JLOGO HOLDINGS LIMITED
聚利寶控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8527

ANNUAL REPORT

2023

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CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. LOW Yeun Ching @Kelly Tan
(Chairlady and Chief Executive Officer)
Mr. Sean LOW Yew Hong (Sean Liu Yaoxiong)
Mr. CHIU Ka Wai
Mr. WU Guangliang

Independent Non-executive Directors

Mr. LU King Seng *(Resigned on 1 February 2024)*
Mr. John Chi Chung MAN
Mr. CHAN Pak Hung *(Resigned on 14 March 2024)*
Mr. CHAN Chun Kit *(Appointed on 21 March 2024)*

AUDIT COMMITTEE

Mr. CHAN Chun Kit *(Chairman)*
(Appointed on 21 March 2024)
Mr. LU King Seng *(Chairman)*
(Resigned on 1 February 2024)
Mr. John Chi Chung MAN
Mr. CHAN Pak Hung *(Resigned on 14 March 2024)*

REMUNERATION COMMITTEE

Mr. John Chi Chung MAN *(Chairman)*
(Appointed on 21 March 2024)
Mr. CHAN Pak Hung *(Chairman)*
(Resigned on 14 March 2024)
Ms. LOW Yeun Ching @Kelly Tan
Mr. CHAN Chun Kit *(Appointed on 21 March 2024)*

NOMINATION COMMITTEE

Ms. LOW Yeun Ching @Kelly Tan *(Chairlady)*
Mr. John Chi Chung MAN
Mr. CHAN Pak Hung *(Resigned on 14 March 2024)*
Mr. CHAN Chun Kit *(Appointed on 21 March 2024)*

COMPLIANCE OFFICER

Ms. LOW Yeun Ching @Kelly Tan

COMPANY SECRETARY

Mr. CHAN Tai Wah Calvin

AUTHORISED REPRESENTATIVES

Ms. LOW Yeun Ching @Kelly Tan *(Chairlady)*
Mr. CHAN Tai Wah Calvin

AUDITOR

Mazars CPA Limited
Certified Public Accountants
42/F, Central Plaza
18 Harbour Road, Wanchai
Hong Kong

PRINCIPAL BANKS

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

Malayan Banking Berhad
Level 14, Menera Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

CORPORATE INFORMATION

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL PLACE OF BUSINESS AND HEADQUARTERS IN SINGAPORE

124 Lorong 23 Geylang
#10-01 and #10-02 Arcsphere
Singapore 388405

REGISTERED OFFICE IN THE CAYMAN ISLANDS

PO Box 1350
Windward 3
Regatta Office Park
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG UNDER PART 16 OF THE COMPANIES ORDINANCE (CAP. 622)

Room 3705, 37/F
Hong Kong Plaza
188 Connaught Road West
Hong Kong

STOCK CODE

8527

COMPANY'S WEBSITE ADDRESS

www.jlogoholdings.com

CHAIRLADY STATEMENT

Dear Valued Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of JLogo Holdings Limited (the "**Company**") and together with its subsidiaries (collectively, the "**Group**"), I am pleased to present the annual results of the Group for the year ended 31 December 2023.

While we thought we could gradually emerge out of the worrisome effects of the global pandemic, and with the Ukraine-Russia war still on-going, the world has to grapple with yet another shock at the Israel-Hamas war erupted in October 2023, expanding and exposing the world to more geopolitical tensions. We see supply chains continue to be stifled and together with the continuous energy crises, freight hikes, sanctions and counter sanctions, and the consequential outcome is the high inflation we are experiencing now not only in Singapore but a global trend.

Our group continues to suffer losses due mainly to high rent rates and high wages, over an oversupply and influx of more F&B competitors vying for this very small market share. Consumers are increasingly price sensitive due to high inflationary pressures.

We acknowledge the challenges ahead and are committed to managing our resources and capital more prudently to ensure sustainability and business growth. We pledge to remain agile and adaptive in response to the constantly evolving market landscape. When approaching expansion opportunities, we will proceed with caution and prudence.

FINANCIAL PERFORMANCE

Our revenue decreased by approximately S$0.41 million or 2.3% from approximately S$17.46 million for the year ended 31 December 2022 to S$17.05 million for the year ended 31 December 2023. Revenue from our Singapore operations decreased by 7.5% to S$12.34 million due to weakened performance of our Singapore restaurants. Whereas revenue from our Malaysia operations improved by 14.3% to S$4.72 million.

Our Group recorded a loss of approximately S$4.92 million and S$1.69 million for the year ended 31 December 2023 and 2022, respectively. The increase in losses was mainly attributable to impairment loss on assets in response to the weakened performance of our Singapore outlets and a general increase in food costs and labour costs driven by inflation in both Singapore and Malaysia.

CHAIRLADY STATEMENT

OUTLOOK OF THE GROUP

Moving into 2024, we are cognisant of any adversities and persistent headwinds that lie ahead. In order to stem our losses, one of the prudent strategy we have opted is to negotiate to pre-terminate leases on those under-performing outlets, and one of which is our café Q classified in Parkway Parade. We are also reviewing outlets with upcoming lease renewals with the objective to contain any further increases to the already high rent rates which will make the entire business infeasible. Failing which, we may consider to relocate to other premises with a more manageable rental in order to sustain growth and profitability.

The Group shall stay focus on our strategic initiatives and proceed prudently and mindfully to overcome the challenges at hand and remain steadfast in our commitment to deliver long-term value.

Striving ahead, the Group remains committed towards all stakeholders and safeguarding the interest of every shareholder who takes confidence and faith in us remains our key motto.

APPRECIATION

As we welcome our new staffs who joined us this year, I would like to express my utmost appreciation to my management team and all our staffs for their hard work and relentless commitment to the Group.

I am very grateful to all members of our Board for their continuous support and professional advice towards our vision and mission, and all other professional parties with their strategic counsel through our journey. In addition, JLogo would not have made it here today, as a listed entity, without the assistance and support from our various business partners, suppliers and vendors. Thank you very much indeed.

Last but not least, I would like to extend my warmest appreciation to all our valued shareholders for your unwavering faith and trust in us as we work towards generating better positive shareholder returns in a longer term and sustainable future.

Yours sincerely,

LOW Yeun Ching @Kelly Tan
Chairlady and Chief Executive Officer

28 March 2024

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are a food and beverage group which owns and operates award-winning restaurants in Singapore under different brands and owns one of the largest artisanal bakery chains in Malaysia in terms of revenue and the number of bakery retail outlets in Malaysia. We operate our dining operations in Singapore under three self-owned brands and one franchised brand. Our "Central Hong Kong Café" brand is primarily focused on offering a casual and authentic Cha Chaan Teng experience in a full service environment. Our "Black Society" brand offers Chinese cuisines with a contemporary twist in a full service environment. Our "MASA by Black Society" is a sub-brand of Black Society and focuses on artisanal dimsum in a café setting. The franchised "Greyhound Café" brand provides stylish and trendy ambience which serves a specialised Thai menu with creative twists. Our artisanal bakery chain in Malaysia offers a wide selection of artisan breads, pastries and cakes under our "Bread Story" brand.

The franchise of "Greyhound Cafe" was discontinued at the end of April 2023. The restaurant's premises were subsequently transformed and rebranded into our self-owned "Crazy Rich Thai" brand. This new brand offers a unique selection of specialised Thai dishes with innovative and creative twists.

We believe that our Group is competitively positioned based on our operating history of more than ten years, our strong brand recognition and reputation, diversified customer base, innovative product offerings, unique dining experience and experienced management. In addition, the locations of our restaurants in Singapore and our bakery retail outlets in Malaysia are vital to our Group's strategy of targeting areas which are high in customer traffic and easily accessible by our target customers that will help in promoting our brands' image and awareness.

FINANCIAL REVIEW

Revenue

Our revenue decreased by approximately S$0.41 million or 2.3% from approximately S$17.46 million for the year ended 31 December 2022 to S$17.05 million for the year ended 31 December 2023. Revenue from our Singapore operations decreased by 7.5% to S$12.34 million due to weakened performance of our Singapore restaurants. Whereas revenue from our Malaysia operations improved by 14.3% to S$4.72 million.

Cost of inventories sold and consumed

Despite the minimal decrease in revenue, our cost of inventories sold and consumed increased by approximately S$0.34 million or 6.8% from approximately S$4.99 million for the year ended 31 December 2022 to approximately S$5.33 million for the year ended 31 December 2023. The rising in food costs was mainly due to overall ingredient prices inflation.

Other income and gain, net

Our other income and gain, net primarily consisted of rewards or subsidies under the Special Employment Credit Scheme, Wage Credit Scheme, Job Growth incentive and Senior Worker Employment Grant given by the Singapore government. Our other income decreased by approximately S$0.14 million or 26.9% from approximately S$0.52 million for the year ended 31 December 2022 to approximately S$0.38 million for the year ended 31 December 2023. The decrease was as a result of absence of COVID-19 related rent concessions from landlords.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment increased by approximately S$0.18 million or 26.5% from approximately S$0.68 million for the year ended 31 December 2022 to approximately S$0.86 million for the year ended 31 December 2023. The increase was as a result of new addition of property, plant and equipment for new and rebranded outlets during the year ended 31 December 2023.

Impairment loss on property, plant and equipment and right-of-use assets

In light of operating losses incurred for the Group in recent years and unfavorable market conditions, the directors of the Company considered that property, plant and equipment and right-of-use assets of the Group relating to the Dining operations and Artisanal bakery business at 31 December 2023 and 2022 might be impaired.

At 31 December 2023, in particular, the management has identified that certain restaurants relating to the Dining operations have an impairment indication with reference to investment payback period method. The directors of the Company estimated the recoverable amount of each restaurant with an indication of impairment, on an individual basis, with reference to value in use calculations using cash flow projections.

Based on the assessment, the aggregate recoverable amounts of those restaurants with impairment indication were approximately of S$0.57 million which were less than that of the aggregate carrying amounts of property, plant and equipment and right-of-use assets of those restaurants. Accordingly, during the year ended 31 December 2023, impairment losses of approximately S$0.69 million and S$1.19 million, respectively, were recognised in profit or loss in respect of property, plant and equipment and right-of-use assets of the Group relating to the Dining operations on a basis with reference to the gross carrying amounts of property, plant and equipment and right-of-use assets at 31 December 2023.

Details of the impairment assessment on property, plant and equipment and right-of-use assets are set out in Notes 14 and 15 to the consolidated financial statement in this report.

Other operating expenses

Other operating expenses primarily consist of legal and professional fees, cleaning fee, repair and maintenance expenses, kitchen and bar utensils expenses, bank charges relating to credit card settlement, unrealised foreign currency exchange losses and other miscellaneous expenses. Our other operating expenses had decreased by approximately S$0.25 million or 9.6% from approximately S$2.64 million for the year ended 31 December 2022 to approximately S$2.39 million for the year ended 31 December 2023 as a result of costs cutting measures implemented by the management.

MANAGEMENT DISCUSSION AND ANALYSIS

Loss for the year

Our Group recorded a loss of approximately S$4.92 million and S$1.69 million for the year ended 31 December 2023 and 2022, respectively. The increase in losses was mainly attributable to impairment loss on assets in response to the weakened performance of our Singapore outlets and a general increase in food costs and labour costs driven by inflation in both Singapore and Malaysia.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

Our cash and bank balances, excluding fixed deposit pledged amounted to approximately S$0.41 million and S$2.24 million as at 31 December 2023 and 31 December 2022, respectively. As at 31 December 2023, 44.1% (31 December 2022: 40.2%) of our Group's cash and bank balances was denominated in Singapore dollar, 55.7% (31 December 2022: 8.1%) in Malaysia ringgit, 0.1% (31 December 2022: 18.7%) in Hong Kong dollar and 0.1% (31 December 2022: 33.0%) in Renminbi.

Our Group had net cash flow from operating activities of approximately S$2.15 million for the year ended 31 December 2023. Barring the effect of IFRS16 depreciation of right-of-use assets of approximately S$3.18 million, it would have been a net cash flow used in operating activities of approximately S$1.03 million as a result of the operating losses.

Net cash flow used in investing activities was approximately S$0.11 million for the year ended 31 December 2023. Net cash flow was used primarily on (i) renovation and rebranding of our new restaurants amounting to S$0.36 million, offset against the (ii) decrease in fixed deposits pledged to bank for banking facilities amounting to S$0.25 million as a result of less cash is required to cure the breach due to repayment of loan during the year ended 31 December 2023.

Net cash flow used in financing activities was approximately S$3.87 million for the year ended 31 December 2023. Net cash flow was used in: (i) repayment of lease liabilities of approximately S$3.89 million; (ii) repayment of bank loans of approximately S$0.67 million, offset against the (iii) advance from a director of approximately S$0.69 million.

Our restricted cash represents fixed deposits pledged to the bank and financial institutions. The Group is restricted to use the cash of approximately S$0.22 million as at 31 December 2023 (31 December 2022: approximately S$0.46 million). The Group has adopted a prudent financial management approach towards its financial and treasury policies and thus maintained a healthy liquidity position since the Listing. The management closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. The Group will utilize the balance of cash for appropriate investment in accordance with the Group's strategic direction and development.

Borrowings

Particulars of the Group's interest bearing bank and other borrowings as at 31 December 2023 and 31 December 2022 (including their nature, currency involved, maturity profile and interest rate structure) are set out in note 22 to the consolidated financial statements.

Gearing ratio

Gearing ratio is measured by interest-bearing bank borrowings divided by the total equity. The gearing ratio is (73.3)% as at 31 December 2023 (31 December 2022: 217.6%).

Capital expenditure and commitment

During the year ended 31 December 2023, our capital expenditures amounted to approximately S$0.56 million which consisted primarily renovation and rebranding of our new restaurants (31 December 2022: approximately S$0.95 million). These capital expenditures were mainly funded by our internal resources. The Group has no capital commitment during the year ended 31 December 2023 (31 December 2022: nil).

Risk of exchange rate fluctuation

The Group has currency exposures arising from sales and purchases that are denominated in a currency other than the functional currency of the Group. Although the Group does not have a foreign exchange hedging policy and does not use any financial instruments, currency borrowings or other hedging instruments to mitigate such exposure, the management monitors the Group's foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currency, consider adopting significant foreign currency hedging policy and measures in the future.

Contingent liabilities

As at 31 December 2023, the Group had no contingent liabilities (31 December 2022: nil).

Charge on assets

The Group's hire purchase loan is secured by a charge over the assets which had a carrying amount of approximately S$0.12 million as at 31 December 2023 (31 December 2022: approximately S$0.14 million).

On 27 July 2022, the Group entered into a bank term loan to refinance our existing property loan. The bank term loan is secured by way of corporate guarantee by the Group, personal guarantee by a director and mortgage over the property with a net carrying amount of approximately S$1.54 million as at 31 December 2023 (31 December 2022: S$1.57 million) was pledged to secure banking facilities granted to the Group.

There was no further charge on assets of the Group created for the year ended 31 December 2023.

Employees and remuneration policy

As at 31 December 2023, the Group had a total number of 239 full-time employees (31 December 2022: 246) in Singapore and Malaysia.

The remuneration packages of all employees are determined based on factors such as the employees' individual qualifications, contribution to the Group, performance and years of work experience.

The Group provides ongoing training to our staff covering different aspects based on their operational responsibilities, including food ingredients preparation and preservation, customer service, hygiene requirements of the kitchen and dining areas, and quality control.

Events after the reporting period

There were no significant events after the reporting period up to the date of this report.

DIRECTORS AND SENIOR MANAGEMENT

Our Board currently consists of 6 Directors, comprising 4 executive Directors and 2 independent non-executive Directors. The functions and duties of our Board include convening shareholders' meetings, reporting on our Board's work at these meetings, implementing the resolutions passed at these meetings, determining business and investment plans, formulating our annual budget and final accounts, and formulating our proposals for profit distributions and for the increase or reduction of registered capital. In addition, our Board is responsible for exercising other powers, functions and duties in accordance with the articles of association of the Company (the "**Articles of Association**").

EXECUTIVE DIRECTORS

Ms. LOW Yeun Ching @Kelly Tan (劉婉貞), aged 60, was appointed as an executive Director on 22 May 2017 and the chairlady of the Board and chief executive officer on 27 July 2017. She was the founder of our Group and is primarily responsible for corporate strategic planning and overall business development of our Group. Ms. Low is the sister of Mr. Sean Low, our executive Director. Ms. Low is the controlling shareholder of our Company upon completion of the Share Offer.

Ms. Low has over 20 years of working experience in the food and beverage industry since she founded the Group in 2002. Prior to founding our Group, she was a flight stewardess at Singapore Airlines Limited and a buyer in a fashion retail company, F J Benjamin Fashions (Singapore) Pte. Ltd., where she was primarily responsible for planning and selecting products to sell for the company's various fashion brands. She was also a dealer at Lum Chang Securities Pte. Ltd. and Kim Eng Securities Pte. Ltd. in Singapore.

Ms. Low obtained a certificate in management from the Singapore Institute of Management in May 1993. Ms. Low was presented with the "Singapore Enterprise Award 2016" in recognition of the business excellence of our "Central Hong Kong Café" and "Black Society" restaurants. She has further gone on to complete the executive MBA experience at the Harvard Business School and graduated in 2021.

Mr. Sean LOW Yew Hong (Sean Liu Yaoxiong) (劉耀雄), aged 48, was appointed as an executive Director and the general manager on 27 July 2017. He is primarily responsible for overseeing the overall marketing brand management and business development of our Group. Mr. Sean Low is the brother of Ms. Low, our executive Director, the chairlady of the Board and chief executive officer.

