly.
“Vesting Date”	In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7.
“%”	Per centum or percentage.

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

2.3 Any reference to a time of a day in the Plan is a reference to Singapore time.

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

2.5 The term “Associate” shall have the meaning ascribed to it by the Listing Manual as set out below:

- (a) in relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means:
 - (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

APPENDIX H – RULES OF THE YEW KEE PERFORMANCE SHARE PLAN

(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more.

(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more.

2.6 The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the same meanings ascribed to them by Section 81SF of the SFA.

3. OBJECTIVES OF THE PLAN

The Plan has been proposed in order to:

- (a) foster an ownership culture within the Group which aligns the interests of Participants with the interests of Shareholders;
- (b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business divisions and encourage greater dedication and loyalty to the Group; and
- (c) make total employee remuneration sufficiently competitive to recruit new Participants and/or retain existing Participants whose contributions are important to the long term growth and profitability of the Group, and whose skills are commensurate with the Company’s ambition to become a world class company.

4. ELIGIBILITY OF PARTICIPANTS

4.1 The following persons shall be eligible to participate in the Plan at the absolute discretion of the Committee:

(a) Group Executives

Full time employees of the Group and Group Directors who have attained the age of 21 years on or before the date of the grant of the Award and hold such rank as may be designated by the Committee from time to time. The Participant must also not be an undischarged bankrupt and must not have entered into a composition with his creditors.

(b) Controlling Shareholders and Associates of Controlling Shareholders

Subject to Rule 4.2, persons who are qualified under Rule 4.1(a) above and who are also Controlling Shareholders or Associates of Controlling Shareholders.

4.2 Employees who are Controlling Shareholders or Associates of Controlling Shareholders shall (notwithstanding that they may meet the eligibility criteria in Rule 4.1(a) above) not participate in the Plan unless:

- (a) their participation; and
- (b) the terms of each grant of Award and the actual number of Shares to be granted to them,

APPENDIX H – RULES OF THE YEW KEE PERFORMANCE SHARE PLAN

have been approved by the independent Shareholders in general meeting in separate resolutions for each such person, and in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the 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 Plan of a Controlling Shareholder or an Associate of a Controlling Shareholder who is, at the relevant time already a Participant. For the purposes of obtaining such approval from the independent Shareholders, the Company shall procure that the circular, letter or notice to the shareholder in connection therewith shall set out the following:

- (i) clear justifications for the participation of each such Controlling Shareholders or Associates of Controlling Shareholders; and
- (ii) clear rationale for the terms of the Awards to be granted to each such Controlling Shareholders or Associates of Controlling Shareholders.

4.3 For the purposes of determining eligibility to participate in the Plan, the secondment of an employee of the Group to another company within the Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full time employee of the Group.

4.4 Save as prescribed by the Listing Manual, there shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme, implemented or to be implemented by any company within the Group. Subject to the Act and any requirements of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Committee.

5. GRANT OF AWARDS

5.1 Except as provided in Rule 8, the Committee may grant Awards to Group Executives, Controlling Shareholders and/or Associates of Controlling Shareholders who are eligible to participate under Rule 4, and in each case, as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Awards may only be granted on or after the second (2nd) Market Day from the date on which such announcement is released. In addition, no Award shall be granted during the period of 30 days immediately preceding the date of announcement of our Company's interim or final results (as the case may be).

5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort and resourcefulness with which the Performance Condition may be achieved within the Performance Period.

The Performance Condition shall be determined at the discretion of the Committee, which may comprise factors such as (but are not limited to) the market capitalisation or earnings of the Company at specified times.

5.3 The Committee shall decide in relation to an Award:

- (a) the Participant;
- (b) the Award Date;
- (c) the Performance Period;

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- (d) the number of Shares which are the subject of the Award;
- (e) the Performance Condition;
- (f) the Vesting;
- (g) the Release Schedule; and
- (h) any other condition(s) which the Committee may determine in relation to that Award.