Mr. Sean Low has over 11 years of experience in the food and beverage industry. Mr. Sean Low has been the general manager (Greyhound Café) since December 2016, where he was primarily responsible for overseeing the advertising, marketing, office administration and operation of "Greyhound Café" restaurant in Singapore. From January 2011 to January 2013, Mr. Sean Low worked as the business development and IT manager at J W Central, where he was primarily responsible for advertising and marketing the company and overseeing the operations of the "Central Hong Kong Cafe´" restaurants. Mr. Sean Low has been the director of his wholly-owned company, Loaves & Fishes Pte. Ltd. (principally engaged in media design, photography and advertising services) since its incorporation in September 2007. From January 2004 to October 2007, Mr. Sean Low worked as the business development manager at BSBJ, where he was primarily responsible for assisting with the expansion of the franchises and the general day-to-day business administration of the company.

Mr. Sean Low graduated from Temasek Polytechnic Singapore with a diploma in information technology in August 1998. Mr. Sean Low then obtained a bachelor's degree in business and e-commerce from Monash University in Australia in September 2004 by distance learning.

DIRECTORS AND SENIOR MANAGEMENT

Mr. CHIU Ka Wai (趙家偉), aged 72, was appointed as an executive Director and the group executive chef (Singapore) on 27 July 2017. He is responsible for overseeing and monitoring the operations of our restaurants in Singapore.

Mr. Chiu has over 46 years of experience in the food and beverage industry. In January 2006, Mr. Chiu joined our Group as the master chef and was redesignated as the group executive chef in January 2017.

From March 1996 to March 2003, he was the owner of Wai Kee Hong Kong Kitchen (principally engaged in restaurant business) in Singapore. From December 1985 to January 2000, Mr. Chiu worked for the Regent Singapore, A Four Seasons Hotel with his last position as the assistant executive Chinese chef at the Summer Palace, where he was primarily responsible for menu design and staff management in the kitchen. From December 1981 to November 1985, he was a senior chef at the Chinese kitchen of Hotel Furama Intercontinental in Hong Kong. From September 1976 to February 1978, Mr. Chiu worked as a chef for Chinese Restaurant & Night Club Ltd. in Hong Kong (principally engaged in restaurant business). From October 1975 to March 1976, Mr. Chiu worked as a chef for Golden Capital Restaurant & Night Club in Hong Kong (principally engaged in restaurant business).

Mr. WU Guangliang (吳光亮), aged 36, was appointed as an executive Director on 26 August 2021. Mr. Wu has extensive experience in training and management in the sales and marketing area, as well the operation and commercial decision making and plan area. Mr. Wu joined JingXin Healthcare International Limited, a substantial shareholder of the Company (as defined under the Rules Governing the Listing of Securities on GEM), since April 2019, at which Mr. Wu has been appointed the chief learning officer specializing in the provision of training for healthcare and healthy food and beverage industry, and participated in the reform and improvement of a number of restaurants and bakery shops in the People's Republic of China. Mr. Wu graduated from Henan University with a bachelor degree of Information and Computing Science (Finance Oriented).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. John Chi Chung MAN (文志忠), aged 67, was appointed as an independent non-executive Director on 4 June 2021. He is responsible for providing independent judgment on issues of strategy, policy, performance, accountability, key appointments and standard of conduct of our Group.

Mr. Man has over 20 years of experience in the food and beverage industry in the United Kingdom, and a wide variety of community services experience. Mr. Man was an elected local councillor of (Limbury Ward) Luton, the United Kingdom, from 1988 to 1992. He also previously served as the director of Luton International Airport from 1988 to 1992 and the founder and manager of Halifax Building Society Agency in London since 1987 to 1990.

DIRECTORS AND SENIOR MANAGEMENT

Mr. CHAN Chun Kit (陳俊傑), aged 41, was appointed as an independent non-executive Director on 21 March 2024. He is responsible for providing independent judgment on issues of strategy, policy, performance, accountability, key appointments and standard of conduct of our Group.

Mr. Chan, is a certified public accountant with over 16 years' experience in financial reporting, financial management, corporate governance and audit in several listed companies and professional firm. Currently, he is a corporate financial consultant for various Hong Kong Special Administrative Region, the People's Republic of China and overseas listed and private companies.

In the past, he had held chief finance in-charge positions in two listed companies on the Mainboard of Singapore Stock Exchange ("**SGX-ST**") for 9 years. Between 2011 to 2020, he has been the chief financial officer at Sino Grandness Food Industry Group Limited (2020), and Chief Financial Officer and company secretary at China Flexible Packaging Holdings Limited (between 2011 to 2018). Prior to these roles and positions, he had worked at an international audit firm, BDO Limited in Hong Kong from 2007 to 2011 as an auditor.

Mr. Chan had previously served as an independent non-executive director for various listed companies including (i) GS Holdings Limited (listed on SGX-ST; code: 43A.SI) from 2019 to 2022 (ii) Universe Printshop Holdings Limited (listed on the Hong Kong Stock Exchange Limited ("**SEHK**"); code: 8448.HK) from 2017 to 2022 (iii) Raffles Financial Group Limited (listed on the Canadian Securities Exchange; code: RICH.CNSX) from 2020 to 2021; and (iv) Shenzhen Mingwah Aohan High Technology Corporation Limited (previously listed on SEHK: code 8301.HK and delisted from 6 December 2021) from 2020 to 2021.

Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants. He is also a Chartered Governance Professional and Chartered Company Secretary, as well as a member of The Hong Kong Chartered Governance Institute. He graduated from the Hong Kong Polytechnic University with a Master's Degree in Corporate Governance and a Bachelor Degree in Accountancy.

SENIOR MANAGEMENT

Mr. LIU Ji (劉驥), aged 45, joined our Group in January 2017, and is currently our chief financial officer. He is primarily responsible for overseeing the financial and accounting functions of our Group.

Mr. Liu has over 20 years of experience in financial advisory and M&A consultancy services. He was also previously served as the independent non-executive director of other listed companies in Hong Kong Stock Exchange. Prior to joining our Group, Mr. Liu worked as the senior executive director and head of corporate advisory services at Ellis Botsworth Advisory Pte. Ltd. (principally engaged in providing financial advisory and consultation services) from September 2011 to October 2016, where he was primarily responsible for M&A advisory, fund raising and provision of other capital market solutions to private and public companies in the PRC and Southeast Asia region. From May 2003 to September 2011, Mr. Liu worked at Deloitte & Touche LLP, with his last position as a manager of offering services, where he was primarily responsible for providing audit, transaction advisory and internal control review related services.

Mr. Liu obtained a bachelor of science in applied accounting from Oxford Brookes University in association with The Association of Chartered Certified Accountants in 2003. Mr. Liu has been qualified as a Chartered Accountant of Singapore and admitted as a member of the Institute of Singapore Chartered Accountants since February 2016.

DIRECTORS AND SENIOR MANAGEMENT

COMPANY SECRETARY

Mr. CHAN Tai Wah Calvin (陳大華), aged 43, was appointed as the company secretary ("**Company Secretary**") and authorised representative of the Company pursuant to Rule 5.24 of the GEM Listing Rules and authorised representative of the Company pursuant to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with effect from 1 January 2022. Mr. Chan is a practising fellow of The Hong Kong Institute of Certified Public Accountants and a fellow of the Institute of Chartered Accountants in England and Wales. Mr. Chan is currently the director of Calsium Business Solutions Limited which provides accounting, company secretarial and corporate consulting services. He obtained his bachelor's degree in Business Administration (major in Accountancy) from City University of Hong Kong. He has more than 20 years of experience in accounting, auditing, company secretarial and corporate advisory services. Mr. Chan has been a chief financial officer and company secretary of listed companies, whose shares are listed on the Stock Exchange.

Mr. Chan does not act as an individual employee of our Company, but as an external service provider in respect of the appointment of Mr. Chan as the company secretary of the Company. Pursuant to paragraph F.(a) of the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 of the GEM Listing Rules (the "**CG Code**"), an issuer can engage an external service provider as its company secretary, provided that the issuer should disclose the identity of a person with sufficient seniority at the issuer whom the external provider can contact. In this respect, the Company has nominated Ms. LOW Yeun Ching @Kelly Tan, chairlady of the Board and chief executive officer of the Company as its contact point for Mr. Chan.

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the continuing growth of the Group and for safeguarding and maximising shareholders' interests.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairlady and chief executive officer should be separate and should not be performed by the same individual. However, we do not have a separate chairlady and chief executive officer and Ms. Low is currently the chairlady and chief executive officer of our Group. Our Board believes that vesting the roles of both chairlady and chief executive officer in the same person has the benefit of ensuring the consistent leadership within our Group and enables more effective and efficient overall strategic planning of our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of chairlady of our Board and chief executive officer of our Company at a time when it is appropriate and suitable by taking into account the circumstances of our Group as a whole.

As disclosed in the announcement of the Company dated 1 February 2024, Mr. Lu King Seng ("**Mr. Lu**") resigned as an independent non-executive Director and the chairman of the audit committee of the Company (the "**Audit Committee**") with effect from 1 February 2024 in order to dedicate more time to his other professional commitments. Following the resignation of Mr. Lu, the Company fails to meet the requirement under Rule 5.05(1) of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") which stipulates that every board of directors of a listed issuer must include at least three independent non-executive directors; and the requirement under Rule 5.28 of the GEM Listing Rules, which stipulates that the Audit Committee must comprise a minimum of three members.

As disclosed in the announcement of the Company dated 14 March 2024, Mr. Chan Pak Hung ("**Mr. Chan**") resigned as an independent non-executive Director and the chairman of remuneration committee (the "**Remuneration Committee**"), the member of Audit Committee and the member of nomination committee (the "**Nomination Committee**") of the Company with effect from 14 March 2024 in order to devote more time to his other work commitments. Following the resignation of Mr. Chan, the Company fails to meet the requirement under Rules 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules which stipulates that every board of directors of a listed issuer must (i) include at least three independent non-executive directors; (ii) include at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise; and (iii) appoint independent non-executive directors representing at least one-third of the board; the requirement under Rule 5.28 of the GEM Listing Rules, which stipulates that the audit committee must comprise a minimum of three members, at least one of whom is independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 5.05(2); and the requirement under Rules 5.34 and 5.36A of the GEM Listing Rules, which stipulates that the remuneration committee and nomination committee must comprise a majority of independent non-executive director.

As disclosed in the announcement of the Company dated 21 March 2024, (i) Mr. Chan Chun Kit was appointed as an independent non-executive Director and the chairman of the Audit Committee, and a member of the Remuneration Committee and the Nomination Committee with effect from 21 March 2024; and (ii) Mr. John Chi Chung Man ("**Mr. Man**"), an independent non-executive Director, has been appointed as chairman of Remuneration Committee with effect from 21 March 2024. Following the appointments of Mr. Chan Chun Kit and Mr. Man, the Company meets the requirements that (i) at least one of the independent non-executive director who have appropriate qualifications or accounting or related finance management expertise on the Board under Rules 5.05(2); (ii) the independent non-executive directors representing at least one-third of the Board under Rules 5.05A; (iii) the audit committee comprise at least one of whom is independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise under Rule 5.28; and (iv) the remuneration committee and nomination committee must comprise a majority of independent non-executive director under Rules 5.34 and 5.36A of the GEM Listing Rules. As a result, the Company still fail to meet (i) the requirement under Rule 5.05(1) of the GEM Listing Rules which stipulates that every board of directors of a listed issuer must include at least three independent non-executive directors; and (ii) the requirement under Rule 5.28 of the GEM Listing Rules, which stipulates that the audit committee must comprise a minimum of three members. The Company will make its best endeavors to identify suitable candidate to fill the vacancy as soon as practicable and in any event within three months from the first day of non-compliance in order to ensure compliance by the Company with the requirements under the GEM Listing Rules.

Save as disclosed above, the Directors consider that throughout the year ended 31 December 2023, the Company has applied the principles and complied with all the applicable code provisions set out in the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct for securities transactions by Directors on terms equivalent to the Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Model Code**"). The Company had made specific enquiries with written guidelines in relation to the Model Code to all Directors and all Directors have confirmed that they complied with the required standards set out in the Model Code from the Listing Date up to the date of this report.

THE BOARD OF DIRECTORS

THE BOARD

As at the date of this report, the Board comprises the following directors:

Executive Directors

Ms. LOW Yeun Ching @Kelly Tan *(Chairlady and Chief Executive Officer)*
Mr. Sean LOW Yew Hong (Sean Liu Yaoxiong)
Mr. CHIU Ka Wai
Mr. WU Guangliang

Independent non-executive Directors

Mr. John Chi Chung MAN
Mr. CHAN Chun Kit

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and the Directors are collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs and overseeing the achievement of strategic plans to enhance shareholders' value.

Generally, the Board is responsible for all major aspects of the affairs of the Company, including:

- formulation of overall strategies and review of its financial performance and results and the internal control systems;
- policies relating to key business and financial objectives of the Company;
- material transactions, including acquisition, investment, disposal of assets or capital expenditure;
- appointment, removal or reappointment of Board members and auditors;
- communication with key stakeholders, including shareholders and regulatory bodies; and
- recommendation to shareholders on final dividend and the declaration of any interim dividends.

The Board is responsible for maintaining proper accounting records so as to enable the Directors to monitor and disclose with reasonable accuracy the financial position of the Group. The Board updates the Company's shareholders (the "**Shareholders**") on the operations and financial position of the Group through quarterly, interim and annual results announcements as well as the publication of timely reports and announcements of other matters as prescribed by the relevant laws, rules and regulations.

Directors are also provided with access to independent professional advice, where necessary, in carrying out their obligations as Directors, at the expense of the Company.

All Directors, including independent non-executive Directors assume the responsibilities to Shareholders for the well-being and success of the Company. They are aware of their duties to act in good faith and in the best interests of the Company.

The executive Directors are delegated with responsibility to oversee and monitor the operation of specific business areas and to implement the strategies and policies set by the Board.

The non-executive Directors (including the independent non-executive Directors), advise the Company on strategic and critical matters. The Board considers that each non-executive Director brings his own senior level of experience and expertise to the constructive functioning of the Board. To this end, regular informal meetings are held between the executive Directors and non-executive Directors. The Chairlady held meetings with the non-executive Directors at least annually without presence of the executive Directors to evaluate the functioning of the Board.

Each of the Directors has entered into a service contract or has signed a letter of appointment with the Company for an initial term of three years until terminated by either party giving not less than three months' written notice to the other expiring at the end of the initial term of their appointment or any time thereafter. The appointments are subject to the provisions of the Articles of Association of the Company with regard to vacation of office of Directors, removal and retirement by rotation of Directors.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors has made written annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. Upon review, the Board concluded that all the independent non-executive Directors are independent within the meaning of the GEM Listing Rules.

CHANGE OF DIRECTORS

As disclosed in the announcement of the Company dated 1 February 2024, Mr. Lu King Seng ("**Mr. Lu**") resigned as an independent non-executive Director and the chairman of the Audit Committee with effect from 1 February 2024 in order to dedicate more time to his other professional commitments.

As disclosed in the announcement of the Company dated 14 March 2024, Mr. Chan Pak Hung resigned as an independent non-executive Director, the chairman of Remuneration Committee, the member of the Audit Committee and the member of Nomination Committee with effect from 14 March 2024 in order to devote more time to his other work commitments.

As disclosed in the announcement of the Company dated 21 March 2024, (i) Mr. Chan Chun Kit was appointed as an independent non-executive Director and the chairman of the Audit Committee, and a member of the Remuneration Committee and the Nomination Committee with effect from 21 March 2024; and (ii) Mr. John Chi Chung Man, an independent non-executive Director, has been appointed as chairman of Remuneration Committee with effect from 21 March 2024.

Mr. CHAN Chun Kit has obtained legal advice from a firm of solicitors qualified to advise on Hong Kong law as regards the requirements under the GEM Listing Rules that are applicable to him as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on 19 March 2024.

CHAIRLADY AND CHIEF EXECUTIVE

Pursuant to code provision C.2.1 set out in the CG Code, the roles of chairlady and chief executive officer should be separate and should not be performed by the same individual. Ms. Low is currently the chairlady and chief executive officer of our Group. Our Board believes that vesting the roles of both chairlady and chief executive officer in the same person has the benefit of ensuring the consistent leadership within our Group and enables more effective and efficient overall strategic planning of our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of chairlady of our Board and chief executive officer of our Company at a time when it is appropriate and suitable by taking into account the circumstances of our Group as a whole.

THE BOARD COMMITTEES

Audit committee

Our Company has established the Audit Committee on 4 April 2018 with written terms of reference in compliance with the CG Code. Currently, the Audit Committee has two members, namely Mr. CHAN Chun Kit and Mr. John Chi Chung MAN, each of whom is an independent non-executive Director. Mr. CHAN Chun Kit, has been appointed as the chairman of the Audit Committee, and has the appropriate professional qualifications required under the GEM Listing Rules. The primary duties of our Audit Committee are to review the Group's quarterly, half-yearly and annual results, to assist our Board in providing an independent view of the effectiveness of our financial reporting process, internal control and risk management system, overseeing the audit process and performing other duties and responsibilities as assigned by our Board.

Remuneration committee

Our Company has established the Remuneration Committee on 4 April 2018 with written terms of reference in compliance with the CG Code. The Remuneration Committee has three members, namely Mr. John Chi Chung MAN, an independent non-executive Director, Ms. LOW Yeun Ching @Kelly Tan an executive Director, our chairlady and chief executive officer and Mr. CHAN Chun Kit, an independent non-executive Director. Mr. John Chi Chung MAN, has been appointed as the chairman of the Remuneration Committee. The primary duties of our Remuneration Committee are to evaluate the performance of our Directors and senior management, determine the remuneration package of our Directors and members of our senior management and ensure that share options offered by the Company are in accordance with Chapter 23 of the GEM Listing Rules.