5.4 The Committee may amend or waive the Performance Period, the Performance Condition and/or the Release Schedule in respect of any Award:

- (a) in the event of a take-over offer being made for the Shares or if (i) Shareholders of the Company or (ii) under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or
- (b) in the event that the Company shall make a capital distribution of a special dividend (whether in cash or in specie); or
- (c) if anything happens which causes the Committee to conclude that:
 - (i) a changed Performance Condition and/or Release Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) the Performance Condition and/or Release Schedule should be waived,

and shall notify the Participants of such change or waiver (but accidental omission to give notice to any Participant(s) shall not invalidate such change or waiver).

5.5 As soon as reasonably practicable after making an Award the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

- (a) the Award Date;
- (b) the Performance Period;
- (c) the number of Shares which are the subject of the Award;
- (d) the Performance Condition;
- (e) the Vesting Date;
- (f) the Release Schedule; and
- (g) any other condition which the Committee may determine in relation to that Award.

5.6 Awards represent the right of a Participant to receive fully paid Shares free of charge provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

APPENDIX H – RULES OF THE YEW KEE PERFORMANCE SHARE PLAN

- 5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.
- 5.8 For the avoidance of doubt, the Company has the flexibility to grant Awards under the Plan and other options under any other share option schemes to the same Participant simultaneously. No minimum Vesting periods are prescribed under the Plan and the length of the Vesting period in respect of each Award shall be determined on a case-by-case basis. The Committee may also make an Award at any time where in its opinion, a Participant's performance and/or contribution justifies such an Award.

6. EVENTS PRIOR TO THE VESTING DATE

- 6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:
- (a) in the event of bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
 - (b) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
 - (c) subject to Rule 6.2, upon the Participant ceasing to be in the employment of the Group for any reason whatsoever;
 - (d) subject to Rule 6.2, where the Participant is a non-executive Director, upon the Participant ceasing to be a Director of the Company;
 - (e) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency;
 - (f) in the event that a Participant commits any break of any of the terms of his/her Award; or
 - (g) in the event the Committee shall, in its discretion, deem it appropriate that such Award to be given to a Participant shall so lapse on the grounds that any of the objectives of the Plan (as set out in Rule 3) have not been met.

For the purpose of Rule 6.1(c), the Participant shall be deemed to have ceased to be so employed as at the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date. For the purpose of Rule 6.1(d), a Participant shall be deemed to have ceased to be a Director as of the date the notice of resignation or termination of directorship, as the case may be, is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

- 6.2 Where the Participant being a Group Executive ceases to be in the employment of the Group, or in the case of a non-executive director, ceases to be a Director of the Company by reason of:
- (a) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (b) redundancy;
 - (c) retirement at or after the legal retirement age;
 - (d) retirement before the legal retirement age with the consent of the Committee;

APPENDIX H – RULES OF THE YEW KEE PERFORMANCE SHARE PLAN

- (e) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group;
- (f) (where applicable) his transfer of employment between companies within the Group;
- (g) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
- (h) any other event approved by the Committee;

the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition has been satisfied.

6.3 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by Shareholders and/or sanctioned by the court under the Act; or
- (c) an order being made or a resolution being passed for the winding up of the Company (other than as provided in Rule 6.1(d) or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has lapsed and the extent to which the Performance Condition has been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7. If the Committee so determines, the Release of Awards may be satisfied in cash as provided in Rule 7.

7. RELEASE OF AWARDS

7.1 Review of Performance Condition

- (a) As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Condition specified in respect of each Award and determine at its discretion whether it has been satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be a Group Executive from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

APPENDIX H – RULES OF THE YEW KEE PERFORMANCE SHARE PLAN

If the Committee determines in its sole discretion that the Performance Condition has not been satisfied or (subject to Rule 6) if the relevant Participant has not continued to be a Group Executive from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.4 shall be of no effect.

The Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company or the Group to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Condition if the Committee decides that a changed Performance Condition would be a fairer measure of performance.