Nomination committee

Our Company has established the Nomination Committee on 4 April 2018 with written terms of reference in compliance with the CG Code. The Nomination Committee consists of three members, being Ms. LOW Yeun Ching @Kelly Tan, an executive Director. Mr. John Chi Chung, an independent non-executive Director, Mr. CHAN Chun Kit, an independent non-executive Director, Ms. LOW Yeun Ching @Kelly Tan, has been appointed as the chairlady of the Nomination Committee. The primary duties of our Nomination Committee are to make recommendations to our Board on the appointment of our Directors and members of our senior management.

The Board has adopted a board diversity policy which sets out its approach to the diversity of the Board. The Company is committed to the benefits of having a Board with appropriate balance of expertise, skills, experience and diversity of perspectives. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, experience, industry or regional experience etc. Selection of candidate will be based on a range of diversity perspectives including but not limited to the Company's needs, the integrity, management experience, technical skills, industry or professional knowledge and experience of the candidate and the amount of time and effort that the candidate will devote to discharge his/her duties and responsibilities. The Nomination Committee will consider candidates on merit and contribution that they will bring to the Board and then recommended the appropriate person(s) to the Board for consideration. The Nomination Committee will review, as appropriate, and monitor the implementation of the board diversity policy to ensure its effectiveness.

As at the date of this report, the Board comprises seven Directors, one of which is female. Each of the age groups of 30-39 and 70-79 comprises one Director while each the age groups of 40-49 and 60-69 comprises two Directors. Background of the Directors including, but not limited to, food and beverage industry, business management, financial advisory and compliance. In view of these, the Nomination Committee was of the opinion that the Board consisted of members with diversified gender, age, cultural and education background, professional qualifications, skills, knowledge and experience.

DIRECTORS' AND OFFICERS' LIABILITIES

The Company has arranged for appropriate insurance covering the liabilities of the Directors that may arise out of the corporate activities, which has been complied with the CG Code. The insurance coverage is reviewed on an annual basis.

RELATED PARTY TRANSACTIONS POLICY

During the year ended 31 December 2023, the related party transactions, if any, are periodically reviewed and approved by the Audit Committee.

BOARD COMPOSITION AND BOARD AND COMMITTEE MEETINGS

Practices and conduct of meetings

Provision C.5.1 of the CG Code prescribes that at least 4 regular Board meetings should be held in each year at approximately quarterly intervals with active participation of majority of directors, either in person or through other electronic means of communication. The Board will schedule to have at least four regular meetings in a year. Other Board meetings will be held if necessary.

Composition

As at 31 December 2023, the Board comprises four executive Directors and two independent non-executive Directors. Following the resignations of Mr. LU King Seng and Mr. CHAN Pak Hung on 1 February 2024 and 14 March 2024 respectively, and the appointment of Mr. CHAN Chun Kit on 21 March 2024, the Company fails to meet the requirements of the Rule 5.05 (1) of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors.

Biographical details of the Directors are shown on pages 11 to 14 of this report. Save as disclosed in the biographies of the Directors as set out in the section headed "Directors and Senior Management" of this report, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Directors or any chief executive. The List of Directors and their Role and Function was published both on the websites of the Company and the Stock Exchange. The Board is currently supported by the Audit Committee, Remuneration Committee and Nomination Committee to oversee specific areas of the Company's affairs. Each of these committees has been established with written terms of reference, which were approved by the Board, setting out the committee's major duties and responsibilities. These terms of reference were published both on the websites of the Company and the Stock Exchange.

MEETINGS HELD AND ATTENDANCE

The composition of the Board and the committees, and the individual attendance records of each Director at the Board and Committees' meetings during the year ended 31 December 2023 are set out below:

	Meetings attended/Meetings Held					
Name of the directors	Board meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	Annual general meetings	Extraordinary general meetings
Executive Directors						
Ms. LOW Yeun Ching @Kelly Tan *(Chairlady and Chief Executive Officer)*	5/5	N/A	1/1	1/1	1/1	N/A
Mr. Sean LOW Yew Hong (Sean Liu Yaoxiong)	5/5	N/A	N/A	N/A	1/1	N/A
Mr. CHIU Ka Wai	5/5	N/A	N/A	N/A	0/1	N/A
Mr. WU Guangliang	3/5	N/A	N/A	N/A	0/1	N/A
Independent non-executive Directors						
Mr. LU King Seng *(Resigned on 1 February 2024)*	5/5	5/5	N/A	N/A	1/1	N/A
Mr. John Chi Chung MAN	5/5	5/5	1/1	1/1	1/1	N/A
Mr. CHAN Pak Hung *(Resigned on 14 March 2024)*	5/5	5/5	1/1	1/1	1/1	N/A
Mr. CHAN Chun Kit *(Appointed on 21 March 2024)*	N/A	N/A	N/A	N/A	N/A	N/A

During the year ended 31 December 2023, the Chairlady held meeting with the independent non-executive Directors without the presence of other Directors. In addition, external auditors has met with audit committee members for discussions on the proposed audit scope and matters for year ended 31 December 2023.

PROFESSIONAL DEVELOPMENT

To assist the Directors' continuing professional development, the Company continuously updated the Directors on the latest developments regarding the GEM Listing Rules and applicable regulatory requirements to ensure each Director is aware of his responsibilities and obligations under the GEM Listing Rules and relevant regulations, and maintaining good corporate governance practices.

According to the records provided by the Directors, all Directors participated in training including reading newspaper, journals and updates relating to the economy general business or directors' duties etc.

DIVERSITY AT WORKFORCE LEVEL

The Group is committed to practices fair employment and provides equal opportunities to all our employees while the Group do not base its hiring preferences on gender, age, marital status, race, religion or nationality and strongly believe that diversity within the Group's workforce promotes creativity and sharing of knowledge and ideas.

As of 31 December 2023, the gender ratio of the Group's workforce was approximately 50% male to 50% female. The Board considered that the Group has achieved gender diversity across the workforce.

ACCOUNTABILITY AND AUDIT

The Board acknowledges its responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group. The Board is not aware of any material uncertainties relating to events or condition that might cast significant doubt upon the Company's ability to continue in business. Accordingly, the Board has prepared the financial statements of the Company on a going concern basis. The Board also acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company's annual, half-yearly and quarterly reports, other price-sensitive announcements and other financial disclosures required under the GEM Listing Rules, and reports to the regulators as well as to information required to be disclosed pursuant to statutory requirements.

The responsibility of the independent auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the Shareholders. A statement by auditor about their reporting responsibility is set out in the Independent Auditor's Report. There is no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of external auditors.

Having made appropriate enquiries and examined major areas which could give rise to significant financial exposures, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year, the Directors considered the Group has applied appropriate accounting policies consistently, made judgments and estimates that are reasonable in accordance with applicable accounting standards.

The financial results and reports were published within the time limits as required under the GEM Listing Rules after the end of the relevant periods to provide stakeholders with transparent and timely financial information.

REMUNERATION OF SENIOR MANAGEMENT

The annual remuneration of senior management of the Company (whose biographies are set out on page 13 of this annual report), other than the Directors, for the year ended 31 December 2023 falls under the following bands:

Band of Remuneration	Number of individual
Within HK$500,000 (approximately S$0-S$86,000)	–
HK$500,001-HK$1,000,000 (approximately S$86,000-S$172,000)	1
HK$1,000,001-HK$1,500,000 (approximately S$172,000-S$258,000)	–

AUDITOR'S REMUNERATION

During the year ended 31 December 2023, the remuneration, reviewed and approved by the Audit Committee on the audit and non-audit scope, paid or payable to the auditor in respect of audit and non-audit services provided by the auditor of the Group, Mazars CPA Limited, were as follows:

Nature of service	2023 S$'000
Audit services	177
Non-audit services	10
	187

NATURE OF NON-AUDIT SERVICES

The non-audit services provided by the auditor of the Company for the year ended 31 December 2023 included attending the annual general meeting of the Company and the agreed-upon procedures on preliminary announcement of annual results for the year ended 31 December 2023.

CORPORATE GOVERNANCE FUNCTION

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions such as (i) developing and reviewing the Company's policies, practices on corporate governance, training and the continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, etc; (ii) developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and (iii) reviewing the Company's compliance with the CG Code and disclosure in this corporate governance report. Every Board member has full access to the advice and services of the Company Secretary with a view to ensure that Board procedures, and all applicable rules and regulations are followed. They are also entitled to have full access to Board papers and related materials such that they are able to make an informed decision and to discharge their duties and responsibilities.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company had established policies and procedures to identify, assess and manage major risks of the Group. The Board has overall responsibilities for establishing and maintaining an effective risk management and internal control systems of the Group and reviewing their effectiveness. However, such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

CORPORATE GOVERNANCE REPORT

The management is of the Company responsible for implementing that procedures approved by the Board and to monitor compliance with the policies and procedures.

The Group does not have an internal audit function and it was decided that the Board would be directly responsible for internal control of the Group and for reviewing its effectiveness. During the year, after considering the needs of the Group in its current business development, the Board has performed an annual review on the effectiveness of risk management and internal control systems ("**Annual Review**") as follows:

(a) Board Committee meetings were held to discuss and review a report on internal control review conducted by the Chairlady, the Head of Operations and the General Manager (collectively "**key management personnel**"). Internal control issues, where applicable, were discussed and addressed during such meetings;

(b) An external audit was performed by the external auditors and control gaps in financial controls were highlighted to the Chairlady and key management personnel and appropriately addressed. The control gaps were presented and reviewed by the Audit Committee;

(c) Discussions were held between the AC and the external auditors in the absence of the key management personnel to address any potential concerns; and

It is concluded that there are no significant defects in the Group's internal controls and risk management systems in terms of overall adequacy and effectiveness concerning the operational, financial and compliance risks of the Group have been identified during the course of the Annual Review and as at the date of this report.

The Audit Committee wishes to highlight that no cost-effective internal control system will preclude all errors and irregularities. The annual review performed by the Board can provide only reasonable and not absolute assurance against material misstatement or loss. The Audit Committee has also proposed to the Board, with which the Board agreed, to commission a professional internal auditor to perform an internal control review to improve the Group's internal controls and risk management on a regular basis within a reasonable interval.

Furthermore, the Company reminds the Directors and employees of the Group about due compliance with all policies regarding the Inside Information. The Company keeps the Directors and employees of the Group appraised of the latest regulatory updates to ensure compliance with the relevant regulatory requirements.

COMPANY SECRETARY

The appointment and resignation of the Company Secretary is subject to approval by the Board in accordance with the Articles of Association. The Company Secretary is responsible for ensuring the Board procedures and policy are followed and Board activities are effectively conducted. The Company Secretary is also responsible for maintaining minutes recorded in sufficient details of all the meetings of the Board and committees of the Company. Draft and final versions of minutes are disseminated to Directors for comment and filed for record purposes respectively within a reasonable time after each meeting. The Directors have full and timely access to the minutes of the Board and committees of the Company. The Company Secretary, Mr. Chan Tai Wah Calvin, confirmed that he has complied with all the qualifications, experience, and professional training requirements under Rule 5.15 of the GEM Listing Rules.

Details of the primary corporate contact person at the Company is set out under the section "Directors and Senior Management" in this report.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provided an opportunity for communication between Shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting (the "**EGM**").

RIGHT TO CONVENE EXTRAORDINARY GENERAL MEETINGS AND PROCEDURES

Pursuant to Article 64 of the Articles of Association, the Board may, whenever it thinks fit, convene an EGM. Anyone or more member(s) holding at the date of the deposit of the requisition not less than one tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition sent to the Company's principal place of business as set out in the manner below, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

Such requisition shall be made in writing to the Board or the Company Secretary at the following:

PRINCIPAL PLACE OF BUSINESS AND HEADQUARTERS IN SINGAPORE

Address:	124, Lorong 23 Geylang #10-01 and #10-02 Arcsphere Singapore 388405
Email:	askus@jlogoholdings.com
Attention:	Board of Directors/Company Secretary

REGISTERED OFFICE OF THE COMPANY

Address:	PO Box 1350 Windward 3 Regatta Office Park Grand Cayman KY1-1108 Cayman Islands
Attention:	Board of Directors/Company Secretary

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Address:	Room 3705, 37/F, Hong Kong Plaza, 188 Connaught Road West, Hong Kong
Attention:	Board of Directors/Company Secretary

If within 21 days from the date of the deposit of the requisition, the Board fails to proceed to convene such meeting, the requisitionist(s) may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed by the Company to the requisitionist(s).

For matters in relation to the Board, Shareholders can contact the Company at the following: by post to Principal place of business of the Company in Hong Kong: Address: Room 3705, 37/F, Hong Kong Plaza, 188 Connaught Road West, Hong Kong; or by email to askus@jlogoholdings.com.

RIGHT TO PUT ENQUIRIES TO THE BOARD

Shareholders have the right to put enquiries to the Board. All such enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the Company Secretary. Shareholders may also make enquiries with the Board at the general meetings of the Company.

RIGHT TO PUT FORWARD PROPOSALS AT GENERAL MEETINGS

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Companies Law (as revised) of the Cayman Islands, as amended, modified and supplemental from time to time. However, pursuant to the Articles of Association, Shareholders who wish to move a resolution may by means of requisitions convene an EGM following the procedures set out above.

CONSTITUTIONAL DOCUMENTS

A special resolution has been passed at the annual general meeting of the Company held on 23 June 2023 to adopt the second amended and restated memorandum and articles of association in order to comply with the GEM Listing Rules. Pursuant to Rule 17.102 of the GEM Listing Rules, the Company has published its memorandum of association and articles of association on the websites of the Stock Exchange and the Company.

INVESTOR RELATIONS

The Board recognizes the importance of maintaining on-going communication with Shareholders. The Company has adopted a Shareholders' communication policy and promotes communications with Shareholders through several communication channels including publication of notices, circulars and announcements of key developments, and quarterly, interim and annual reports as prescribed under the GEM Listing Rules which can also be accessed via the "Investor Relations" of the Company's website. The Company has reviewed the implementation and effectiveness of the Shareholders' communication policy and considered it to be effective for the year ended 31 December 2023.

The aims of the Company are to improve its transparency, gain more understanding and confidence in relation to the Group's business developments and acquire more market recognition and support from Shareholders.

Shareholders are encouraged to attend all general meetings of the Company. The notices of the extraordinary general meetings and annual general meeting of the Company were circulated to all Shareholders in accordance with the requirements of the GEM Listing Rules and the Articles of Association. It is a standard practice to have the non-executive Directors available to answer questions relating to their roles, tenure, and the committees of the Board. The results of voting by poll are published on the websites of the Stock Exchange and the Company after the meetings.

Any comments and suggestions to the Board can be addressed to our Hong Kong office or the Company Secretary by mail to Room 3705, 37/F, Hong Kong Plaza, 188 Connaught Road West, Hong Kong; or by email to askus@jlogoholdings.com.

DIRECTORS' REPORT

The Directors present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the business of:

(1) dining restaurants in Singapore; and

(2) artisanal bakery chain in Malaysia.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including an indication of likely future development in the Group's business, can be found in the section headed "Management Discussion and Analysis" in this report. This discussion forms part of this directors' report.

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors may affect the results and business operations of the Group, major risks are summarised below.

Our success substantially depends on the market recognition of our brands and any negative publicity, negative reviews or damage to our brands could materially and adversely impact our business and results of operations

We believe that our success substantially depends on the market recognition of our brands and the franchise brand. We believe that our continued success will depend in large on our ability to protect and enhance the value of these brands. Any incident that diminishes consumer trust in or preference for these brands could significantly reduce their values. As it is one of our business strategies to continue to grow in size, expand our food offerings and services and extend our geographic reach, maintaining quality and consistency may become more difficult.

Our Group operates in a highly competitive industry and the opening of new restaurants or bakery retail outlets by competitors near locations in which we operate may negatively affect the revenue of our existing restaurants or bakery retail outlets

Our Group faces intense competition from a large and diverse group of restaurants and bakery retail outlets and other food and beverage operators who target the same or similar group of customers. There are numerous restaurants and bakery retail outlets in Singapore and Malaysia offering similar cuisines and bakery products which compete with our Group in terms of, among other things, taste, quality, price, customer service, ambience, and the overall dining experience. Some of our Group's competitors may have longer operating history, larger customer base, better brand recognition and reputation, and better financial position, marketing strategies and public relations resources. As we face intense competition from other competitors as well as new market entrants, our Group's business and results of operations may be adversely affected in the event that we are not able to stay competitive in terms of our pricing, or there is deterioration in the quality of our dishes, products or our level of service.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2023, our Group's customers were mainly retail customers for our dining operations in Singapore and artisanal bakery chain in Malaysia and the five largest customers of the Group accounted for less than 30% of the Group's total revenue.

During the year ended 31 December 2023, our Group's largest supplier and the five largest suppliers accounted for approximately 8.9% and 32.6% of total purchases, respectively, as compared with approximately 11.0% and 39.0% for the year ended 31 December 2022, respectively.

None of the Directors or any of their close associates (as defined in the GEM Listing Rules), or any of the Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or its five largest suppliers during the year ended 31 December 2023.

SEGMENT INFORMATION

An analysis of the Group's performance for the year by operating segment is set out in Note 4 to the consolidated financial statements.

RECOMMENDED DIVIDEND

The Board did not recommend the payment of any dividend for year ended 31 December 2023 (2022: Nil). The Company intends to strike a balance between maintaining sufficient capital to grow the business and rewarding the shareholders of the Company. The Board has adopted a dividend policy pursuant to which in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, the following factors:

(i) the general financial condition of the Group;

(ii) the actual and future operations and liquidity positions of the Group;

(iii) the Group's future cash requirements and availability;

(iv) any restrictions on payment of dividends that may be imposed by the Group's lenders or securities holders;

(v) the general market conditions and prospect; and

(vi) any other factor that the Board deems appropriate.