Subject to:

- (i) (in relation to a performance-related Award) the Committee having determined that the Performance Condition has been satisfied;
- (ii) the relevant Participant (being an employee of the Group) having continued to be an employee from the Award Date up to the end of the relevant vesting period, the duration of which is to be determined by the Committee at the Award Date;
- (iii) the Committee being of the opinion that the job performance of the relevant Participant has been satisfactory;
- (iv) such consents (including any approvals required by the SGX-ST) as may be necessary;
- (v) compliance with the terms of the Award, the Plan and the Constitution;
- (vi) where Shares are to be allotted or transferred on the release of an Award, the Participant having a securities account with CDP and compliance with the applicable requirements of CDP; and
- (vii) where Shares are to be allotted on the release of an Award, the Company being satisfied that the Shares which are the subject of the Released Award will be listed for quotation on the SGX-ST,

upon the expiry of each vesting period in relation to an Award, the Company shall Release to the relevant Participant the Shares to which his/her Award relates on the Vesting Date.

- (b) Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Trading Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1(a) and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.
- (c) Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the Sponsor and/or the SGX-ST and any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of such Shares.

7.2 Release of Award

Shares which are allotted or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, (a) CDP to the credit of the securities account of that Participant maintained with CDP; (b) the securities sub-account of that Participant maintained with a Depository Agent or (c) the CPF investment account maintained with a CPF agent bank, in each case, as designated by that Participant.

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Subject to the Act and the Listing Manual, the Company shall have the flexibility to deliver Shares to Participants upon the Release of their Awards by way of (a) the allotment and issuance to each Participant of the number of new Shares, deemed to be fully paid or credited upon their allotment and issuance, and/or (b) the transfer of existing Shares to the Participant, including (subject to applicable laws) any Shares acquired by the Company pursuant to a share purchase mandate and/or held by the Company as treasury shares. Any proposed allotment and issue of new Shares will be subject to there being in force at the relevant time the requisite Shareholders approval under the Act for the issue of Shares.

Until such issue or transfer of such Shares has been effected, that Participant shall have no voting rights nor any entitlements to dividends or other distributions declared or recommended in respect of any Shares which are the subject of the Award granted to him.

It is the intention of the Company that Shares will typically be delivered to Participants upon the Release of their Awards by way of an issue of new Shares. However, the Company anticipates that it may, in very limited circumstances, purchase existing Shares on behalf of the Participants upon the Release of their Awards. In determining whether to allot and issue new Shares or to purchase existing Shares for delivery to the Participants upon the Release of their Awards, the Committee will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing Market Value of the Shares, the cash position of the Company, the projected cash needs of the Company, the dilution impact (if any), the cost to the Company of either issuing new Shares or purchasing existing Shares, and the liquidity of the Shares based on the average daily trading volume of the Shares, and in particular whether the repurchase by the Company of existing Shares to deliver to Participants upon Release of their Awards would materially impact the Market Value of the Shares.

7.3 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the Constitution of the Company (including provisions relating to the liquidation of the Company) and the Act; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

For the purposes of this Rule 7.3, “**Record Date**” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

Shares which are allotted, and/or treasury shares which are transferred, on the vesting of an Award to a Participant, may be subject to such moratorium as may be imposed by the Committee.

7.4 Cash Awards

The Committee, in its absolute discretion, may determine to make a Release of an Award, wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive on the Vesting Date, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to him on Release of his Award, the aggregate Market Value of such Shares on the Vesting Date.

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8. LIMITATION ON THE SIZE OF THE PLAN

- 8.1 The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan on any date, when aggregated with the aggregate number of Shares over which options or awards are granted under any share option schemes or share schemes of the Company, shall not exceed 15.0% of total number of Issued Shares on the day preceding that date.
- 8.2 The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan to Participants who are Controlling Shareholders and their Associates (including adjustments made in accordance with Rule 9) shall not exceed 25.0% of the Shares under the Plan.
- 8.3 The number of Shares which may be issued or transferred pursuant to Awards under the Plan to each Participant who is a Controlling Shareholder or his Associate (including adjustments made in accordance with Rule 9) shall not exceed 10.0% of the Shares available under the Plan.
- 8.4 The number of Shares which are the subject of each Award to be granted to a Participant who is a non-executive director of the Company shall not exceed 10.0% of the total number of Shares available under the Plan.
- 8.5 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

9. ADJUSTMENT EVENTS

- 9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, capital reduction, subdivision, consolidation, distribution of Shares, or otherwise howsoever, provided that this shall not include the issue of securities as consideration for an acquisition) shall take place, then:

- (a) the class and/or number of Shares which is/are the subject of an Award to the extent not yet Vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.

- 9.2 Unless the Committee considers an adjustment to be appropriate, the following shall not normally be regarded as a circumstance requiring adjustment:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the cancellation of Issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
- (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to the employees pursuant to any share option scheme or share scheme approved by Shareholders in general meeting, including the Plan; or
- (d) the issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

- 9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a bonus issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

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- 9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given.

10. ADMINISTRATION OF THE PLAN

- 10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.
- 10.2 Subject to the Listing Manual, the Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.
- 10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with:
- (a) the lapsing of any Awards pursuant to any provision of the Plan;
 - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or
 - (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.
- 10.5 The Committee shall ensure that the rules of the Plan are in compliance with the Companies Act and the applicable laws and regulations in Singapore, including but not limited to the Listing Manual.

11. NOTICES AND COMMUNICATIONS

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 11.2 Any notice or document required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

APPENDIX H – RULES OF THE YEW KEE PERFORMANCE SHARE PLAN

12. MODIFICATIONS TO THE PLAN

12.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:

- (a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Conditions for their Awards being satisfied in full, would become entitled to not less than three quarters of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;
- (b) the definitions of “**Group Executive**”, “**Group Director**”, “**Participant**”, “**Performance Period**” and “**Release Schedule**” and the provisions of Rules 4, 5, 6, 7, 8, 9, 10, 13, 17 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Shareholders in general meeting; and
- (c) any modification or alteration shall not be made except in compliance with the Listing Manual or such other stock exchange on which the Shares are quoted or listed, and for so long as the Company is listed on the Catalist board of the SGX-ST, shall not be made without the prior approval of the Sponsor (acting as agent and on behalf of the SGX-ST) and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the Sponsor (acting as agent and on behalf of the SGX-ST)) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. TAKE-OVER AND WINDING UP OF THE COMPANY

13.1 Subject to Rule 13.5, in the event of a take-over offer being made for the Company, a Participant shall be entitled to the Shares under the Awards if he has met the Performance Condition for the corresponding Performance Period. For the avoidance of doubt, the Vesting of such Awards shall not be affected by the take-over offer.

13.2 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant who has fulfilled his Performance Condition shall be entitled, notwithstanding the provisions under this Rule 13 but subject to Rule 13.5, to any Shares under the Awards so determined by the Committee to be released to him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later.

13.3 If an order is made for the winding-up of the Company on the basis of its insolvency, all Awards, notwithstanding that Shares may not have been released to the Participants, shall be deemed null and void.

APPENDIX H – RULES OF THE YEW KEE PERFORMANCE SHARE PLAN

- 13.4 In the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the Shares under the Awards shall be released to the Participant for so long as, in the absolute determination by the Committee, the Participant has met the Performance Condition prior to the date on which the members' voluntary winding-up is deemed to have commenced or is effective in law.
- 13.5 If in connection with the making of a general offer referred to in Rule 13.1 or the scheme referred to in Rule 13.2 or the winding-up referred to in Rule 13.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or by any other form of benefit, no Release of Shares under the Award shall be made in such circumstances.

14. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

The Plan shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Company and/or any subsidiary directly or indirectly or give use to any cause of action at law or in equity against any such Company, its directors or employees.

15. DURATION OF THE PLAN

- 15.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 15.2 The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.
- 15.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

16. TAXES, COSTS AND EXPENSES OF THE PLAN

- 16.1 All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.
- 16.2 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent.
- 16.3 Save for the taxes referred to in Rule 16.1 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award, shall be borne by the Company.

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17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on Catalist in accordance with Rule 7.1(c).

18. DISCLOSURES IN ANNUAL REPORTS

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation as required by the Listing Manual:

- (a) the names of the members of the Committee administering the Plan;
- (b) the information required in the table below for the following Participants:
 - (i) Directors of the Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants, other than those in (i) and (ii) above, who have received 5.0% or more of the total number of Shares available under the Plan;

Name of Participant	Aggregate number of Shares comprised in Awards under the Plan during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards vested to such Participant since the commencement of the Plan to the end of financial year under review	Aggregate number of Shares comprised in Awards issued since commencement of the Plan to the end of financial year under review	Aggregate number of Shares comprised in Awards which have not been Released as at end of financial year under review

- (c) such other information as may be required by the Listing Manual or the Act,

provided that if any of the above requirements are not applicable, an appropriate negative statement shall be included therein.