CHARITABLE DONATIONS

The Group did not make any material charitable donations during the year (2022: Nil).

SUMMARY FINANCIAL INFORMATION

A summary of the published financial results and assets, liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 116. This summary does not form part of the audited consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in share capital of the Company during the year are set out in Note 24 to the consolidated financial statements. Details about the issuance of Shares are also set out in Note 24 to the consolidated financial statements.

PURCHASES, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

The Company or any of its subsidiaries has not purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Associations (the "**Articles**") or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

DIRECTORS' REPORT

DIRECTORS

The Directors during the financial year ended 31 December 2023 and up to the date of this report are as follows:

Executive Directors

Ms. LOW Yeun Ching @Kelly Tan *(Chairlady and Chief Executive Officer)*
Mr. Sean LOW Yew Hong (Sean Liu Yaoxiong)
Mr. CHIU Ka Wai
Mr. WU Guangliang

Independent non-executive Directors

Mr. LU King Seng *(Resigned on 1 February 2024)*
Mr. John Chi Chung MAN
Mr. CHAN Pak Hung *(Resigned on 14 March 2024)*
Mr. CHAN Chun Kit *(Appointed on 21 March 2024)*

In accordance with article 108 of the Articles, Ms. LOW Yeun Ching @Kelly Tan and Mr. CHIU Ka Wai shall retire from office and, being eligible, offer themselves for re-election as Directors at the forthcoming annual general meeting of the Company (the "**AGM**").

In accordance with article 112 of the Articles, Mr. CHAN Chun Kit shall retire from office and, being eligible, offer themselves for re-election as Directors at the AGM.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years and will continue thereafter until terminated in accordance with the terms of the agreement. The service agreements of Ms. LOW Yeun Ching @Kelly Tan, Mr. Sean LOW Yew Hong (Sean Liu Yaoxiong) and Mr. CHIU Ka Wai commenced from the Listing Date, the service agreement of Mr. WU Guangliang commenced from 26 August 2021.

The independent non-executive Directors have each signed an appointment letter with the Company for a term of three years and are subject to termination in accordance with their respective terms. The letter of appointment of Mr. John Chi Chung MAN commenced from 4 June 2021 and the letter of appointment of Mr. CHAN Chun Kit commenced from 21 March 2024.

Each of the Directors is subject to the provisions for retirement by rotation and re-election at the AGM in accordance with the Articles.

Other than as disclosed above, no Directors proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2023, the interests and short positions of the Directors and chief executives of the Company or any of their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in the Shares

Name of Director/Chief Executive	Capacity/ Nature of Interest	Number of Shares	Approximate Percentage
Ms. Low Yeun Ching @Kelly Tan [(1)]	Beneficial interest	219,500,000 Ordinary Shares [(2)]	43.9%

Notes:

(1) Ms. Low is an executive Director, the chairlady of the Board and the chief executive officer of the Company.

(2) These Shares are held in long position.

Save as disclosed above, none of the Directors, chief executives of the Company or their respective associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise, notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SHARE OPTION SCHEME

The Company had adopted a share option scheme (the "**Share Option Scheme**") on 4 April 2018 for the purpose of enabling our Company to grant rights to subscribe for Shares pursuant to the terms of the Share Option Scheme ("**Options**", each an "**Option**") as incentives or rewards to the Participants (as defined below) for their contribution to our Group and/or to enable our Group to recruit and retain high calibre employees and attract human resources that are valuable to our Group and any entity which our Group holds any equity interest ("**Invested Entity**"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

Each of the grantees to whom an option has been granted under the Share Option Scheme shall be entitled to exercise his/her option in the manner set out in his/her offer document, provided that such period of time shall not exceed a period of 10 years commencing on the date on which the option is granted.

The Board may, at its discretion, invite any executive, non-executive or independent non-executive Directors or any employees (whether full-time or part-time) of our Company, or any of its subsidiaries or associated companies or any other person whom our Board considers, in its sole discretion, has contributed or will contribute to our Group ("**Participants**", each a "**Participant**") to take up the Options. The basis of eligibility of any of the class of the Participants to the grant of any Option shall be determined by our Board from time to time on the basis of their contribution to the development and growth of our Group and any Invested Entity. Unless otherwise determined by our Board and specified in the offer letter to be given to the Participant at the time of the offer of the Option ("**Offer**"), there is neither any performance target that needs to be achieved by the Participant who accepts an Offer in accordance with the terms of the Share Option Scheme ("**Grantee**") before an Option can be exercised nor any minimum period for which an Option must be held before the Option can be exercised.

The subscription price for our Shares under the Share Option Scheme shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option, but in any case shall not be less than the highest of (a) the closing price of our Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date on which an Offer is made by our Company to the Grantee (which date must be a Business Day, "**Offer Date**"); (b) a price being the average of the closing prices of our Shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Offer Date (provided that the Offer Price shall be used as the closing price for any Business Day falling within the period before listing of our Shares where our Company has been listed for less than five (5) Business Days as at the Offer Date); and (c) the nominal value of a Share.

The amount payable by the grantee of an Option to our Company on acceptance of the offer for the grant of an Option is HK$1.00, which shall be payable within the period as our Board may determine and specify in the letter of Offer.

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular Option is granted in accordance with the Share Option Scheme.

The maximum number of unexercised share options currently permitted to be granted under the Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of Shares in issue immediately following the Listing (being 50,000,000 Shares). The maximum number of shares issuable under share options to each eligible participant in the Company's Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to Shareholders' approval in a general meeting. During the year ended 31 December 2023, the Company may grant options in respect of up to 50,000,000 Shares to the participants under the Share Option Scheme, being 10% of the issued shares of the Company as at the date of this report.

No option has lapsed, or has been granted, exercised or cancelled under the Share Option Scheme during the year ended 31 December 2023. Our Group did not have any outstanding share options, warrants, convertible instruments, or similar rights convertible into our Shares as at 31 December 2023, nor has there been any exercise, redemption, purchase or cancellation made during the year ended 31 December 2023 of any conversion or subscription rights under any convertible securities, options, warrants or similar rights issued or granted.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" above, at no time during the year ended of 31 December 2023 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2023, the interests and short positions of substantial shareholders and other persons (not being a Director or chief executive of the Company) in the Shares and underlying shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the Shares

Name	Capacity/ Nature of Interest	Aggregate number of Shares or Underlying Shares	Approximate percentage of interest in our Company
JingXin Healthcare International Limited 淨心療養院(國際)有限公司 ("**JingXin Healthcare**") (1)	Beneficial interest	90,500,000 Ordinary Shares (2)	18.1%

Notes:

(1) JingXin Healthcare (formerly known as Bright Honor Investment International Limited) is held as to 100% by Peaceful and Land International Limited 祥和國際有限公司, which in turn is held as to 100% by Mr. Tobias Li Xi BERNOTH and therefore Mr. Tobias Li Xi BERNOTH is deemed to be interested in the 90,500,000 Shares held by JingXin Healthcare, pursuant to the SFO.

(2) These Shares are held in long position.

Save as disclosed above, as at the date of this report, according to the register of interests required to be kept by the Company under Section 336 of the SFO, there was no other person or corporation (other than the Directors and chief executives of the Company) who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 or Part XV of the SFO.

REMUNERATION POLICY

Details of the remuneration of the Directors for the year ended 31 December 2023 are set out in Note 9 to the consolidated financial statements in this report. During the year ended 31 December 2023, there was no arrangement under which any Directors waived or agreed to waive any remuneration.

EMOLUMENT POLICY

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices. The remunerations of the Directors are determined with reference to the economic situation, the market condition, the responsibilities and duties assumed by each Director as well as their individual performance.

RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by the Group are set out in Note 26 to the consolidated financial statements. Such related party transactions do not fall under the definition of connected transaction or continuing connected transaction under Chapter 20 of the GEM Listing Rules.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

During the year, the Group has not entered into any connected transactions or continuing connected transactions that are not exempted under the GEM Listing Rules. The Board confirms that the Company has complied with the applicable disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed public float required by the GEM Listing Rules during the year ended 31 December 2023.

INTEREST IN COMPETING BUSINESS

The Directors are not aware of any business or interest of the Directors nor our controlling shareholders nor our substantial shareholders nor any of their respective close associates that competes or may compete, directly or indirectly, with the Group's business and any other conflicts of interest which any such person has or may have with the Group during the year.

DEED OF NON-COMPETITION

Ms. Low, our controlling shareholder (the "**Covenanter**") entered into a deed of non-competition (the "**Non-competition Deed**") in favour of our Company, pursuant to which the Covenanter has undertaken to our Company that she would not, and that her associates (except any member of our Group) would not, during the restricted period set out therein, directly or indirectly, either on her own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as shareholder, partner, agent or otherwise) any business which is or may be in competition with our existing core business. Ms. Low has confirmed to the Company that the Non-competition Deed has been fully complied with as at 31 December 2023.

Details of the undertaking has been set out in the section headed "Relationship with Controlling Shareholder" of the Prospectus.

COMPETITION AND CONFLICT OF INTEREST

During the year, none of the Directors or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was there any arrangement, to which the Company, or any of its subsidiaries was a party, whose objects are to enable the Directors to acquire benefits by means of the acquisition of Shares or debentures, or such shares or debentures of any other body corporate.

INDEMNITY OF DIRECTORS

The Articles of Association provides that the Directors shall be indemnified and secured harmless out of the assets of the Company against all actions, costs, charges, losses, damages and expenses which they shall incur or sustain in execution of their duty or supposed duty in their respective offices, except such as they shall incur or sustain through their own fraud or dishonesty.

CONTRACTS OF SIGNIFICANCE

Save as those disclosed in Note 26 to the consolidated financial statement, no transaction, arrangement or contract of significance to which the Company, or any of its subsidiaries was a party, and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Save as those disclosed in Note 26 to the consolidated financial statement, there was no contract of significance between the Company, or any of its subsidiaries, and a controlling Shareholder or any of its subsidiaries during the year.

Save as those disclosed in Note 26 to the consolidated financial statement, there was no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling Shareholder or any of its subsidiaries during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

ENVIRONMENTAL POLICIES AND PERFORMANCE

A separate environmental, social and governance report is expected to be published on the respective websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.jlogoholdings.com) no later than three months after the annual report has been published.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the date of this report, none of the Directors had an interest in a business (other than those businesses where the Director were appointed as directors to represent the interests of the Company and/or any member of the Group) which are considered to compete or are likely to compete, either directly or indirectly, with businesses of the Group.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognizes the accomplishment of the employees by providing comprehensive benefit package, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents are found in the year under review.

The Group encompasses working relationships with suppliers to meet our customers' needs in an effective and efficient manner. The departments work closely to make sure the tendering and procurement process is conducted in an open, fair and just manner. The Group's requirements and standards are also well-communicated to suppliers before the commencement of a project.

The Group values the views and opinions of all customers through various means and channels, including usage of business intelligence to understand customer trends and needs and regular analysis on customer feedback. The Group also conducts comprehensive tests and checks to ensure that only quality products and services are offered to the customers.

INTEREST-BEARING BANK BORROWINGS

Particulars of interest-bearing bank borrowings of the Group as at 31 December 2023 are set out in Note 22 to the consolidated financial statements.

DIRECTORS' REPORT

FINANCIAL SUMMARY

A summary of the financial results and of the assets and liabilities of the Group for the last five financial years is set out on page 116 of the annual report.

DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Group for the year are set out in the consolidated statement of changes in equity on page 47.

Details of the movements in the reserve of the Company for the year are set out in Note 30 to the consolidated financial statements.

As at 31 December 2023, the Company had no distributable reserve (31 December 2022: Nil).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any significant investment, material acquisition or disposal of subsidiaries, associates or joint ventures during the year ended 31 December 2023.

RETIREMENT SCHEMES

Particulars of retirement schemes are set out in Note 26 to the consolidated financial statements.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and, based on contents of such confirmation, considers all the independent non-executive Directors to be independent and that they have met the specific independence guidelines as set out in Rule 5.09 of the GEM Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

There were no important events affecting the Group that have occurred since the end of the year.

CORPORATE GOVERNANCE

Details of the corporate governance practice adopted by the Company are set out on page 15 to 26 of this annual report.

DIRECTORS' REPORT

REVIEW BY AUDIT COMMITTEE

The Company's Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the audited consolidated financial statements for the year ended 31 December 2023.

THE GROUP'S COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

AUDITORS

The consolidated financial statements for the year ended 31 December 2023 has been audited by Mazars CPA Limited ("**Mazars**"). Mazars will retire and being eligible, offer themselves for re-appointment. A resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our Shareholders, business partners and customers for their continuous support to the Group. I would also extend my gratitude and appreciation to all the Directors, management and staff for their hard work and dedication throughout the period.

By Order of the Board
LOW Yeun Ching @Kelly Tan
Chairlady and Executive Director

28 March 2024

mazars

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To the members of JLogo Holdings Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of JLogo Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 45 to 115, which comprise the consolidated statement of financial position at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2023, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Our responsibilities under those standards are further described in the *"Auditor's Responsibilities for the Audit of the Consolidated Financial Statements"* section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to the "Going concern" section in Note 2 to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared. The Group incurred a net loss attributable to owners of the Company of approximately Singapore dollars ("**S$**")4,923,000 for the year ended 31 December 2023, and at that date, the Group had net current liabilities and net liabilities of approximately S$6,076,000 and S$3,475,000, respectively. These conditions, along with other matters as set forth in Note 2 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company, having considered the measures being taken by the Group, are of the opinion that the Group would be able to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the "Material Uncertainty Related to Going Concern" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
*Impairment of property, plant and equipment and right-of-use assets ("**Non-financial Assets**")*	
Related disclosures are included in Notes 14 and 15 to the consolidated financial statements. At 31 December 2023, the net carrying amounts of the Group's property, plant and equipment and right-of-use assets (net of impairment loss) in relation to the Dining operations and Artisanal bakery business were approximately S$2,449,000 and S$4,003,000, respectively, which represented approximately 95% of the Group's total non-current assets. For its restaurants and bakery outlets that are reporting losses, management has used the investment payback period method to assess whether these outlets' property, plant and equipment and right-of-use assets have an indication of impairment. Management has considered factors including but not limited to the initial investment size, market reception and timing of commencement of operation which would affect the duration of the investment payback period. Where there is an indication of impairment, management determined the recoverable amounts of the property, plant and equipment and right-of-use assets based on value in use calculations using cash flow projections. We identified the impairment assessment of property, plant and equipment and right-of-use assets as a key audit matter because of their significance to the consolidated financial statements and the significant judgement involved in determining assumptions and involved high level of uncertainty.	Our procedures, among others, included: a) assessing the method used by management to assess impairment indicators and appropriateness of using value in use calculations in estimating the recoverable amounts of the property, plant and equipment and right-of-use assets in relation to the Dining operation and Artisanal bakery business on an individual basis; b) reviewing management's budgeting process by comparing the actual financial performance against previously forecasted results; c) assessing and evaluating the reasonableness of forecasted revenue and budgeted gross margin, taking into consideration the Group's historical performance, with further consideration of the current market condition, by comparing them to industry information on market outlook and anticipated changes in the business and economic environment; d) assessing and evaluating the sales recovery assumptions and growth rates by comparing them to recent performance of the outlets and available external industry data based on conditions prevailing at the reporting date; e) checking arithmetic accuracy of the cash flow forecasts calculation; f) checking, on a sample basis, the accuracy and relevance of the input data used by management; and g) reviewing the adequacy of the disclosures made on the impairment of property, plant and equipment and right-of-use assets.