19. DISPUTES

Any disputes or differences of any nature in connection with the Plan (other than matters to be confirmed by the Auditors in accordance with the Plan) shall be referred to the Committee and its decision shall be final and binding in all respects.

20. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Plan are to abstain from voting on any Shareholders' resolution relating to the Plan (including the participation in the Plan and the grant of Awards to the Participants) and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, Shareholders who are eligible to participate in the Plan shall abstain from voting on the following resolutions, where applicable: (a) the implementation of the Plan, and (b) participation by and grant of Awards to Controlling Shareholders and their Associates.

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21. CONDITION OF AWARDS

Every Award shall be subject to the condition that no Shares would be issued or transferred pursuant to the vesting of any Award if such issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue or transfer of Shares hereto.

22. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Company and the Participants, by accepting grants of Awards in accordance with the Plan, shall submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

23. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act 2001 of Singapore.

APPENDIX I – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

You are invited to apply and subscribe for or purchase the Placement Shares at the Placement Price for each Placement Share, subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 100 PLACEMENT SHARES OR INTEGRAL MULTIPLES THEREOF, SUBJECT TO A MINIMUM OF 1,000 PLACEMENT SHARES. YOUR APPLICATION FOR ANY OTHER NUMBER OF PLACEMENT SHARES WILL BE REJECTED.**
2. Your application for the Placement Shares may only be made by way of the Application Form or other such forms of application as the Issue Manager and Full Sponsor and/or the Joint Placement Agents may deem appropriate.
3. YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE PLACEMENT SHARES.
4. **You (not being an approved nominee company) are allowed to submit only one (1) application in your own name for the Placement Shares. Any separate application by you for the Placement Shares will be deemed to be multiple applications and the Company, the Vendor, the Issue Manager and Full Sponsor and the Joint Placement Agents have the discretion whether to accept or reject such multiple applications.**

If you (not being an approved nominee company) have submitted an application for the Placement Shares in your own name, you should not submit any other application for the Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at the discretion of our Company, the Vendor, the Issue Manager and Full Sponsor and the Joint Placement Agents.

Joint and/or multiple applications shall be rejected at the discretion of our Company, the Vendor, the Issue Manager and Full Sponsor and the Joint Placement Agents. If you submit or procure submissions of multiple share applications for Placement Shares you may be deemed to have committed an offence under the Penal Code 1871 of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary, may be rejected at the discretion of our Company, the Vendor, the Issue Manager and Full Sponsor and the Joint Placement Agents.

5. We will not accept applications from any person under the age of eighteen (18) years, undischarged bankrupts, sole proprietorships, partnerships or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Form bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the name of a deceased at the time of application.
6. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 7 below.
7. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.

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8. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected. If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form, your application is liable to be rejected. Subject to paragraph 9 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number provided in your Application Form differ from those particulars in your Securities Account as maintained with CDP. If you have more than one (1) individual direct Securities Account with CDP, your application shall be rejected.
9. **If your address as stated in the Application Form is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and/or allocation and other correspondences from CDP will be sent to your address last registered with CDP.**
10. **Our Company and the Vendor, in consultation with the Issue Manager and Full Sponsor and the Joint Placement Agents, reserve the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or with the terms and conditions of this Offer Document or which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance or remittances which are not honoured upon their first presentation.**
11. **Our Company and the Vendor in consultation with the Issue Manager and Full Sponsor, and the Joint Placement Agents further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Form or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.**

Without prejudice to the rights of our Company, the Vendor, the Issue Manager and Full Sponsor and the Joint Placement Agents, as agents of our Company and the Vendor, have been authorised to accept, for and on behalf of our Company such other forms of application as the Issue Manager and Full Sponsor and the Joint Placement Agents deem appropriate.

12. Our Company and the Vendor, in consultation with the Issue Manager and Full Sponsor and the Joint Placement Agents, reserve the right to reject or accept, in whole or in part, or to scale down any application, without assigning any reason therefor, and no enquiry and/or correspondence on our decision of our Company and the Vendor, will be entertained. This right applies to applications made by way of Application Form. In deciding the basis of allotment which shall be at our discretion, in consultation with the Issue Manager and Full Sponsor and the Joint Placement Agents, due consideration will be given to the desirability of allotting the Placement Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.
13. Share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, and subject to the submission of valid application and payment for the Placement Shares, a statement of account stating that your Securities Account has been credited with the number of Placement Shares allotted to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company, the Vendor, the Issue Manager and Full Sponsor and the Joint Placement Agents. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee, any instrument of transfer and/or other documents required for the issue of the Placement Shares allotted to you.

APPENDIX I – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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

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

- (a) where the Placement Shares have not been issued and allotted to the applicants, we shall either:
 - (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, as the case may be, give you notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to withdraw your application, and (B) take all reasonable steps to make available within a reasonable period of time the supplementary or replacement offer document, as the case may be, to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days of the date of the lodgement of the supplementary or replacement offer document, give you a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to withdraw your application; or
 - (iii) (A) treat your application as withdrawn and cancelled, in which case the application shall be deemed to have been withdrawn and cancelled; and (B) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, return all monies paid in respect of your application, without interest or any share of revenue or other benefit arising therefrom and at your own risk; or
- (b) where the Placement Shares have already been issued and allotted but trading has not commenced, we shall either:
 - (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, as the case may be, give you notice in writing of how to obtain, or arrange to receive, a copy of the same, and provide you with an option to return to us the Placement Shares which you do not wish to retain title in, and (B) take all reasonable steps to make available within a reasonable period of time the supplementary or replacement offer document, as the case may be, to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, as the case may be, give you a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to return to us the Placement Shares which you do not wish to retain title in and without any right to claim against our Company, the Vendor the Issue Manager and Full Sponsor and/or the Joint Placement Agents; or
 - (iii) subject to compliance with the Companies Act and our Constitution, (A) treat the issue of the Placement Shares as void in which case the issue of the Placement Shares shall be deemed void and (B) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, as the case may be, return all monies paid in respect of your application, without interest or any share of revenue or other benefit arising therefrom and at your own risk

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and you shall not have any right or claim against our Company, the Vendor the Issue Manager and Full Sponsor and the Joint Placement Agents.

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

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

Additional terms and instructions applicable upon the lodgement of the supplementary or replacement offer document, including instructions on how you can exercise the option to withdraw your application or return the Placement Shares allotted to you, may be found in such supplementary or replacement offer document.

15. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Placement Shares allotted to you pursuant to your application, to us, the Issue Manager and Full Sponsor and the Joint Placement Agents and any other parties so authorised by the foregoing persons.
16. Any reference to "you" or the "applicant" in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Placement Shares through the Joint Placement Agents or its designated sub-placement agent by way of an Application Form or such other forms of application as the Issue Manager and Full Sponsor and the Joint Placement Agents deems appropriate.
17. By completing and delivering an Application Form in accordance with the provisions of this Offer Document, you:
 - (a) irrevocably offer, agree and undertake to subscribe for or purchase the number of Placement Shares specified in your application (or such smaller number for which the application is accepted) at the Placement Price for each Placement Share and agree that you will accept such Placement Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Offer Document and the Constitution of our Company;
 - (b) agree that the aggregate Placement Price for the Placement Shares applied for is due and payable upon your application;
 - (c) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company, the Vendor, the Issue Manager and Full Sponsor and the Joint Placement Agents in determining whether to accept your application and/or whether to allot any Placement Shares to you;