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Net realisable value for inventories	
Related disclosures are included in Note 17 to the consolidated financial statements. Inventories are stated at the lower of cost and net realisable value in the consolidated financial statements. At 31 December 2023, the Group's inventory balance amounted to approximately S$252,000. Inventory valuation was an audit focus area because of the additional risks assessed due to the number of locations that the inventories were held at, and management's judgement in setting expectations about future utilisation of slow-moving inventories and inventories that are nearing their expiration dates. We identified the net realisable value for inventories as a key audit matter because of the significant judgement involved in determining assumptions in determining the net realisable value for inventories.	Our procedures, among others, included: a) understanding and evaluating the design and implementation of the relevant controls over management's periodic reviews of provision for write-down of inventories and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and other inherent risk factors; b) assessing whether the inventory write-down policy is appropriate with reference to the Group's current circumstances and the requirements of the prevailing accounting standards; c) assessing the state and condition of selected inventory items when we observed management's year-end inventory counts at selected locations; d) testing, on sample basis, whether the inventory write-downs at the reporting date are calculated on a basis consistent with the Group's inventory write-down policy by recalculating the inventory write-downs based on the percentages and other parameters in the Group's inventory provision policy; e) performing retrospective review, on a sample basis, by comparing previous estimates to actual outcome and evaluated, on a sample basis, the outcome of prior period assessment of provision for write-down of inventories to assess the effectiveness of management's estimation process; f) testing, on sample basis, the accuracy of the net realisable values with reference to the latest transaction prices; and

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Net realisable value for inventories (Continued)	Our procedures, among others, included: (Continued) g) discussing with the Group's management and assessing the reasonableness of the provision for write-down of inventories by challenging management's projections on future trends and customers' demands for the inventories held at the end of each reporting period, with reference to historical information.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2023 annual report of the Company but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are 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 the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 the consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

Mazars CPA Limited
Certified Public Accountants
Hong Kong, 28 March 2024

The engagement director on the audit resulting in this independent auditor's report is:
Fong Chin Lung
Practising Certificate number: P07321

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	Notes	2023 S$'000	2022 S$'000
Revenue	5	**17,052**	17,461
Cost of inventories sold and consumed		**(5,335)**	(4,993)
Gross profit		**11,717**	12,468
Other income and gains, net	6	**378**	517
Employee benefits expenses		**(6,861)**	(6,433)
Depreciation of property, plant and equipment		**(858)**	(681)
Depreciation of right-of-use assets		**(3,183)**	(2,918)
Impairment loss on property, plant and equipment	14	**(687)**	–
Impairment loss on right-of-use assets	15	**(1,192)**	–
Rentals and related expenses		**(312)**	(595)
Utility expenses		**(892)**	(904)
Marketing and advertising expenses		**(49)**	(28)
Other operating expenses		**(2,389)**	(2,643)
Finance costs	8	**(581)**	(470)
Loss before tax	7	**(4,909)**	(1,687)
Income tax expenses	11	**(14)**	–
Loss for the year (Attributable to owners of the Company)		**(4,923)**	(1,687)
Other comprehensive income (loss)			
Item that will not be reclassified to profit or loss:			
Exchange difference on translation of the Company's financial statements to presentation currency		**76**	126
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		**(109)**	(242)
Total other comprehensive loss for the year		**(33)**	(116)
Total comprehensive loss for the year (Attributable to owners of the Company)		**(4,956)**	(1,803)
Loss per share attributable to ordinary equity holders of the parent			
Basic and diluted (S$ cents per share)	13	**(0.98)**	(0.34)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Notes	2023 S$'000	2022 S$'000
Non-current assets			
Property, plant and equipment	14	**2,449**	3,479
Right-of-use assets	15	**4,003**	6,909
Intangible asset	16	**–**	–
Other receivables	18	**362**	783
Deposits paid to constructors		**–**	400
		6,814	11,571
Current assets			
Inventories	17	**252**	342
Trade and other receivables	18	**1,087**	844
Prepayments		**47**	56
Pledged deposits	19	**216**	464
Cash and cash equivalents	19	**411**	2,236
		2,013	3,942
Current liabilities			
Trade and other payables	20	**4,017**	3,398
Amount due to a director	21	**293**	–
Interest-bearing bank borrowings	22	**714**	691
Lease liabilities	15	**3,058**	2,963
Tax payable		**7**	7
		8,089	7,059
Net current liabilities		**(6,076)**	(3,117)
Total assets less current liabilities		**738**	8,454
Non-current liabilities			
Other payables	20	**250**	307
Interest-bearing bank borrowings	22	**1,832**	2,531
Lease liabilities	15	**2,131**	4,135
		4,213	6,973
NET (LIABILITIES) ASSETS		**(3,475)**	1,481
Equity			
Share capital	24	**869**	869
Share premium	24	**13,311**	13,311
Reserves	25	**(17,655)**	(12,699)
TOTAL (DEFICITS) EQUITY		**(3,475)**	1,481

The consolidated financial statements on pages 45 to 115 were approved and authorised for issue by the Board of Directors on 28 March 2024 and signed on its behalf by

LOW Yeun Ching @Kelly Tan
Director

CHIU Ka Wai
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Share capital S$'000 (Note 24)	Share premium S$'000 (Note 24)	Reserves				
			Merger reserve S$'000 (Note 25(a))	Exchange fluctuation reserve S$'000 (Note 25(b))	Accumulated losses S$'000	Sub-total S$'000	Total S$'000
At 1 January 2022	869	13,311	1,735	40	(12,671)	(10,896)	3,284
Loss for the year	–	–	–	–	(1,687)	(1,687)	(1,687)
Other comprehensive income (loss)							
Item that will not be reclassified to profit or loss:							
Exchange difference on translation of the Company's financial statements to presentation currency	–	–	–	126	–	126	126
Item that may be reclassified subsequently to profit or loss:							
Exchange difference on translation of foreign operations	–	–	–	(242)	–	(242)	(242)
Total other comprehensive loss for the year	–	–	–	(116)	–	(116)	(116)
Total comprehensive loss for the year	–	–	–	(116)	(1,687)	(1,803)	(1,803)
At 31 December 2022	869	13,311	1,735	(76)	(14,358)	(12,699)	1,481
At 1 January 2023	**869**	**13,311**	**1,735**	**(76)**	**(14,358)**	**(12,699)**	**1,481**
Loss for the year	**–**	**–**	**–**	**–**	**(4,923)**	**(4,923)**	**(4,923)**
Other comprehensive income (loss)							
Item that will not be reclassified to profit or loss:							
Exchange difference on translation of the Company's financial statements to presentation currency	**–**	**–**	**–**	**76**	**–**	**76**	**76**
Item that may be reclassified subsequently to profit or loss:							
Exchange difference on translation of foreign operations	**–**	**–**	**–**	**(109)**	**–**	**(109)**	**(109)**
Total other comprehensive loss for the year	**–**	**–**	**–**	**(33)**	**–**	**(33)**	**(33)**
Total comprehensive loss for the year	**–**	**–**	**–**	**(33)**	**(4,923)**	**(4,956)**	**(4,956)**
At 31 December 2023	**869**	**13,311**	**1,735**	**(109)**	**(19,281)**	**(17,655)**	**(3,475)**

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	2023 S$'000	2022 S$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	**(4,909)**	(1,687)
Adjustments for:		
Depreciation of right-of-use assets	**3,183**	2,918
Depreciation of property, plant and equipment	**858**	681
Write-off of property, plant and equipment	**20**	123
Impairment loss on property, plant and equipment	**687**	–
Impairment loss on right-of-use assets	**1,192**	–
COVID-19-related rent concessions from lessors	**–**	(89)
Provision for unutilised leave	**31**	15
Interest income	**(6)**	(2)
Interest expenses	**581**	470
Unrealised exchange gain, net	**(24)**	(94)
Operating cash flows before changes in working capital	**1,613**	2,335
Changes in working capital:		
Decrease (Increase) in inventories	**83**	(23)
Decrease (Increase) in trade and other receivables	**149**	(49)
Decrease in prepayments	**8**	7
Increase (Decrease) in trade and other payables	**394**	(609)
Cash generated from operations	**2,247**	1,661
Interest paid	**(91)**	(100)
Interest received	**6**	2
Income tax paid	**(12)**	–
Net cash flows from operating activities	**2,150**	1,563

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Notes	2023 S$'000	2022 S$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in pledged deposits		**248**	1,054
Purchase of items of property, plant and equipment	14(b)	**(354)**	(432)
Net cash (used in) from investing activities		**(106)**	622
CASH FLOWS FROM FINANCING ACTIVITIES	29(b)		
Payment of principal portion of lease liabilities		**(3,886)**	(3,506)
Repayment of bank loans		**(676)**	(1,428)
Advance from a director		**693**	–
Proceeds from bank loans		**–**	1,917
Net cash used in financing activities		**(3,869)**	(3,017)
Net decrease in cash and cash equivalents		**(1,825)**	(832)
Cash and cash equivalents at the beginning of the reporting period		**2,236**	3,068
Cash and cash equivalents at the end of the reporting period	19	**411**	2,236
Analysis of the balances of cash and cash equivalents			
Cash and bank balances		**374**	2,338
Fixed deposits with licensed banks		**253**	362
Less: Fixed deposit pledged		**(216)**	(464)
Cash and cash equivalents as stated in the consolidated statement of cash flows	19	**411**	2,236

1. CORPORATE AND GROUP INFORMATION

JLogo Holdings Limited (the "**Company**") is an exempted company with limited liability incorporated in the Caymans Islands on 22 May 2017. The shares of the Company are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 9 May 2018. The registered office of the Company is located at the offices of Ocorian Trust (Cayman) Limited, P.O. Box 1350, Windward 3, Regatta Office Park, Grand Cayman KY1-1108, Cayman Islands and its principal place of business of the Company is located at 124, Lorong 23 Geylang, #10-01 and #10-02 Arcsphere, Singapore 388405.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in the following activities:

(i) Asian full services restaurant operations in Singapore; and

(ii) Artisanal bakery chain in Malaysia.

Information about subsidiaries

The Company had direct and indirect interests in its subsidiaries, the particulars of which are set out below:

Name of subsidiaries	Place of incorporation/ registration and business	Issued/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities	Legal form of corporate existence
JLogo Limited	British Virgin Islands (the "**BVI**")	United Stated Dollars ("**US$**")2	100% *(2022:100%)*	–	Investment holding	Private limited liability company
RJJR Investment Co Limited	The BVI	US$10,000	100% *(2022:100%)*	–	Investment holding	Private limited liability company
Le Smart International Limited *(Note (i))*	The BVI	US$50,000	100% *(2022:100%)*	–	Investment holding	Private limited liability company
JC Global Concepts Pte. Ltd.	Singapore	Singapore Dollars ("**S$**")2	–	100% *(2022:100%)*	Investment holding	Private limited liability company
Bosses Restaurant Pte. Ltd.	Singapore	S$500,000	–	100% *(2022:100%)*	Restaurant operation	Private limited liability company
J W Central Pte. Ltd.	Singapore	S$350,000	–	100% *(2022:100%)*	Restaurant operation	Private limited liability company
JC Dining Pte. Ltd.	Singapore	S$500,000	–	100% *(2022:100%)*	Restaurant operation	Private limited liability company
Bread Story Sdn. Bhd. ("**Bread Story**")	Malaysia	Malaysian Ringgit ("**RM**") 4,000,000 *(Note (ii))*	–	100% *(2022:100%)*	Artisanal bakery chain	Private limited liability company
RJJR Investment HK Limited	Hong Kong	Hong Kong Dollars("**HK$**") 10,000	–	100% *(2022:100%)*	Investment holding	Private limited liability company
樂智慧餐飲管理（國際）有限公司*(Note (i))*	Hong Kong	HK$100	–	100% *(2022:100%)*	Investment holding	Private limited liability company
中昱健康產業服務（深圳）有限公司*(Note (i))*	The People's Republic of China (the "**PRC**")	Renminbi ("**RMB**") 5,000,000	–	100% *(2022:100%)*	Food and beverage services	Foreign-owned enterprise
樂智慧餐飲管理（深圳）有限公司*(Note (i))*	The PRC	RMB10,000,000	–	100% *(2022:100%)*	Food and beverage services	Foreign-owned enterprise
海南境鑒酒業有限公司 *(Note (i))*	The PRC	RMB10,000,000	–	100% *(2022:N/A)*	Food and beverage services	Foreign-owned enterprise

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Notes:

(i) During the years ended 31 December 2023 and 2022, the companies have not commenced its business.

(ii) During the year ended 31 December 2023, Bread Story has allotted 3,000,000 new ordinary shares of RM3,000,000 (equivalent to approximately S$919,000) which was settled through the current account with its immediate holding company, JLogo Limited.

2. MATERIAL ACCOUNTING POLICIES

Going concern

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a net loss attributable to owners of the Company of approximately S$4,923,000 for the year ended 31 December 2023 and at that date, the Group had net current liabilities and net liabilities of approximately S$6,076,000 and S$3,475,000, respectively. There is a material uncertainty related to these aforesaid matters that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months from the date of approval of the consolidated financial statements which can be prepared on a going concern basis, after taking into consideration of the followings:

(a) Ms. Low Yuen Ching @Kelly Tan, an executive director and the substantial shareholder of the Company, has committed and proved her ability to provide continuous financial support to the Group as is necessary to enable the Group to meet its day-to-day operations and its financial obligations as they fall due;

(b) the Group is negotiating with its bankers and other financial institutions to obtain additional financing facilities;

(c) with reference to the cash flow projections, the Group will maintain sufficient cash and cash equivalents through internally generated cash flows to finance its activities and pay its debts as and when they fall due; and

(d) the Group continues to improve the operating efficiency by implementing measures to tighten cost controls over various operating expenses in order to enhance its profitability and to improve the cash flow from its operation in future.

Having regard to the cash flow projection of the Group, which are prepared assuming that the above measures are successful, the directors of the Company are of the opinion that, in the light of the measures taken to-date, together with the expected results of the other measures in progress, the Group will have sufficient funding resources to satisfy its future working capital and other financing requirements. The directors of the Company believe that the aforementioned measures will be successful, based on the continuous efforts by the management of the Group.

2. MATERIAL ACCOUNTING POLICIES (continued)

Going concern (continued)

However, should the above measures not be able to implement successfully, the Group may not have sufficient funds to operate as a going concern, in which case adjustments might have to be made to reduce the carrying values of the Group's assets to their net realisable amounts, to reclassify the non-current assets and non-current liabilities as current assets and current liabilities, respectively and to provide for any further liabilities which might arise. The effects of these adjustments have not been reflected in the consolidated financial statements.

Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual IFRS Accounting Standards, IAS Standards and IFRIC Interpretations issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**").

The consolidated financial statements are presented in Singapore Dollars ("**S$**") and all amounts have been rounded to the nearest thousand ("**S$'000**"), unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2022 consolidated financial statements except for the adoption of the new/revised IFRS Accounting Standards that are relevant to the Group and effective from the current year as set out below.

Changes in accounting policies

The Group has applied, for the first time, the following new/revised IFRS Accounting Standards:

Amendments to IAS 1	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules

Amendments to IAS 1: Disclosure of Accounting Policies

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies.

The amendments have no effect on the measurement, recognition or presentation of any items in the consolidated financial statements. Management has reviewed the disclosure of accounting policy information and considered it is consistent with the amendments.

2. MATERIAL ACCOUNTING POLICIES (continued)

Changes in accounting policies (continued)

Amendments to IAS 8: Definition of Accounting Estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on recognition, give rise to equal taxable and deductible temporary differences.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IAS 12: International Tax Reform – Pillar Two Model Rules

The amendments provide entities with temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's Pillar Two model rules. The Amendments also introduce targeted disclosure requirements to help investors understand an entity's exposure to income taxes arising from the rules.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Future changes in IFRS Accounting Standards

At the date of authorisation of the consolidated financial statements, the IASB has issued the following new/revised IFRS Accounting Standards that are not yet effective for the current year, which the Group has not early adopted.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current (1)
Amendments to IAS 1	Non-current Liabilities with Covenants (1)
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements (1)
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback (1)
Amendments to IAS 21	Lack of Exchangeability (2)
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (3)

(1) Effective for annual periods beginning on or after 1 January 2024

(2) Effective for annual periods beginning on or after 1 January 2025

(3) The effective date to be determined

2. MATERIAL ACCOUNTING POLICIES (continued)

Future changes in IFRS Accounting Standards (continued)

The directors of the Company do not anticipate that the adoption of the new/revised IFRS Accounting Standards in future periods will have any material impact on the consolidated financial statements of the Group.

A summary of the material accounting policies adopted by the Group in preparing the consolidated financial statements is set out below.

Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is historical cost basis.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2023. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) the contractual arrangement with the other vote holders of the investee;

(ii) rights arising from other contractual arrangements; and

(iii) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2. MATERIAL ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, or the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, 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. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented in Note 30 to the consolidated financial statements, interests in subsidiaries are stated at cost less impairment loss. The carrying amounts of the interests are reduced to their respective recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2. MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2. MATERIAL ACCOUNTING POLICIES (continued)

Related parties

A related party is a person or entity that is related to the Group:

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of the holding company of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the holding company of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the Group and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

2. MATERIAL ACCOUNTING POLICIES (continued)

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the chief operating decision makers for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Operating segments that meet the quantitative thresholds are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Other operating segments may be aggregated if they share a majority of these criteria.

Property, plant and equipment

Property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Freehold properties	2%
Kitchen and bar equipment	10% – 15%
Motor vehicles	10% – 20%
Furniture and fittings	15% – 50%
Computers and office equipment	20% – 33%
Leasehold improvements	16.67% or over the lease terms

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year in which the item is derecognised.

2. MATERIAL ACCOUNTING POLICIES (continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leases of properties) as a single lease component.

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land and building	2% – 33% or over the lease terms

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in- substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate ("**IBR**") at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2. MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

The Group as lessee (continued)

Lease liabilities (continued)

A lease modification is accounted for as a separate lease if:

(a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

(b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

(a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above;

(b) the Group determines the lease term of the modified contract;

(c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term;

(d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss; and

(e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

The Group's lease liabilities are presented separately in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be of low value.

Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2. MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

The Group as lessor

The Group classifies each of its leases as either a finance lease or an operating lease at the inception date of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and sublease as two separate contracts. The sublease is classified as an operating lease if the head lease is a short-term lease to which the Group has applied the recognition exemption. Otherwise, the sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Group accounts for each lease component within a lease contract as a lease separately from non-lease components of the contract. The Group allocates the consideration in the contract to each lease component on a relative stand-alone price basis.

Intangible assets

Intangible asset acquired separately is measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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

Franchise licence

Franchise licence is acquired separately and represents the franchise fees paid to acquire the "Greyhound café" franchise. The franchise licence is amortised on a straight-line basis over its finite useful life of five years.

2. MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income ("**Mandatory FVOCI**"); (iii) equity investment measured at fair value through other comprehensive income ("**Designated FVOCI**"); or (iv) measured at fair value through profit or loss ("**FVPL**").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade and other receivables, pledged deposits and cash and cash equivalents.

2. MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

(i) the rights to receive cash flows from the asset have expired; or

(ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECL**") for all debt instruments not held at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

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

2. MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Impairment of financial assets (continued)

General approach (continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECL as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECL

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECL

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECL

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account in the assessment:

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

2. MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Impairment of financial assets (continued)

Assessment of significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 90 days past due, except for the receivables for which the Group has reasonable and supportable information to demonstrate that previous non-payments were an administrative oversight, instead of resulting from financial difficulty of the borrower, or that there is no correlation between significant increases in the risk of a default occurring and financial assets on which payments are more than 90 days past due.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Low credit risk

A financial instrument is determined to have low credit risk if:

(i) it has a low risk of default;

(ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Simplified approach of ECL

For trade receivables without significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Impairment of financial assets (continued)

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount when the financial asset is 1 year past due based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, amount due to a director, interest-bearing bank borrowings and lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2. MATERIAL ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first- in, first-out ("**FIFO**") method. The cost of inventories comprises cost of purchasing raw materials and finished goods. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period of the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Cash and cash equivalents

For the purpose of the combined statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statement of profit or loss.