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- (d) (i) consent to the collection, use, processing and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent residency status, CDP Securities Account number, share application amount, the outcome of your application (including the number of Placement Shares allotted to you pursuant to your application) and other personal data ("**Personal Data**") to the Share Registrar, Securities Clearing and Computer Services (Pte) Ltd ("**SCCS**"), the SGX-ST, CDP, our Company, the Vendor the Issue Manager and Full Sponsor and the Joint Placement Agents and/or other authorised operators (collectively, the "**Relevant Persons**"), for the purpose of facilitating your application for the Placement Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**") and warrant that such Personal Data is true, accurate and correct, (ii) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Persons, you have obtained the prior consent of such beneficial owner(s) for the collection, use, processing and disclosure by the Relevant Persons of the Personal Data of such beneficial owner(s) for the Purposes, (iii) agree that the Relevant Persons may do anything or disclose any Personal Data or matters without notice to you if the Relevant Persons consider them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body, and (iv) agree that you will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant Parties shall be entitled to enforce this indemnity (collectively, the "**Personal Data Privacy Terms**"); and
 - (e) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Vendor the Issue Manager and Full Sponsor and/or the Joint Placement Agents will infringe any such laws as a result of the acceptance of your application.
18. Our acceptance of applications will be conditional upon, among others, our Company, the Vendor the Issue Manager and Full Sponsor and the Joint Placement Agents, being satisfied that:
- (a) permission has been granted by the SGX-ST to deal in and for quotation of all our existing Shares, the Placement Shares, the Option Shares and the Award Shares on Catalist;
 - (b) the Management and Sponsorship Agreement and the Placement Agreement referred to in the "Sponsorship, Management and Placement Arrangements" section of this Offer Document have become unconditional and have not been terminated or cancelled prior to such date as the Company may determine; and
 - (c) the Authority, the SGX-ST, acting as agent on behalf of the Authority, or other competent authority, has not issued a stop order under the SFA ("**Stop Order**") which directs that no further shares to which this Offer Document relates be allotted or issued.
19. In the event that a Stop Order pursuant to Section 242 of the SFA is served by the Authority, the SGX-ST, acting as agent on behalf of the Authority or other competent authority and applications to subscribe for or purchase the Placement Shares have been made prior to the Stop Order, and:
- (a) in the case where the Placement Shares have not been issued, we will (as required by law), deem all applications withdrawn and cancelled and our Company shall refund (at your own risk) all monies paid on account of your application for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the date of the Stop Order; or

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- (b) in the case where the Placement Shares have already been issued but trading has not commenced, the issue of the Placement Shares shall (as required by law) be deemed void, and our Company shall, within 14 days from the date of the Stop Order, refund all monies paid on account of your application for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk), and

you shall not have any claims against our Company, the Vendor, the Issue Manager and Full Sponsor and the Joint Placement Agents.

This shall not apply where only an interim Stop Order has been served.

20. In the event that an interim Stop Order in respect of the Placement Shares is served by the Authority, the SGX-ST, acting as agent on behalf of the Authority or other competent authority, no Placement Shares shall be issued during the time when the interim Stop Order is in force.
21. The Authority, the SGX-ST, acting as agent on behalf of the Authority or other competent authority is not able to serve a Stop Order in respect of the Placement Shares if the Placement Shares have been issued and listed for quotation on a securities exchange and trading in the Placement Shares has commenced.
22. In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same through a SGXNET announcement to be posted on the internet at the SGX-ST website (<http://www.sgx.com>) and through a paid advertisement in a major English newspaper in Singapore.
23. We will not hold any application in reserve.
24. We will not allot Shares on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.
25. Additional terms and conditions for applications by way of Application Form are set out in the “Additional Terms and Conditions for Applications using Application Form” below.
26. All payments in respect of any application for the Placement Shares and any refund, shall be made in S\$.
27. No person in any jurisdictions outside Singapore receiving this Offer Document or its accompanying documents (including the Application Form) may treat the same as an offer or Placement to subscribe for or purchase any Placement Shares unless such offer or invitation could lawfully be made without compliance with any regulatory requirements in those jurisdictions.

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ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORM

You shall make an application by way of an Application Form on and subject to the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out in the “**TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE**” section in Appendix I of this Offer Document as well as the Constitution of our Company.

1. Your application must be made using the Application Form for Placement Shares or in such other manner as the Issue Manager and Full Sponsor and the Joint Placement Agents may in their absolute discretion deem appropriate. **ONLY ONE APPLICATION** should be enclosed in each envelope.

We draw your attention to the detailed instructions contained in the Application Form and this Offer Document for the completion of the Application Form which must be carefully followed. **Our Company, the Vendor, the Issue Manager and Full Sponsor and the Joint Placement Agents reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Form and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances or remittances which are not honoured upon their first presentation.**

2. Your Application Form must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Form, except those under the heading “**FOR OFFICIAL USE ONLY**”, must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. You must make your application, in the case of individuals, in your full names as they appear in your identity card (if applicants have such identification documents) or in your passport and, in the case of corporations, in your full names as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Constitution or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your Constitution or equivalent constitutive documents must be lodged with our Company’s Share Registrar. Our Company, the Vendor, the Issue Manager and Full Sponsor and the Joint Placement Agents reserve the right to require you to produce documentary proof of identification for verification purposes.
5.
 - (a) You must complete Sections A and B and sign on page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You, whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted, will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporations.

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If you are an approved nominee company, you are required to declare whether the beneficial owner of the Placement Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation.

7. The completed and signed Application Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate postage (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk to YKGI Limited**, to arrive by **12.00 noon on 1 February 2023 or such other time as our Company may, in consultation with the Issue Manager and Full Sponsor and the Joint Placement Agents, in its absolute discretion, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of the Placement Shares applied for, in the form of a BANKER'S DRAFT or CASHIER'S ORDER drawn on a bank in Singapore, made out in favour of **"YKGI SHARE ISSUE ACCOUNT"** crossed **"A/C PAYEE ONLY"**, with your name and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. We will reject remittances bearing **"NOT TRANSFERABLE"** or **"NON TRANSFERABLE"** crossings. We reserve the right to reject any application which is accompanied by combined Banker's Draft or Cashier's Order for different CDP Securities Accounts. No acknowledgement or receipt will be issued by our Company or the Issue Manager and Full Sponsor and the Joint Placement Agents for applications and application monies received.
8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account. In the event that the Placement is cancelled by us following the termination of the Management and Sponsorship Agreement and/or the Placement Agreement, the application monies received will be refunded (without interest or any share of revenue or any other benefit arising therefrom) to you by ordinary post at your own risk within five (5) Market Days of the termination of the Placement. In the event that the Placement is cancelled by us following the issuance of the Stop Order by the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days from the date of the Stop Order.
9. Capitalised terms used in the Application Form and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
10. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of our Company, the Vendor, our Directors, the Issue Manager and Full Sponsor and the Joint Placement Agents and/or any party involved in the Placement, and if, in any event not receive your Application Form, you shall have no claim whatsoever against our Company, the Vendor, the Issue Manager and Full Sponsor and the Joint Placement Agents and/or any party involved in the Placement for the Placement Shares applied for or for any compensation, loss or damage.

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11. By completing and delivering the Application Form, you agree that:

- (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 1 February 2023** or such other time or date as our Directors may, in consultation with the Issue Manager and Full Sponsor and the Joint Placement Agents decide:
 - (i) your application is irrevocable; and
 - (ii) your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
- (b) neither our Company, the Vendor, the Issue Manager and Full Sponsor and the Joint Placement Agents nor any other party involved in the Placement will be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;
- (c) all applications, acceptances and contracts resulting therefrom under the Placement shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
- (d) in respect of the Placement Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
- (e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
- (f) in making your application, reliance is placed solely on the information contained in this Offer Document and none of our Company, the Vendor, the Issue Manager and Full Sponsor, the Joint Placement Agents nor any other person involved in the Placement shall have any liability for any information not so contained;
- (g) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document; and
- (h) you irrevocably agree and undertake to subscribe for or purchase the number of the Placement Shares applied for as stated in the Application Form or any smaller number of such Placement Shares that may be allotted to you in respect of your application. In the event that our Company, the Vendor, the Issue Manager and Full Sponsor or the Joint Placement Agents decide to allot any smaller number of the Placement Shares or not to allot any Placement Shares to you, you agree to accept such decision as final; and
- (i) you irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue of the Placement Shares that may be allotted to you.

12. By completing and delivering the Application Form, you declare that you do not possess more than one (1) individual direct Securities Account with CDP.