Taxation

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in countries in which the Group operates in.

2. MATERIAL ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:

– where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. MATERIAL ACCOUNTING POLICIES (continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income account/ recognised as a deduction from the carrying amount of the relevant asset and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant. The benefit of the below-market rate of interest shall be measured as the difference between the initial fair value of the loan and the proceeds received.

Revenue recognition

Revenue from contracts with customers within IFRS 15

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

2. MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers within IFRS 15 (continued)

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

(a) a good or service (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

(a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and

(b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

The nature of the Group's promise in granting a licence is a promise to provide a right to access the Group's intellectual property if all of the following criteria are met:

(a) the contract requires, or the customer reasonably expects, that the Group will undertake activities that significantly affect the intellectual property to which the customer has rights;

(b) the rights granted by the licence directly expose the customer to any positive or negative effects of the Group's activities identified in (a) above; and

(c) those activities do not result in the transfer of a good or a service to the customer as those activities occur.

2. MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers within IFRS 15 (continued)

Sale of food and beverages

Revenue from the sale of food and beverages represent the invoiced value of food and beverages, net of goods and services tax, recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the food and beverages to the customer.

Franchise and royalty fee income

Initial franchise income is recognised upon the grant of rights, completion of the designated phases of the franchise set-up and transfer of know-how to the franchisee in accordance with the terms stated in the franchise agreement. Recurring franchise income is recognised on a pre-determined amount in accordance with terms as stated in the franchise agreements. Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Revenue from other sources

Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

Defined contribution plans

The employees of the Group's subsidiaries which operate in Singapore and Malaysia are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Singapore and Malaysia are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

2. MATERIAL ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

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

Foreign currency translation

The functional currency of the Company is in Hong Kong dollars. As the Group mainly operates in Singapore, Singapore dollars is used as the presentation currency of the Group. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. All differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

2. MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency translation (continued)

The functional currencies of the Company and certain overseas subsidiaries are currencies other than Singapore dollars. As at the end of the reporting period, the assets and liabilities of these entities are translated into Singapore dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Singapore dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Singapore dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Singapore dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statement:

(i) Determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. 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 or to terminate to the leases (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Going concern basis

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the Group's ability to obtain adequate financing and generate operating cash flows through the successful fulfilment of the measures as described in Note 2 to the consolidated financial statements.

(ii) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets, including property, plant and equipment and right-of-use assets, at the end of each reporting period in accordance with the material accounting policies as disclosed in Note 2 to the consolidated financial statements. In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the management has to assess whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence. If any such indication exists, the recoverable amounts of the asset would be determined as the greater of the fair value less costs of disposal and value in use, the calculations of which involve the use of estimates. Owing to inherent risk associated with estimations in the timing and amounts of the future cash flows and fair value less costs of disposal, the estimated recoverable amount of the asset may be different from the amount actually received and profit or loss could be affected by accuracy of the estimations.

(iii) Loss allowance for ECL

The Group's management estimates the loss allowance for financial assets at amortised cost including trade and other receivables and cash and cash equivalents by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of financial assets at amortised cost.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

(iv) Allowance for inventory obsolescence

At the end of each reporting period, the Group assesses whether any allowance for inventory obsolescence is required based on the best available facts and circumstances, including but not limited to, the inventories' physical conditions, age of inventories, their market selling prices, historical experiences and estimated costs to be incurred for their sales. An amount of estimation is required to determine the inventory obsolescence. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value. The carrying amount of the Group's inventories at 31 December 2023 was approximately S$252,000 (2022: approximately S$342,000).

(v) Leases – Estimating the IBR

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has two reportable segments as follows:

(i) the dining operations segment relates to the operations and management of restaurants ("**Dining operations**"); and

(ii) the artisanal bakery segment relates to the retail outlets specialising in the sale of bread and flour confectionery products ("**Artisanal bakery**").

Management monitors the operating results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss which in certain respects, as explained in the table below, is measured differently from the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments.

4. OPERATING SEGMENT INFORMATION (continued)

Segment revenue and results

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated expenses and income comprise of expenses incurred by the corporate office and other sources of income which are not directly attributable to the identified segments. Unallocated assets and liabilities comprise of corporate assets and liabilities which are not directly attributable to the identified segments.

Intersegment sales and transfers are on terms' agreement in a manner similar to transactions with third parties at the then prevailing market prices. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

The followings are analysis of the Group's revenue and results by reportable and operating segments:

	Dining operations		Artisanal bakery		Adjustments and eliminations		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000	**S$'000**	S$'000	**S$'000**	S$'000
Revenue:								
External customers	**12,336**	13,335	**4,716**	4,126	**–**	–	**17,052**	17,461
Intersegment sales	**101**	155	**–**	–	**(101)**	(155)	**–**	–
Segment revenue	**12,437**	13,490	**4,716**	4,126	**(101)**	(155)	**17,052**	17,461
Cost of inventories sold and consumed	**(3,594)**	(3,683)	**(1,842)**	(1,465)	**101**	155	**(5,335)**	(4,993)
Gross Profit	**8,843**	9,807	**2,874**	2,661	**–**	–	**11,717**	12,468
Results:								
Other income and gains, net	**976**	1,056	**2**	1	**(600)**	(540)	**378**	517
Employee benefits expenses	**(4,301)**	(4,167)	**(1,416)**	(1,234)	**–**	–	**(5,717)**	(5,401)
Depreciation	**(3,330)**	(2,896)	**(711)**	(703)	**–**	–	**(4,041)**	(3,599)
Impairment loss on property, plant and equipment	**(687)**	–	**–**	–	**–**	–	**(687)**	–
Impairment loss on right-of-use assets	**(1,192)**	–	**–**	–	**–**	–	**(1,192)**	–
Rentals and related expenses	**(210)**	(491)	**(102)**	(104)	**–**	–	**(312)**	(595)
Utility expenses	**(686)**	(708)	**(206)**	(196)	**–**	–	**(892)**	(904)
Marketing and advertising expenses	**(47)**	(24)	**(2)**	(4)	**–**	–	**(49)**	(28)
Other operating expenses	**(2,644)**	(2,883)	**(345)**	(300)	**600**	540	**(2,389)**	(2,643)
Finance costs	**(417)**	(309)	**(73)**	(61)	**–**	–	**(490)**	(370)
Segment (loss) gain	**(3,695)**	(615)	**21**	60	**–**	–	**(3,674)**	(555)
Unallocated employee benefits expenses							**(1,144)**	(1,032)
Unallocated finance costs							**(91)**	(100)
Loss before tax							**(4,909)**	(1,687)
Income tax expenses							**(14)**	–
Loss for the year							**(4,923)**	(1,687)

4. OPERATING SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

	Dining operations		Artisanal bakery		Adjustments and eliminations		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000	**S$'000**	S$'000	**S$'000**	S$'000
Assets:								
Property, plant and equipment	**616**	1,385	**220**	440	**–**	–	**836**	1,825
Right-of-use assets	**3,077**	5,573	**926**	1,336	**–**	–	**4,003**	6,909
Other segment assets	**14,841**	20,285	**664**	650	**(13,525)**	(15,810)	**1,980**	5,125
Segment assets	**18,534**	27,243	**1,810**	2,426	**(13,525)**	(15,810)	**6,819**	13,859
Unallocated assets	**–**	–	**–**	–	**–**	–	**2,008**	1,654
Total assets							**8,827**	15,513
Liabilities:								
Segment liabilities	**(20,798)**	(23,398)	**(1,436)**	(2,848)	**13,525**	15,810	**(8,709)**	(10,436)
Unallocated liabilities	**–**	–	**–**	–	**–**	–	**(3,593)**	(3,596)
Total liabilities							**(12,302)**	(14,032)
Other segment information:								
Capital expenditure *(Note)*	**348**	386	**6**	46	**–**	–	**354**	432
Write-off of property, plant and equipment	**20**	115	**–**	8	**–**	–	**20**	123
Impairment loss on property, plant and equipment	**687**	–	**–**	–	**–**	–	**687**	–
Impairment loss on right-of-use assets	**1,192**	–	**–**	–	**–**	–	**1,192**	–

Note:

The amounts included in capital expenditure represent the cash outflow for the purchase of items of property, plant and equipment for the years ended 31 December 2023 and 2022.

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

The Group's revenue from external customers was derived from its operations in Singapore and Malaysia, and the non-current assets of the Group were located in Singapore and Malaysia at 31 December 2023 and 2022 which are set out as the following tables:

(i) Revenue from external customers

	2023 **S$'000**	2022 S$'000
Singapore	**12,336**	13,335
Malaysia	**4,716**	4,126
	17,052	17,461

The revenue information above is based on the locations of the customers.

(ii) Non-current assets

	2023 **S$'000**	2022 S$'000
Singapore	**5,230**	8,612
Malaysia	**1,222**	1,776
	6,452	10,388

The non-current assets information above is based on the locations of the assets and excluded non-current other receivables and deposits paid to constructors.

Information about major customers

Since none of the Group's sales to a single customer accounted for 10% or more of the Group's total revenue during the years ended 31 December 2023 and 2022, no major customer information is presented in accordance with IFRS 8 "Operating Segment".

5. REVENUE

An analysis of the Group's revenue is as follows:

	2023 S$'000	2022 S$'000
Revenue from contracts with customers within IFRS 15	**17,052**	17,461

Revenue from contracts with customers within IFRS 15

In addition to the information shown in segment disclosures, the revenue from contracts with customers within IFRS 15 is disaggregated as follows:

For the year ended 31 December 2023

Segments	Dining operations S$'000	Artisanal bakery S$'000	Total S$'000
Types of goods or services			
– Sale of food and beverages	**12,336**	**4,706**	**17,042**
– Franchise and royalty fee income	**–**	**10**	**10**
Total revenue from contracts with customers within IFRS 15	**12,336**	**4,716**	**17,052**
Timing of revenue recognition			
– at a point in time	**12,336**	**4,706**	**17,042**
– over time	**–**	**10**	**10**
Total revenue from contracts with customers within IFRS 15	**12,336**	**4,716**	**17,052**

5. REVENUE (continued)

Revenue from contracts with customers within IFRS 15 (continued)

For the year ended 31 December 2022

Segments	Dining operations S$'000	Artisanal bakery S$'000	Total S$'000
Types of goods or services			
– Sale of food and beverages	13,335	4,112	17,447
– Franchise and royalty fee income	–	14	14
Total revenue from contracts with customers within IFRS 15	13,335	4,126	17,461
Timing of revenue recognition			
– at a point in time	13,335	4,112	17,447
– over time	–	14	14
Total revenue from contracts with customers within IFRS 15	13,335	4,126	17,461

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

For the year ended 31 December 2023

Segments	**Dining operations S$'000**	**Artisanal bakery S$'000**	**Total S$'000**
Revenue from contracts with customers within IFRS 15			
– External customers	**12,336**	**4,716**	**17,052**
– Intersegment sales	**101**	**–**	**101**
	12,437	**4,716**	**17,153**
Intersegment adjustments and eliminations	**(101)**	**–**	**(101)**
Total revenue from contracts with customers within IFRS 15	**12,336**	**4,716**	**17,052**

5. REVENUE (continued)

Revenue from contracts with customers within IFRS 15 (continued)

For the year ended 31 December 2022

Segments	Dining operations S$'000	Artisanal bakery S$'000	Total S$'000
Revenue from contracts with customers within IFRS 15			
– External customers	13,335	4,126	17,461
– Intersegment sales	155	–	155
	13,490	4,126	17,616
Intersegment adjustments and eliminations	(155)	–	(155)
Total revenue from contracts with customers within IFRS 15	13,335	4,126	17,461

Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of food and beverages

The performance obligation is satisfied upon delivery of the food and payment is due at the point of sale.

Franchise and royalty fee income

The performance obligation is satisfied over time on an accrual basis in accordance with the substance of the relevant agreements. Payments are made upfront.

6. OTHER INCOME AND GAINS, NET

	2023 S$'000	2022 S$'000
COVID-19-related rent concessions from lessors	–	89
Government grants (Note)	341	334
Foreign exchange gain, net	–	20
Interest income	6	2
Others	31	72
	378	517

Note:

The amount mainly represents rewards or subsidies under the Special Employment Credit Scheme, Wage Credit Scheme, Job Support Scheme, Jobs Growth Incentive and The Senior Worker Early Adopter Grant which were received from the Singapore governments. There are no unfulfilled conditions or contingencies relating to these grants.

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging (crediting):

	2023 S$'000	2022 S$'000
Staff costs (excluding executive directors' remuneration in Note 9)		
Salaries, wages and bonuses	5,277	4,950
Staff welfare and others	359	294
Pension scheme contributions	633	600
	6,269	5,844
Other items		
Auditor's remuneration		
– Audit services	177	170
– Non-audit services	10	–
Cost of inventories sold and consumed	5,335	4,993
Depreciation of property, plant and equipment	858	681
Depreciation of right-of-use assets	3,183	2,918
Write-off of property, plant and equipment	20	123
Impairment loss on property, plant and equipment	687	–
Impairment loss on right-of-use assets	1,192	–
Expenses relating to short-term leases	163	448
Variable lease payments not included in the measurement of lease liabilities	149	147
Foreign exchange losses (gain), net	29	(20)

8. FINANCE COSTS

	2023 S$'000	2022 S$'000
Interest on bank overdrafts	**3**	10
Interest on bank borrowings	**88**	90
Interest on lease liabilities	**490**	370
	581	470

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration of the Company for the years ended 31 December 2023 and 2022, disclosed pursuant to the GEM Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation, is as follows:

	2023 S$'000	2022 S$'000
Directors' fees	**100**	100
Other emoluments:		
Salaries, allowances, other benefits-in-kind and bonuses	**561**	559
Pension scheme contributions	**31**	30
	592	589
	692	689

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

The emoluments paid or payable to each of the directors and the chief executive of the Company for the year were as follows:

	Directors' fees S$'000	Salaries, allowances and other benefits-in-kind S$'000	Discretionary performance-related bonuses S$'000	Pension scheme contributions S$'000	Total S$'000
For the year ended 31 December 2023					
Executive directors:					
Ms. Low Yeun Ching @Kelly Tan	–	240	–	11	251
Mr. Chiu Ka Wai	–	180	15	7	202
Mr. Sean Low Yew Hong	–	78	7	13	98
Mr. Wu Guangliang	–	41	–	–	41
	–	539	22	31	592
Independent non-executive directors:					
Mr. Lu King Seng (resigned on 1 February 2024)	40	–	–	–	40
Mr. John Chi Chung MAN	30	–	–	–	30
Mr. CHAN Pak Hung (resigned on 14 March 2024)	30	–	–	–	30
	100	–	–	–	100
	100	539	22	31	692

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

	Directors' fees S$'000	Salaries, allowances and other benefits-in-kind S$'000	Discretionary performance-related bonuses S$'000	Pension scheme contributions S$'000	Total S$'000
For the year ended 31 December 2022					
Executive directors:					
Ms. Low Yeun Ching @Kelly Tan	–	240	7	11	258
Mr. Chiu Ka Wai	–	180	8	6	194
Mr. Sean Low Yew Hong	–	78	4	13	95
Mr. Wu Guangliang	–	42	–	–	42
	–	540	19	30	589
Independent non-executive directors:					
Mr. Lu King Seng (resigned on 1 February 2024)	40	–	–	–	40
Mr. John Chi Chung MAN	30	–	–	–	30
Mr. CHAN Pak Hung (resigned on 14 March 2024)	30	–	–	–	30
	100	–	–	–	100
	100	540	19	30	689

Ms. Low Yeun Ching @Kelly Tan has been appointed as the chief executive officer (the "**CEO**") with effect from 27 July 2017, her remuneration for both years disclosed above include those services rendered by her as the CEO.

During the years ended 31 December 2023 and 2022, there was no arrangement under which a director or chief executive of the Company waived or agreed to waive any remuneration.

During the years ended 31 December 2023 and 2022, no remuneration was paid by the Group to any of the directors or chief executive of the Company as an inducement to join or upon joining the Group or compensation for loss of office.

During the years ended 31 December 2023 and 2022, there are no loans, quasi-loans or other dealings in favour of the directors of the Company.

After consideration, the directors of the Company are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the years ended 31 December 2023 and 2022.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year ended 31 December 2023 included three directors (2022: three), details of whose remuneration are set out in Note 9 to the consolidated financial statements. Details of the remuneration of the remaining two (2022: two) highest paid employees who are neither a director nor chief executive of the Group for the years ended 31 December 2023 and 2022 are as follows:

	2023 S$'000	2022 S$'000
Salaries, allowances and other benefits-in-kind	182	122
Discretionary performance-related bonus	5	3
Pension scheme contributions	17	17
	204	142

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	Number of individuals	
	2023	2022
Nil to HK$1,000,000 (equivalent to S$172,000) (2022: S$176,000)	2	2

During the years ended 31 December 2023 and 2022, no emoluments were paid by the Group to the highest paid employees as a payment for loss of office or as an inducement to join or upon joining the Group.

During the years ended 31 December 2023 and 2022, no highest paid employees as set out above waived or agreed to waive any emoluments.

11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

Singapore Corporate Income Tax ("**Singapore CIT**") is calculated at 17% of the assessable profits for the years ended 31 December 2023 and 2022. Singapore CIT has not been provided as the Group's entities incorporated in Singapore incurred a loss for taxation purposes for the years ended 31 December 2023 and 2022.

Malaysia Corporate Income Tax ("**Malaysia CIT**") is calculated at the rate of 24% (the "**standard rate**" in Malaysia) of the Group's estimated assessable profits arising from Malaysia for the years ended 31 December 2023 and 2022.

PRC Enterprise Income Tax has not been provided as the Group had no assessable profits in the PRC for the years ended 31 December 2023 and 2022.

Hong Kong Profits Tax has not been provided as the Group had no assessable profits in Hong Kong for the years ended 31 December 2023 and 2022.

	2023 **S$'000**	2022 S$'000
Current tax		
Malaysia CIT	**14**	–

Reconciliation of income tax expenses

	2023 **S$'000**	2022 S$'000
Loss before tax	**(4,909)**	(1,687)
Income tax at applicable tax rate at 17% (2022:17%)	**(835)**	(287)
Effect of different tax rates in other countries	**5**	4
Expenses not deductible for tax	**232**	184
Income not subject to tax	**(46)**	(11)
Unrecognised temporary differences	**342**	–
Unrecognised tax losses	**336**	169
Utilisation of unrecognised tax losses	**(22)**	(57)
Others	**2**	(2)
Income tax expenses	**14**	–

The applicable tax rate is the Singapore CIT rate of 17% (2022: 17%).

12. DIVIDENDS

The directors of the Company do not recommend the payment of a final dividend for the years ended 31 December 2023 and 2022.

13. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

At 31 December 2023, the Company had 500,000,000 (2022: 500,000,000) ordinary shares in issue. The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	2023	2022
	S$'000	S$'000
Loss for the year attributable to the equity holders of the parent	**(4,923)**	(1,687)

	2023	2022
	'000	'000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**500,000**	500,000

Basic loss per share for the year ended 31 December 2023 is S$0.98 cents (2022: S$0.34 cents).

The Company had no potential dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold properties S$'000	Kitchen and bar equipment S$'000	Motor vehicles S$'000	Furniture and fittings S$'000	Computers and office equipment S$'000	Leasehold improvements S$'000	Total S$'000
For the year ended 31 December 2022							
Cost and accumulated depreciation and impairment losses							
At 1 January 2022:							
Cost	1,813	2,025	363	1,351	607	5,051	11,210
Accumulated depreciation and impairment losses	(118)	(1,606)	(199)	(827)	(506)	(4,593)	(7,849)
Net carrying amount	1,695	419	164	524	101	458	3,361
Reconciliation of the carrying amounts							
At 1 January 2022, net of accumulated depreciation and impairment losses	1,695	419	164	524	101	458	3,361
Additions	–	145	–	129	16	663	953
Write-off	–	(32)	–	(71)	(20)	–	(123)
Depreciation	(36)	(129)	(22)	(180)	(37)	(277)	(681)
Exchange realignment	(5)	(12)	–	(10)	–	(4)	(31)
At 31 December 2022: net of accumulated depreciation and impairment losses	1,654	391	142	392	60	840	3,479
Cost and accumulated depreciation and impairment losses							
At 31 December 2022:							
Cost	1,805	1,986	355	1,260	550	4,929	10,885
Accumulated depreciation and impairment losses	(151)	(1,595)	(213)	(868)	(490)	(4,089)	(7,406)
Net carrying amount	1,654	391	142	392	60	840	3,479

14. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold properties S$'000	Kitchen and bar equipment S$'000	Motor vehicles S$'000	Furniture and fittings S$'000	Computers and office equipment S$'000	Leasehold improvements S$'000	Total S$'000
For the year ended 31 December 2023							
Cost and accumulated depreciation and impairment losses							
At 1 January 2023:							
Cost	1,805	1,986	355	1,260	550	4,929	10,885
Accumulated depreciation and impairment losses	(151)	(1,595)	(213)	(868)	(490)	(4,089)	(7,406)
Net carrying amount	1,654	391	142	392	60	840	3,479
Reconciliation of the carrying amounts							
At 1 January 2023, net of accumulated depreciation and impairment losses	1,654	391	142	392	60	840	3,479
Additions	–	97	–	126	21	312	556
Write-off	–	(2)	–	–	(6)	(12)	(20)
Impairment losses	–	(177)	–	(162)	(8)	(340)	(687)
Depreciation	(36)	(139)	(22)	(183)	(34)	(444)	(858)
Exchange realignment	(5)	(6)	–	(8)	–	(2)	(21)
At 31 December 2023: net of accumulated depreciation and impairment losses	1,613	164	120	165	33	354	2,449
Cost and accumulated depreciation and impairment losses							
At 31 December 2023:							
Cost	1,798	1,980	346	1,334	523	4,832	10,813
Accumulated depreciation and impairment losses	(185)	(1,816)	(226)	(1,169)	(490)	(4,478)	(8,364)
Net carrying amount	1,613	164	120	165	33	354	2,449

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Notes:

(a) The freehold property located at Kuala Lumpur, Malaysia relates to a unit in an apartment used for the Group's hostel purposes. The carrying amount of the Group's freehold apartment at 31 December 2023 was approximately S$76,000 (2022: approximately S$83,000). The freehold property located in Singapore relates to the Group's headquarter office unit. The carrying amounts of the freehold unit at 31 December 2023 was approximately S$1,537,000 (2022: approximately S$1,571,000).

(b) The additions in property, plant and equipment are by means of:

	2023 **S$'000**	2022 S$'000
Additions of property, plant and equipment	**556**	953
Less: Provision for reinstatement costs (Note 20)	**(33)**	(345)
Less: Trade and other payables	**(169)**	(176)
Cash invested in property, plant and equipment	**354**	432

(c) Impairment assessment of property, plant and equipment and right-of-use assets

In light of operating losses incurred for the Group in recent years and unfavorable market conditions, the directors of the Company considered that property, plant and equipment and right-of-use assets of the Group relating to the Dining operations and Artisanal bakery business at 31 December 2023 and 2022 might be impaired. In view of this, the directors of the Company have used the investment payback period method to assess whether property, plant and equipment for its restaurants and bakery outlets that are reporting losses have an indication of impairment, on an individual basis. Where there is an indication of impairment, management determined the recoverable amounts of the property, plant and equipment and right-of-use assets for its restaurants and bakery outlets that are reporting losses based on value in use calculations using cash flow projections on an individual basis.

At 31 December 2023, in particular, the management has identified that certain restaurants relating to the Dining operations have an impairment indication with reference to investment payback period method. The directors of the Company estimated the recoverable amount of each restaurant with an indication of impairment, on an individual basis, with reference to value in use calculations using cash flow projections based on financial budgets approved by the directors of the Company covering a 3-year period to be derived from each restaurant at 31 December 2023. The significant inputs and estimations into the valuation approach are (i) budgeted growth rate of 5% and gross profit margin of 70%, which is based on the past and recent performance of restaurants and management's expectations for the market development and (ii) a pre-tax discount rate of 10.87% to derive the present value of future cash flows. The sensitivity analysis on the significant inputs and estimations used in the valuation approach is detailed in Note 14(d) to the consolidated financial statements.

Based on the assessment, the aggregate recoverable amounts of those restaurants with impairment indication were approximately of S$573,000 which were less than that of the aggregate carrying amounts of property, plant and equipment and right-of-use assets of those restaurants. Accordingly, during the year ended 31 December 2023, impairment losses of approximately S$687,000 and S$1,192,000, respectively, were recognised in profit or loss in respect of property, plant and equipment and right-of-use assets of the Group relating to the Dining operations on a basis with reference to the gross carrying amount of property, plant and equipment and right-of-use assets at 31 December 2023.

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Notes: (continued)

(c) Impairment assessment of property, plant and equipment and right-of-use assets (continued)

During the year ended 31 December 2022, the management was of the opinion that there was no indication of impairment based on the individual assessment for its restaurants and bakery outlets that are reporting losses by using investment payback period method. Accordingly, no impairment loss was recognised for the year ended 31 December 2022.

(d) Sensitivity of key inputs and estimations for impairment assessment

The management identified the following key inputs and estimations in which a reasonably possible change on an individual basis would cause any or additional impairment loss on property, plant and equipment and right-of-use assets.

Reasonably possible changes that individually cause additional impairment loss on property, plant and equipment and right-of-use assets:

	Change	2023 Increase of impairment loss S$'000
Budgeted growth rate	Decrease 1%	**95**
Budgeted gross profit margin	Decrease 1%	**68**
Pre-tax discount rate	Increase 1%	**2**

(e) At 31 December 2023, certain of the Group's freehold properties with a net carrying amount of approximately S$1,537,000 (2022: approximately S$1,571,000) was pledged to secure general banking facilities granted to the Group as set out in Note 22 to the consolidated financial statements.

(f) Motor vehicles of the Group amounting to approximately S$120,000 (2022: approximately S$142,000) is pledged as security for bank loan as set out in Note 22 to the consolidated financial statements.

15. LEASE

The Group as a lessee

The Group has lease contracts for leasehold land and buildings. The leasehold land and building located at Kuala Lumpur, Malaysia relates to a land and building for the Group's central kitchen, office and hostel purposes. Lump sum payments were made upfront to acquire leased land from owners with lease period of 99 years, and no ongoing payments will be made under the terms of these leases. Leases of leasehold land and buildings generally have lease terms between 3 and 5 years. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the years are as follows:

	Leasehold land and building	
	2023	2022
	S$'000	S$'000
At the beginning of the reporting period	**6,909**	4,224
Additions	**1,534**	5,857
Depreciation	**(3,183)**	(2,918)
Derecognition	**–**	(180)
Impairment losses (Note 14(c))	**(1,192)**	–
Exchange realignment	**(65)**	(74)
At the end of the reporting period	**4,003**	6,909

15. LEASE (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the years are as follows:

	2023 S$'000	2022 S$'000
At the beginning of the reporting period	**7,098**	4,696
New leases	**1,534**	5,857
Accretion of interest recognised during the year	**490**	370
Derecognition	**–**	(180)
COVID-19-related rent concessions from lessors	**–**	(89)
Payments	**(3,886)**	(3,506)
Exchange realignment	**(47)**	(50)
At the end of the reporting period	**5,189**	7,098
Analysed into:		
– Current portion	**3,058**	2,963
– Non-current portion	**2,131**	4,135
	5,189	7,098

The present value of lease liabilities is summarised as below:

	Lease payments		**Present value of lease payments**	
	2023 S$'000	2022 S$'000	**2023 S$'000**	2022 S$'000
Amounts payable:				
Within one year	**3,347**	3,385	**3,058**	2,963
More than one year, but not exceeding five years	**2,343**	4,523	**2,131**	4,135
	5,690	7,908	**5,189**	7,098
Less: future finance charges	**(501)**	(810)		
Total lease liabilities	**5,189**	7,098		

During the year ended 31 December 2023, the effective interest rate for the lease liabilities of the Group was approximately 6% (2022: approximately 6%) per annum.

15. LEASE (continued)

The Group as a lessee (continued)

(b) Lease liabilities (continued)

The amounts recognised in profit or loss in relation to leases are as follows:

	Notes	**2023 S$'000**	2022 S$'000
Interest on lease liabilities		**490**	370
Depreciation of right-of-use assets		**3,183**	2,918
Impairment loss on right-of-use assets	14(c)	**1,192**	–
Expenses relating to short-term leases (included in "**Rentals and related expenses**")		**163**	448
Variable lease payments not included in the measurement of lease liabilities (included in "**Rentals and related expenses**")	15(c)	**149**	147
		5,177	3,883

The total cash flows for the year ended 31 December 2023 were approximately S$4,198,000 (2022: approximately S$4,101,000).

At 31 December 2023, the Group was not committed to any short-term leases payment. At 31 December 2022, the Group was committed to approximately S$265,000 for short-term leases.

The Group has options to extend the lease term for an additional period after the end of the contract term. Lease payments are generally fixed. Where practicable, extension options are included in the lease terms to provide operational flexibility to the Group. However, these terms are generally not reflected in measuring the lease liabilities because the options are not reasonably certain to be exercised. For those leases with such extension options, the potential future lease payments relating to periods following the exercise dates of extension options are approximately of S$4,278,000 (2022: approximately S$6,181,000).

15. LEASE (continued)

The Group as a lessee (continued)

(c) Variable lease payments

The lease contract of a restaurant or outlet contains variable lease payment terms that are linked to sales generated from the restaurant or outlet. Variable lease payment terms are used, when possible, in newly established restaurants or outlets because it allows the Group to align lease expenses with revenue earned and reduce the business risk. During the year ended 31 December 2023, about 86% (2022: 83%) of lease contracts contain such variable lease payment terms.

Further details about the leases with variable lease payments are set out below:

For the year ended 31 December 2023	Fixed payments made S$'000	Variable payments made S$'000	Total payments made S$'000	Estimated annual impact in variable payments under 1% change in sales S$'000
Dining operations	3,419	66	3,485	7
Artisanal bakery business	522	83	605	8
	3,941	149	4,090	15

For the year ended 31 December 2022	Fixed payments made S$'000	Variable payments made S$'000	Total payments made S$'000	Estimated annual impact in variable payments under 1% change in sales S$'000
Dining operations	2,205	64	2,269	6
Artisanal bakery business	410	83	493	8
	2,615	147	2,762	14

16. INTANGIBLE ASSET

The franchise licence of the Group represented the franchise fees of approximately S$243,000 paid and recognised as intangible asset in prior years for the right to use the manuals, trademarks and other intellectual property of the licensor, which was an independent third-party company. The intangible asset had been fully amortised during the year ended 31 December 2021.

During the year ended 31 December 2021, the franchise agreement was extended for a period of 1 year, following its expiry on 15 November 2021 to 15 November 2022. Further to the termination agreement dated on 31 January 2023, the franchise licence was expired with effective from 30 April 2023. Accordingly, the cost and accumulated amortisation of the intangible asset of approximately S$243,000 and S$243,000, respectively, had been derecognised during the year ended 31 December 2023.

17. INVENTORIES

	2023 **S$'000**	2022 S$'000
Raw materials	**202**	294
Finished goods	**6**	6
Food and beverage, and other operating items for restaurant operations	**44**	42
	252	342

18. TRADE AND OTHER RECEIVABLES

	Notes	**2023** **S$'000**	2022 S$'000
Trade receivables	18(a)	**155**	113
Refundable deposits, net	18(b)	**821**	1,403
Other receivables		**473**	111
		1,449	1,627
Less: refundable deposits classified as non-current assets		**(362)**	(783)
		1,087	844

18. TRADE AND OTHER RECEIVABLES (continued)

18(a) Trade receivables

Included in the balances are the trade receivables (before loss allowance) from contracts with customers within IFRS 15:

	2023 S$'000	2022 S$'000
At the beginning of the reporting period	**113**	81
At the end of the reporting period	**155**	113

The Group's trading terms with its customers are mainly on cash and credit card settlement. The credit term to franchisees is generally on 14 to 30 days (2022: 14 to 30 days). In view of the fact that the Group's trade receivables relate to credit card receivables from banks and franchisees, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

An ageing analysis of the trade receivables at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2023 S$'000	2022 S$'000
Less than 30 days	**155**	113

The details of the loss allowance for impairment of trade receivables are set out in Note 28.

18. TRADE AND OTHER RECEIVABLES (continued)

18(b)Refundable deposits, net

Refundable deposits mainly represent rental deposits and deposits with suppliers. At the end of the reporting period, the loss allowance is assessed as follows:

	2023 S$'000	2022 S$'000
Refundable deposits	834	1,416
Less: Loss allowance	(13)	(13)
At the end of the reporting period	**821**	1,403

The movement in the loss allowance for impairment of refundable deposits is as follows:

	2023 S$'000	2022 S$'000
At the beginning and **at the end of the reporting period**	**13**	13

19. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2023 S$'000	2022 S$'000
Cash and bank balances	374	2,338
Fixed deposits with licensed banks	253	362
	627	2,700
Less: Fixed deposits pledged for banking facilities	(216)	(464)
	411	2,236

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and deposits are deposited with creditworthy banks with no recent history of default.

Fixed deposits of approximately S$216,000 (2022: approximately S$464,000) were pledged to a licensed bank for banking facilities granted to the Group at 31 December 2023. This includes approximately S$16,000 (2022: approximately S$140,000) which was pledged to a licensed bank to cure the breach in a loan covenant, as disclosed in Note 22 to the consolidation financial statement.

The interest rates of the fixed deposits range from 2.20% to 3.10% (2022: 0.05% to 3.10%) per annum. The maturity periods of the fixed deposits during the year ended 31 December 2023 is 359 days to 365 days (2022: 92 days to 365 days).

20. TRADE AND OTHER PAYABLES

	Note	2023 S$'000	2022 S$'000
Trade payables		**1,097**	1,153
Salaries payables*		**1,062**	841
Other payables		**1,168**	778
Accrued expenses		**336**	310
Provision for unutilised leave		**103**	72
Provision for reinstatement costs	20(a)	**440**	454
Goods and services tax payables		**61**	97
		4,267	3,705
Less: Other payables classified as non-current liabilities		**(250)**	(307)
		4,017	3,398

* Salaries payables including an amount due to a senior management amounted to approximately S$0.21 million at 31 December 2023 (2022: approximately S$0.17 million)

Trade payables and other payables are normally settled on 60 days' terms (2022: 60 days' term). These amounts are non-interest-bearing.

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2023 S$'000	2022 S$'000
Less than 30 days	**567**	608
31 to 60 days	**425**	418
61 to 90 days	**41**	83
More than 90 days	**64**	44
	1,097	1,153

20(a) Provision for reinstatement costs

	2023 S$'000	2022 S$'000
At the beginning of the reporting period	**454**	179
Additions (Note 14(b))	**33**	345
Utilisation	**(44)**	(67)
Exchange difference	**(3)**	(3)
At the end of the reporting period	**440**	454

Provision for reinstatement costs is recognised when the Group entered into a lease agreement for the premises. It includes the estimated cost of demolishing and removing all the leasehold improvements made by the Group to the premises. The premises shall be reinstated to the condition set up in the lease agreements upon the expiration of the lease agreements. The Group incurred reinstatement costs for certain closed outlets during the years ended 31 December 2023 and 2022.

21. AMOUNT DUE TO A DIRECTOR

The balance represents an amount due to a director, Ms. Low Yeun Ching @Kelly Tan, for working capital purpose. The amount due was unsecured, interest-free and repayable on demand.

Ms. Low Yeun Ching @Kelly Tan has confirmed in writing that she will not demand the Group for partial or full repayment until such demand or withdrawal has no significant adverse impact on the Group's going concern and the sufficiency of working capital.

22. INTEREST-BEARING BANK BORROWINGS

	2023		2022	
	Effective interest rate	**S$'000**	Effective interest rate	S$'000
Current				
Bank loan I	**5.14%**	**23**	5.14%	20
Bank loan II	**3.00%**	**128**	3.00%	125
Bank loan III	**3.00%**	**190**	3.00%	184
Bank loan IV	**3.00%**	**126**	3.00%	123
Bank loan V	**4.00%**	**194**	4.00%	186
Bank loan VI	**2% over 3-month compounded SORA**	**53**	2% over 3-month compounded SORA	53
		714		691

	2023		2022	
	Effective interest rate	**S$'000**	Effective interest rate	S$'000
Non-current				
Bank loan I	**5.14%**	**29**	5.14%	52
Bank loan II	**3.00%**	**88**	3.00%	215
Bank loan III	**3.00%**	**196**	3.00%	387
Bank loan IV	**3.00%**	**131**	3.00%	258
Bank loan V	**4.00%**	**591**	4.00%	768
Bank loan VI	**2% over 3-month compounded SORA**	**797**	2% over 3-month compounded SORA	851
		1,832		2,531
		2,546		3,222

22. INTEREST-BEARING BANK BORROWINGS (continued)

	2023 S$'000	2022 S$'000
Carrying amounts of the interest-bearing bank borrowings are repayable:		
Within one year	**714**	691
In the second year	**692**	713
In the third to fifth years	**556**	1,180
Over five years	**584**	638
	2,546	3,222

Notes:

Bank loan I

This bank loan is secured by a charge over a motor vehicle with aggregate net carrying amount of approximately S$120,000 (2022: approximately S$142,000), as disclosed in Note 14 to the consolidated financial statement. The discount rate implicit in the loan is 5.14% for the years ended 31 December 2023 and 2022.

Bank loan II

The bank loan is secured by way of corporate guarantee by the Group and a fixed deposit of approximately S$200,000 (2022: approximately S$200,000). The discount rate implicit in the loan is 3% for the years ended 31 December 2023 and 2022.

Bank loans III & IV

The bank loans are secured by way of corporate guarantee by the Group and a personal guarantee by a director of the Company. The discount rate implicit in the loans are 3% for the years ended 31 December 2023 and 2022.

Bank loan V

The bank loan is secured by way of corporate guarantee by the Group and a personal guarantee by a director of the Company. The discount rate implicit in the loan is 4% for the years ended 31 December 2023 and 2022.

Bank loan VI

The bank loan is secured by way of (i) corporate guarantee by the Group, (ii) a personal guarantee by a director of the Company and (iii) mortgage over the property with aggregate net carrying amount of approximately S$1,537,000 (2022: approximately S$1,571,000), as disclosed in Note 14 to the consolidated financial statements.

Breach of covenant clause

At 31 December 2023 and 2022, one of the subsidiaries of the Company breached a covenant of the bank loan, in which did not fulfil the requirement to maintain normalised debt service coverage ratio of 1 time at all times during the years ended 31 December 2023 and 2022. At 31 December 2023, the carrying amount of the bank loan with breached covenant was approximately S$216,000 (2022: approximately S$340,000). The bank is contractually entitled to request for the shortfall to be covered by cash or fixed deposits, to be placed with them until the breach is cured. In addition to the fixed deposits, the amount of cash required to cure the breach is S$16,000 (2022: approximately S$140,000) and has been classified as restricted cash, which included in pledged deposits at the end of the reporting period.

23. DEFERRED TAX

At 31 December 2023, the Group has tax losses arising from Singapore of approximately S$9,050,000 (2022: tax losses from Singapore and Malaysia of approximately S$7,073,000 and S$95,000, respectively).

At 31 December 2023 and 2022, the tax losses arising in Singapore, subject to the agreement by the Inland Revenue Authority of Singapore, are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

At 31 December 2022, the tax losses arising in Malaysia that can be offset against future taxable profits, which can be carried for 7 consecutive years of assessment (i.e. from year of assessment 2023 to 2029).

For the years ended 31 December 2023 and 2022, deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

24. SHARE CAPITAL AND SHARE PREMIUM

Share capital

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 22 May 2017 with authorised share capital of HK$100,000,000 divided into 10,000,000,000 shares of HK$0.01 each. On the date of incorporation, 1 share of nominal value of HK$0.01 was allotted and issued to Ms. Low Yeun Ching @Kelly Tan. Upon the completion of the reorganisation on 11 August 2017, the Company became the holding company of the Group.

	2023 **S$'000**	2022 S$'000
Issued and fully paid:		
500,000,000 ordinary shares	**869**	869

A summary of the movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital S$'000	Share premium S$'000	Total S$'000
At 1 January 2022, 31 December 2022, 1 January 2023 and **31 December 2023**	500,000,000	869	13,311	14,180

Note:

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

Share premium

Share premium represents the difference between the nominal value and the issuing value of the shares.

25. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

(a) Merger reserve

Merger reserve represents the difference between the consideration paid and the share capital of the acquired entities under common control.

The addition of S$5,858,000 (equivalent to HK$32,700,000) in the year ended 31 December 2017 represented the proceeds from a pre-listing investor while the shares subscribed are issued after the balance sheet date. The capital injection proceeds were satisfied via shares issued on 11 May 2017 by one of the Group's subsidiaries, JLogo Limited.

387,499,999 fully paid ordinary shares of the Company were issued during the year ended 31 December 2017 to acquire the shares of JLogo Limited in connection with the reorganisation.

(b) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all relevant exchange differences arising from the translation of the financial statements of foreign operations.

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions information disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties:

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, representing amounts paid to the Company's directors and senior executives, is as follows:

	2023 **S$'000**	2022 S$'000
Salaries, allowances and other benefits-in-kind	**759**	640
Discretionary performance-related bonuses	**22**	19
Pension scheme contributions	**43**	30
	824	689

The remuneration was based on the terms mutually agreed between the Group and the related parties.

Further details of the directors' and the chief executive's remuneration are included in Note 9 to the consolidated financial statements.

26. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Related party transactions

During the years ended 31 December 2023 and 2022, there were no significant related party transactions except for four of the Group's bank loans are secured by way of personal guarantee provided by Ms. Low Yeun Ching @Kelly Tan.

In the opinion of the directors of the Company, these related party transactions were conducted in the ordinary course of business of the Group.

(c) Related party balances

At the end of the reporting period, the Group had the following balances with its related party:

	2023 **S$'000**	2022 S$'000
Amount due to a director (Note 21)	**293**	–

27. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of the reporting period are as follows:

	2023 **S$'000**	2022 S$'000
Financial assets at amortised costs		
Financial assets included in trade and other receivables	**1,449**	1,627
Pledged deposits	**216**	464
Cash and cash equivalents	**411**	2,236
	2,076	4,327
Financial liabilities at amortised costs		
Financial liabilities included in trade and other payables	**3,663**	3,082
Amount due to a director	**293**	–
Interest-bearing bank borrowings	**2,546**	3,222
Lease liabilities	**5,189**	7,098
	11,691	13,402

28. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of pledged deposits, cash and cash equivalents, trade and other receivables, trade and other payables, amount due to a director and interest-bearing bank borrowings (current portion) approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the directors of the Company. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the directors of the Company.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate their fair values.

The fair values of non-current other receivables, lease liabilities and non-current interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities and were assessed to be approximating to their carrying amounts.

In the opinion of the directors of the Company, no financial assets and liabilities of the Group are carried at amount materially different from their fair values at 31 December 2023 and 2022.

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk and liquidity risk. The Group's overall risk management objective is to effectively manage these risks and seek to minimise potential adverse effects on the financial performance of the Group. The Group reviews and agrees policies for managing each of these risks and they are summarised below.

28. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Credit risk

The Group adopts the policy of dealing only with customers with appropriate credit history. For financial assets, the Group adopts the policy of dealing with financial institutions and other counterparties with high credit ratings. Customers' payment profile and credit exposure are continuously monitored by the Group.

Maximum exposure and year-end staging at 31 December 2023

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification at 31 December 2023. The amounts presented are net carrying amounts for financial assets.

For the year ended 31 December 2023	12-month ECL Stage 1 S$'000	Lifetime ECL Stage 2 S$'000	Lifetime ECL Stage 3 S$'000	Total S$'000
Trade receivables				
– Normal*	155	–	–	155
– Doubtful*	–	–	–	–
– Credit-impaired*	–	–	–	–
Financial assets included in other receivables				
– Normal*	1,294	–	–	1,294
– Credit-impaired*	–	–	–	–
Pledged deposits				
– Not yet past due	216	–	–	216
Cash and cash equivalents				
– Not yet past due	411	–	–	411
	2,076	–	–	2,076

28. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Maximum exposure and year-end staging at 31 December 2022

For the year ended 31 December 2022	12-month ECL Stage 1 S$'000	Lifetime ECL Stage 2 S$'000	Lifetime ECL Stage 3 S$'000	Total S$'000
Trade receivables				
– Normal*	113	–	–	113
– Doubtful*	–	–	–	–
– Credit-impaired*	–	–	–	–
Financial assets included in other receivables				
– Normal*	1,514	–	–	1,514
– Credit-impaired*	–	–	–	–
Pledged deposits				
– Not yet past due	464	–	–	464
Cash and cash equivalents				
– Not yet past due	2,236	–	–	2,236
	4,327	–	–	4,327

* The credit quality of the financial assets included in other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful" or "credit-impaired".

There was no change in the estimation techniques or significant assumptions made during the years ended 31 December 2023 and 2022. Further quantitative data in respect of the Group's exposure to credit risk arising from trade and other receivables are disclosed in Note 18 to the consolidated financial statements.

28. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its interest-bearing bank borrowings.

At 31 December 2023, the Group had interest-bearing bank borrowings with variable interest rate of approximately S$850,000 (2022: approximately S$904,000). If S$ interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's consolidated loss before tax would have been approximately S$9,000 (2022: approximately S$9,000) higher/lower for the year ended 31 December 2023, arose mainly as a result of the higher/lower interest expense on floating rate loans and borrowings.

The above sensitivity analysis has been determined assuming that the reasonably possible changes in the interest rate has occurred at the beginning of the reporting period and has been applied to the exposure to interest rate risk in existence at the end of the reporting period.

Liquidity risk

The Group manages liquidity risk by maintaining cash and available funding through committed credit facilities sufficient to enable it to meet its operational requirements.

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

At 31 December 2023	Carrying amounts S$'000	Within one year or on demand S$'000	More than one year but less than two years S$'000	More than two years but less than five years S$'000	More than five years S$'000	Total S$'000
Financial liabilities included in trade and other payables	3,663	3,663	–	–	–	3,663
Amount due to a director	293	293	–	–	–	293
Lease liabilities	5,189	3,347	1,369	974	–	5,690
Interest-bearing bank borrowings	2,546	775	734	596	649	2,754
	11,691	8,078	2,103	1,570	649	12,400

28. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

At 31 December 2022	Carrying amounts S$'000	Within one year or on demand S$'000	More than one year but less than two years S$'000	More than two years but less than five years S$'000	More than five years S$'000	Total S$'000
Financial liabilities included in trade and other payables	3,082	3,082	–	–	–	3,082
Lease liabilities	7,098	3,385	2,598	1,925	–	7,908
Interest-bearing bank borrowings	3,222	782	732	1,310	714	3,538
	13,402	7,249	3,330	3,235	714	14,528

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to provide adequate cash flows to meet its operating requirements.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 2022.

29. OTHER CASH FLOW INFORMATION

(a) Major non-cash transactions

In addition to the information disclosed elsewhere in the consolidated financial statements, the Group had the following major non-cash transactions:

(i) During the year ended 31 December 2023, the Group had non-cash additions to right-of-use assets and lease liabilities of approximately S$1,534,000 and S$1,534,000 respectively, in respect of lease arrangements for leasehold land and building (2022: approximately S$5,857,000 and S$5,857,000, respectively).

(ii) During the year ended 31 December 2023, the refundable deposits paid to constructors of approximately S$400,000 were received by one of the directors of the Company on behalf of the Group and were settled through the amount due to a director.

29. OTHER CASH FLOW INFORMATION (continued)

(b) Reconciliation of liabilities arising from financing activities

Details of the changes in the Group's liabilities from financing activities are as follows:

For the year ended 31 December 2023

	Interest-bearing bank borrowings S$'000	Lease liabilities S$'000	Amount due to a director S$'000	Total S$'000
At 1 January 2023	3,222	7,098	–	10,320
Non-cash changes				
New leases	–	1,534	–	1,534
Accretion of interest recognised during the year	–	490	–	490
Refundable deposits received on behalf of the Group	–	–	(400)	(400)
Exchange realignment	–	(47)	–	(47)
Cash (outflow) inflow in financing activities:				
Payment of principal portion of lease liabilities	–	(3,886)	–	(3,886)
Repayment of bank loans	(676)	–	–	(676)
Advance from a director	–	–	693	693
At 31 December 2023	2,546	5,189	293	8,028

29. OTHER CASH FLOW INFORMATION (continued)

(b) Reconciliation of liabilities arising from financing activities (continued)

For the year ended 31 December 2022

	Interest-bearing bank borrowings S$'000	Lease liabilities S$'000	Total S$'000
At 1 January 2022	2,733	4,696	7,429
Non-cash changes			
New leases	–	5,857	5,857
COVID-19-related rental concessions	–	(89)	(89)
Accretion of interest recognised during the year	–	(180)	(180)
Derecognition	–	370	370
Exchange realignment	–	(50)	(50)
Cash inflow (outflow) in financing activities:			
Payment of principal portion of lease liabilities	–	(3,506)	(3,506)
Proceeds from bank loans	1,917	–	1,917
Repayment of bank loans	(1,428)	–	(1,428)
At 31 December 2022	3,222	7,098	10,320

30. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	2023 S$'000	2022 S$'000
Non-current asset			
Interests in subsidiaries		**1,243**	5,258
Current assets			
Due from subsidiaries		**–**	–
Cash and cash equivalents		**–***	403
		–*	403
Current liabilities			
Other payables and accruals		**553**	366
Due to subsidiaries		**4,178**	3,896
		4,731	4,262
Net current (liabilities) assets		**(4,731)**	(3,859)
Total assets less current liabilities		**(3,488)**	1,399
NET (LIABILITIES) ASSETS		**(3,488)**	1,399
EQUITY			
Share capital		**869**	869
Reserves	30(a)	**(4,357)**	530
TOTAL (DEFICITS) EQUITY		**(3,488)**	1,399

* Amounts have been rounded to the nearest thousand.

This statement of financial position was approved and authorised for issue by the Board of Directors on 28 March 2024 and signed on its behalf by

LOW Yeun Ching @Kelly Tan
Director

CHIU Ka Wai
Director

30. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

30(a) Movement of the reserves

	Share premium S$'000 (Note 24)	Exchange fluctuation reserve S$'000 (Note 25(b))	Accumulated losses S$'000	Total S$'000
At 1 January 2022	13,311	101	(6,705)	6,707
Loss for the year	–	–	(6,303)	(6,303)
Other comprehensive income				
Item that will not be reclassified to profit or loss:				
Exchange differences on translation of the Company's financial statements to presentation currency	–	126	–	126
Total comprehensive loss	–	126	(6,303)	(6,177)
At 31 December 2022	13,311	227	(13,008)	530
At 1 January 2023	**13,311**	**227**	**(13,008)**	**530**
Loss for the year	**–**	**–**	**(4,963)**	**(4,963)**
Other comprehensive income				
Item that will not be reclassified to profit or loss:				
Exchange differences on translation of the Company's financial statements to presentation currency	**–**	**76**	**–**	**76**
Total comprehensive loss	**–**	**76**	**(4,963)**	**(4,887)**
At 31 December 2023	**13,311**	**303**	**(17,971)**	**(4,357)**

The directors of the Company do not recommend the payment of a dividend for the years ended 31 December 2023 and 2022.

FINANCIAL SUMMARY

	2023	2022	2021	2020	2019
	S$'000	S$'000	S$'000	S$'000	S$'000
Results					
Revenue	**17,052**	17,461	13,233	13,149	20,433
Loss before tax	**(4,909)**	(1,687)	(2,820)	(2,085)	(2,708)
Income tax (expense) credit	**(14)**	–	1	82	(164)
Loss for the year	**(4,923)**	(1,687)	(2,819)	(2,003)	(2,872)

	2023	2022	2021	2020	2019
	S$'000	S$'000	S$'000	S$'000	S$'000
Assets and liabilities					
Total assets	**8,827**	15,513	14,553	19,687	21,656
Total liabilities	**12,302**	14,032	11,269	13,621	13,570
Total (deficits) equity	**(3,475)**	1,481	3,284	6,066	8,086